

# **Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations 2017**

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## **THE SCHEDULE**

**No. S 88**

### **INCOME TAX ACT (CHAPTER 134)**

### **INCOME TAX (CONCESSIONARY RATE OF TAX FOR APPROVED FINANCE AND TREASURY CENTRE) REGULATIONS 2017**

In exercise of the powers conferred by section 43G(1) of the Income Tax Act, the Minister for Finance makes the following Regulations:

## Citation and commencement

1. These Regulations are the Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations 2017 and come into operation on 10 March 2017.

## 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;

“AT1 instrument” means a security (not being a stock or a share) commonly known as Additional Tier 1 capital instrument;

“collective investment scheme” has the same meaning as in section 2(1) of the Securities and Futures Act (Cap. 289);

“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 any company;
- (b) transacting or investing in certificates of deposit, notes, bonds, treasury bills, commercial papers, AT1 instruments and collective investment schemes (excluding any collective investment scheme constituted as a unit trust) issued or operated by —
  - (i) the Government or any foreign government;
  - (ii) any bank that holds a licence under section 7 or 79 of the Banking Act (Cap. 19);
  - (iii) any merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;
  - (iv) any bank outside Singapore; or
  - (v) any company;
- (c) investing in deposits held in Singapore with any financial institution in Singapore, or in deposits held outside Singapore with any financial institution outside Singapore;

*[S 484/2021 wef 01/07/2021]*

- (d) foreign exchange transactions;
- (e) factoring, forfaiting and re-invoicing activities for its approved offices and associated companies;
- (f) providing credit facilities to its approved offices and associated companies;
- (g) transactions involving derivatives (including transactions involving interest rate or currency swaps and transactions in financial futures contracts or options) entered into with —
  - (i) any bank outside Singapore;
  - (ii) any bank that holds a licence under section 7 or 79 of the Banking Act;
 

*[S 484/2021 wef 01/07/2021]*
  - (iia) any merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;
 

*[S 484/2021 wef 01/07/2021]*
  - (iii) its approved offices and associated companies; or
  - (iv) a member of any exchange specified in the Schedule;
- (h) 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 paragraph (a), (b), (c), (d) or (g),

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

- (i) any financial institution 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) any financial institution in Singapore;
  - (B) any bank outside Singapore;