

Economic Expansion Incentives (Relief from Income Tax) (Intellectual Property Income) Regulations 2018

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THE SCHEDULE

No. S 269

ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) ACT (CHAPTER 86)

ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) (INTELLECTUAL PROPERTY INCOME) REGULATIONS 2018

In exercise of the powers conferred by section 102(1) of the Economic Expansion Incentives (Relief from Income Tax) Act, the Minister for Trade and Industry (Trade) makes the following Regulations:

Citation and commencement

1. These Regulations are the Economic Expansion Incentives (Relief from Income Tax) (Intellectual Property Income) Regulations 2018 and come into operation on 4 May 2018.

Definitions

2.—(1) In these Regulations —

“existing intellectual property right”, in relation to a pioneer service company or a development and expansion company, means an intellectual property right that comes into the ownership of the company before 1 July 2018, and is not a right mentioned in paragraph (b) of the definition of “new intellectual property right”;

“intellectual property right” means a right conferred by any patent, copyright, trade mark, registered design, geographical indication, layout-design of integrated circuit or the grant of protection of a plant variety;

“new intellectual property right”, in relation to a pioneer service company or a development and expansion company, means an intellectual property right that —

- (a) comes into the ownership of the company on or after 1 July 2018; or
- (b) comes into the ownership of the company after 16 October 2017 but before 1 July 2018 as a result of an acquisition by the company, directly or indirectly, from a related party, where the main purpose or one of the main purposes of the acquisition is to avoid income tax in Singapore or elsewhere.

(2) For the purposes of these Regulations, a pioneer service company or a development and expansion company owns an intellectual property right if the company is the owner of the right or a grantee of a licence to the right.

(3) For the purposes of these Regulations, royalties or other income is derived from an intellectual property right if it is receivable as consideration for the commercial exploitation of that right.

(4) For the purposes of these Regulations, a person (*X*) is a related party of a pioneer service company or a development and expansion company (*Y*) if —

- (a) *X*, directly or indirectly, controls *Y*;
- (b) *Y*, directly or indirectly, controls *X*; or
- (c) *X* and *Y* are, directly or indirectly, controlled by a common person.

Prescribed intellectual property income

3.—(1) The intellectual property income prescribed for the purposes of section 3 of the Act is —