

Income Tax (Exemption of Foreign Income of Approved Shipping Investment Enterprise) Order 2017

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INCOME TAX ACT
(CHAPTER 134)

INCOME TAX
(EXEMPTION OF FOREIGN INCOME OF
APPROVED SHIPPING INVESTMENT ENTERPRISE)
ORDER 2017

In exercise of the powers conferred by section 13(12) of the Income Tax Act, the Minister for Finance makes the following Order:

Citation and commencement

1.—(1) This Order is the Income Tax (Exemption of Foreign Income of Approved Shipping Investment Enterprise) Order 2017 and, except for paragraphs 5, 7, 8 and 9, is deemed to have come into operation on 1 March 2006.

(2) Paragraph 9 is deemed to have come into operation on 2 March 2006.

(3) Paragraph 8 is deemed to have come into operation on 1 June 2011.

(4) Paragraphs 5 and 7 are deemed to have come into operation on 25 March 2016.

Definitions

2. In this Order —

“applicable sea-going ship”, in relation to an approved company or approved partnership, means a sea-going ship that is acquired by the company or partnership —

(a) if the company or partnership is approved before 1 April 2008, during the period of its approval; or

(b) if the company or partnership is approved on or after 1 April 2008, before or during the period of its approval;

“approved company”, in relation to an ASIE, means a company of which the ASIE is a shareholder, that is approved under paragraph 3;

“approved international shipping enterprise” has the same meaning as in section 13S(20) of the Act;

“approved partnership”, in relation to an ASIE, means a partnership of which the ASIE is a partner, that is approved under paragraph 3;

“approved shipping investment enterprise” or “ASIE” means a shipping investment enterprise approved under section 13S of the Act;

“qualifying period”, in relation to a sea-going ship, means the period specified under section 13S(4) of the Act during which income of that ship, or a class of sea-going ships to which that ship belongs, is exempt from tax under section 13S;

“sea-going ship” includes a Singapore ship;

“Singapore ship” means a ship in respect of which a certificate of registry (other than a provisional certificate of registry) has been issued under the Merchant Shipping Act (Cap. 179) and whose registry is not closed or deemed to be closed or suspended.

Approval

3.—(1) The Minister or such other person as the Minister may appoint may approve a company or partnership of an ASIE for the purpose of this Order.

(2) The Minister or appointed person may only approve a company or partnership if the Minister or appointed person is satisfied that —

- (a) the company or partnership is incorporated, registered or formed outside Singapore;
- (b) the company or partnership carries on a business relating to the chartering or finance leasing of a sea-going ship owned by it for use outside the limits of the port of Singapore, or intends to carry on such business;
- (c) the company or partnership carries on that business, or intends to carry on that business, from a place outside Singapore;
- (d) the company or partnership intends to pay dividends or partnership profits derived from such business to the ASIE, and these payments will promote or enhance the economic development of Singapore; and
- (e) the ships which the company or partnership owns or which it intends to acquire for that business are controlled and managed, or will be controlled or managed, by the ASIE.

Exemption from tax of income relating to chartering and finance leasing of ship derived before 25 March 2016

4.—(1) The income described in sub-paragraph (2) of an ASIE that is received in Singapore during the period of the ASIE’s approval is exempt from tax.