

Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations

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INCOME TAX ACT (CHAPTER 134, SECTION 43G)

INCOME TAX (CONCESSIONARY RATE OF TAX FOR APPROVED FINANCE AND TREASURY CENTRE) REGULATIONS

Rg 18

G.N. No. S 503/1992

REVISED EDITION 1998

(15th September 1998)

[11th December 1992]

Citation

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations and shall have effect for the year of assessment 1991 and subsequent years of assessment.

Definitions

2. In these Regulations —

“approved offices and associated companies”, in relation to an approved Finance and Treasury Centre, means the offices and associated companies of the approved Finance and Treasury Centre approved under section 43G of the Act;

[S 159/2007 wef 16/04/2007]

“qualifying activities” means the following activities carried out by an approved Finance and Treasury Centre on its own account:

- (a) transacting or investing in stocks and shares of companies which are neither incorporated nor resident in Singapore;
 - (b) transacting or investing in securities, other than stocks and shares but including bonds, notes, certificates of deposit and treasury bills, issued by foreign governments, foreign banks outside Singapore and companies which are neither incorporated nor resident in Singapore;
 - (c) transacting or investing in certificates of deposit, notes and bonds issued by —
 - (i) a bank that holds a licence under section 7 or 79 of the Banking Act (Cap. 19); or
 - (ii) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;
- [S 483/2021 wef 01/07/2021]*
- (d) transacting or investing in Asian Dollar Bonds approved under section 13(1)(v) of the Act;
 - (e) investing in deposits held in Singapore with —
 - (i) a bank that holds a licence under section 7 or 79 of the Banking Act; or
 - (ii) a merchant bank that holds a merchant bank licence, or is

treated as having been granted a merchant bank licence,
under the Banking Act;

[S 483/2021 wef 01/07/2021]

- (ea) investing in foreign currency deposits held outside Singapore with a financial institution outside Singapore;

[S 483/2021 wef 01/07/2021]

- (f) foreign exchange transactions with —

- (i) a bank outside Singapore;
- (ii) a person who is not resident in Singapore and who does not have a permanent establishment in Singapore;
- (iii) a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where the transactions are not entered into through that operation;
- (iv) a bank that holds a licence under section 7 or 79 of the Banking Act; or
- (v) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;

[S 483/2021 wef 01/07/2021]

- (g) transactions involving interest rate or currency swaps entered into before 17th February 2006 —

- (i) for or with banks outside Singapore or persons who are neither residents of nor permanent establishments in Singapore; or
- (ii) with banks that hold a licence under section 7 or 79 of the Banking Act, or merchant banks approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186) before that date;

[S 483/2021 wef 01/07/2021]

- (h) transactions in financial futures contracts or options entered into before 17th February 2006 with a member of any exchange specified in the Schedule;

[S 159/2007 wef 17/02/2006]

- (i) factoring, forfaiting and re-invoicing activities for its approved offices and associated companies (whether within or outside Singapore);
- (j) providing credit facilities to its approved offices and associated companies (whether within or outside Singapore);
[S 159/2007 wef 17/02/2006]
- (k) transactions involving derivatives (including transactions involving interest rate or currency swaps and transactions in financial futures contracts or options) entered into on or after 17th February 2006 —
 - (i) for or with a bank outside Singapore;
[S 483/2021 wef 01/07/2021]
 - (ii) for or with a person who is not resident in Singapore and who does not have a permanent establishment in Singapore;
[S 483/2021 wef 01/07/2021]
 - (iia) for or with a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where the transactions are not entered into through that operation;
[S 483/2021 wef 01/07/2021]
 - (iib) with a bank that holds a licence under section 7 or 79 of the Banking Act;
[S 483/2021 wef 01/07/2021]
 - (iic) with a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;
[S 483/2021 wef 01/07/2021]
 - (iii) with its approved offices and associated companies (whether within or outside Singapore); or
 - (iv) with a member of any exchange specified in the Schedule;
[S 437/2007 wef 15/02/2007]
[S 159/2007 wef 17/02/2006]
- (l) transacting or investing in units in any unit trust, where the manager of the unit trust engages wholly in one or more of the activities set out in paragraphs (a) to (h) or (k),

where the funds used by the approved Finance and Treasury Centre for carrying out the activities are obtained from —

- (i) financial institutions in Singapore;

- (ii) its paid-up capital;
- (iii) its accumulated profits derived from qualifying activities and qualifying services approved under section 43G(2) of the Act;
- (iv) its approved offices and associated companies, but excluding such funds borrowed or raised by the approved offices or associated companies, as the case may be, from sources other than —
 - (A) financial institutions in Singapore;
 - (B) banks outside Singapore;
 - (C) non-bank financial institutions outside Singapore which are not offices or associated companies of the approved Finance and Treasury Centre; and
 - (D) the issuance of any bond, note, debenture or other debt security which is not beneficially held or funded, directly or indirectly, at any time during the life of the issue by any office or associated company of the approved Finance and Treasury Centre which is not an approved office or associated company of the approved Finance and Treasury Centre;
- (v) the issuance of any bond, note, debenture or other debt security which is not beneficially held or funded, directly or indirectly, at any time during the life of the issue by any office or associated company of the approved Finance and Treasury Centre which is not an approved office or associated company of the approved Finance and Treasury Centre;
- (vi) banks outside Singapore; and
- (vii) non-bank financial institutions outside Singapore which are not its offices or associated companies;

*[S 17/2006 wef 18/02/2005]
[S 437/2007 wef 15/02/2007]*

“qualifying services” means the following services provided in Singapore by an approved Finance and Treasury Centre to its approved offices and associated companies:

- (a) arranging credit facilities where the funds for providing the facilities are obtained from —