

**Income Tax (Concessionary Rate of Tax for Approved Oil Trading Companies)
Regulations**

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**INCOME TAX ACT
(CHAPTER 134, SECTION 43F)**

**INCOME TAX (CONCESSIONARY RATE OF TAX FOR APPROVED OIL
TRADING COMPANIES)
REGULATIONS**

Rg 15

G.N. No. S 198/1992

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Citation

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Approved Oil Trading Companies) Regulations.

Definitions

2. In these Regulations —

“over the counter hedging transaction” means any transaction, other than a transaction carried out on any exchange specified in the First Schedule, in petroleum swaps or options including caps, collars, floors and swap options, where —

- (a) the consideration or other payment in the transaction is calculated on the basis of the price of petroleum or any petroleum product;
- (b) the transaction is in connection with and incidental to any physical trading; and
- (c) the transaction is carried out by an approved oil trading company with —
 - (i) another approved oil trading company;
 - (ii) a person who carries on the business of refining petroleum in Singapore;
 - (iii) a person who is neither a resident of nor a permanent establishment in Singapore;
 - (iv) a branch office outside Singapore of a company resident in Singapore; or
 - (v) an Asian Currency Unit of a financial institution;

“petroleum futures trading” means trading in futures contracts or options in petroleum or any petroleum product on any exchange specified in the First Schedule carried out by an approved oil trading company in accordance with the rules and regulations or customs and practices of that exchange with —

- (a) an Asian Currency Unit of a financial institution;
- (b) a member of SIMEX;
- (c) a person who is neither a resident of nor a permanent establishment in Singapore;

(d) a branch office outside Singapore of a company resident in Singapore; or

(e) another approved oil trading company;

“petroleum product” means any of the products specified in the Second Schedule;

“physical trading” means trading in petroleum or any petroleum product on a spot or forward basis where the intention of the parties at the time of the transaction is that actual delivery of the petroleum or petroleum product is required, whether or not it is actually made, and where the petroleum or petroleum product is purchased by an approved oil trading company from and sold to —

(a) another approved oil trading company;

(b) a person who carries on the business of refining petroleum in Singapore;

(c) a person who is neither a resident of nor a permanent establishment in Singapore; or

(d) a branch office outside Singapore of a company resident in Singapore,

but excludes any transaction in which the petroleum or petroleum product is purchased for the purposes of consumption in Singapore or for the supply of fuel to aircraft or vessels within Singapore;

“qualifying transaction” means any of the following transactions carried out by an approved oil trading company in currencies other than Singapore dollars:

(a) physical trading;

(b) petroleum futures trading; or

(c) over the counter hedging transaction.

Approved oil trading company

3.—(1) The Minister may approve any oil trading company for the purposes of section 43F of the Act for such period not exceeding 5 years as he may specify.

(2) The Minister may in any particular case extend the period so specified for such further periods, not exceeding 5 years at any one time, as he thinks fit.

Concessionary rate of tax

4.—(1) Subject to paragraph (2), tax shall be payable at the rate of 10% on the