

# **Income Tax (Exemption of Foreign Income) Order 2016**

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

### **INCOME TAX (EXEMPTION OF FOREIGN INCOME) ORDER 2016**

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

#### **Citation**

- 1.** This Order is the Income Tax (Exemption of Foreign Income) Order 2016.

#### **Definitions**

- 2.** In this Order —

“IRAS e-tax guide” means the IRAS e-tax guide entitled “Income Tax: Tax Exemption under Section 13(12) for Specified Scenarios, Real Estate

Investment Trusts and Qualifying Offshore Infrastructure Project/Asset (Third Edition)” published on 19 June 2015;

“scenario” means a scenario (including Scenario F) described in paragraph 4.2 in the IRAS e-tax guide, being one in which income from a source in a country outside Singapore may be received in Singapore;

“Scenario F” means the scenario described in paragraph 4.2.6 in the IRAS e-tax guide, being one in which income from a source in a country outside Singapore may be received in Singapore.

### **Exemption**

3.—(1) Fraser & Neave, Limited is granted exemption from tax on the capital gains dividends and income dividends received in Singapore from its subsidiary, Fraser & Neave Holdings Bhd, a company incorporated in Malaysia.

(2) The exemption in sub-paragraph (1) is subject to the terms and conditions specified in the letters of approval dated 15 August 2014 and 26 February 2015 addressed to Allen & Gledhill LLP, the tax agent of Fraser & Neave, Limited.

(3) In this paragraph —

“capital gains dividends” means dividends which are declared out of capital gains of Fraser & Neave Holdings Bhd arising from any one or more of the following:

- (a) disposal of shares in Malaya Glass Products Sdn Bhd and Brampton Holdings Sdn Bhd;
- (b) writing-back of excess provision for costs in connection with the disposal of shares in Malaya Glass Products Sdn Bhd;
- (c) the share capital reduction exercise undertaken by Fraser & Neave (Malaya) Sdn Bhd on 25 May 2010;
- (d) unrealised foreign exchange gains;

“income dividends” means dividends which are —

- (a) declared out of the income of Fraser & Neave Holdings Bhd, being income received (directly or indirectly) from a company in the first column of the Schedule and paid out of the company’s capital gains or income specified in the second column of the Schedule corresponding to the company; and
- (b) received by Fraser & Neave, Limited in Singapore —