

**Income Tax (Concessionary Rate of Tax for Global Trading Companies)
Regulations 2016**

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activities**

No. S 341

**INCOME TAX ACT
(CHAPTER 134)**

INCOME TAX (CONCESSIONARY RATE OF TAX FOR

GLOBAL TRADING COMPANIES) REGULATIONS 2016

In exercise of the powers conferred by section 43P 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 Global Trading Companies) Regulations 2016 and come into operation on 21 July 2016.

Definitions

2.—(1) In these Regulations, unless the context otherwise requires —

“appointed person” means a person appointed by the Minister for the purposes of section 43P of the Act;

“approved global trading company” means a global trading company that is approved for the purposes of section 43P of the Act by the Minister or the appointed person, and includes a global trading company which is treated under regulation 6(3) as an approved global trading company;

“associated company”, in relation to an approved global trading company, means a company that is associated with the approved global trading company under regulation 2A;

[S 852/2021 wef 08/11/2021]

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

[S 852/2021 wef 08/11/2021]

“carbon credit” means the right to emit an amount of any greenhouse gas that has the same global warming potential as one tonne of carbon dioxide;

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

[S 852/2021 wef 08/11/2021]

“commodity” means any of the commodities specified in the First Schedule;

[S 852/2021 wef 08/11/2021]

“physical trading” means trading in any commodity on a spot or forward basis between an approved global trading company and any other entity, where the intention of the parties at the time the transaction is entered into is that actual delivery of the commodity is required, whether or not the delivery is actually made;

[S 852/2021 wef 08/11/2021]

“prescribed advisory services in relation to mergers and acquisitions” means advisory services provided by an approved global trading company to any of its associated companies in relation to any merger and acquisition that involves the associated company or another associated company of the approved global trading company;

[S 852/2021 wef 08/11/2021]

“prescribed qualifying structured commodity financing activities” means any activity specified in the Second Schedule;

[S 852/2021 wef 08/11/2021]

“prescribed treasury activities” means —

- (a) the provision of services in relation to the consolidation, management and distribution of funds by an approved global trading company to any of its associated companies; and
- (b) the following activities carried out by an approved global trading company on its own account:
 - (i) transacting or investing in stocks and shares of any company;
 - (ii) transacting or investing in certificates of deposits, notes, bonds, treasury bills, commercial papers, AT1 instruments and units in a collective investment scheme (excluding any collective investment scheme constituted as a unit trust) issued or operated by —
 - (A) the Government or any foreign government;
 - (B) a bank that holds a licence under section 7 or 79 of the Banking Act (Cap. 19);
 - (C) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;
 - (D) a bank outside Singapore; or
 - (E) a company;
 - (iii) investing in deposits held in Singapore with any financial institution in Singapore, or in deposits held outside Singapore with any financial institution outside Singapore;

- (iv) foreign exchange transactions;
- (v) re-invoicing activities for its associated companies;
- (vi) providing credit facilities to its associated companies;
- (vii) transactions involving derivatives (including transactions involving interest rate or currency swaps and transactions in financial futures contracts or options) entered into with —
 - (A) any bank outside Singapore;
 - (B) any bank that holds a licence under section 7 or 79 of the Banking Act;
 - (C) any merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;
 - (D) its associated companies; or
 - (E) a member of any exchange;
- (viii) 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 sub-paragraph (i), (ii), (iii), (iv) or (vii);

[S 852/2021 wef 08/11/2021]

“unit” and “unit trust” have the meanings given by section 10B(2) of the Act.

[S 852/2021 wef 08/11/2021]

[S 235/2017 wef 21/02/2017]

(2) In these Regulations —

- (a) a commodity; or
- (b) a prescribed qualifying structured commodity financing activity, prescribed treasury activity or prescribed advisory service in relation to mergers and acquisitions,

is specified for an approved global trading company if it is specified under regulation 3(1)(b) for the company.

[S 852/2021 wef 08/11/2021]

Association

2A.—(1) In these Regulations, a company (*X*) is associated with an approved global