

**Income Tax (Exemption of Income Arising from Funds Managed in Singapore
by Fund Manager) Regulations 2010**

Table of Contents

Enacting Formula

1 Citation and commencement

2 Definitions

3 Exemption from tax under section 13X(1)(a) of Act

3A Exemption from tax under section 13X(1)(b) of Act

3B Exemption from tax under section 13X(1)(c) of Act

3C Exemption from tax under section 13X(1)(d) of Act

3D Notice of change in investment strategy

4 No deduction in respect of loss arising from designated investment

5 Determination of income exempt from tax

6 Recovery of tax from partner of approved partnership

7 Annual declaration

No. S 414

**INCOME TAX ACT
(CHAPTER 134)**

INCOME TAX (EXEMPTION OF INCOME ARISING FROM FUNDS MANAGED IN SINGAPORE BY FUND MANAGER) REGULATIONS 2010

In exercise of the powers conferred by section 13X of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 and shall be deemed to have come into operation on 1st April 2009.

[S 295/2012 wef 07/07/2010]

[S 168/2017 wef 01/04/2015]

Definitions

2. In these Regulations —

“committed funds”, in relation to a person (including a company), partnership (including a limited partnership and a limited liability partnership), trust fund or an investment vehicle that is not a legal entity, means the funds which, by a written contractual agreement between investors and the person, partnership, trustee of the trust fund or taxable entity of the investment vehicle, the investors are obliged to contribute to the person, partnership, trust fund or investment vehicle;

[S 699/2020 wef 20/02/2018]

“designated investments” and “specified income” have the same respective meanings as in the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 6/2010), with references to “prescribed person” therein modified to refer to “approved person”;

[S 168/2017 wef 01/04/2015]

[S 382/2016 wef 11/04/2016]

“income-deriving activity” means an activity that is capable of generating income that is exempt from tax under section 13X of the Act.

[S 168/2017 wef 01/04/2015]

Exemption from tax under section 13X(1)(a) of Act

3.—(1) Subject to the conditions in paragraph (2) and regulations 4, 5 and 6, there shall be exempt from tax, pursuant to section 13X(1)(a) of the Act, for any year of assessment —

(a) in the case of an approved person that is not a partner of an approved

partnership (including a limited partnership and a limited liability partnership) — any specified income derived by the approved person from funds managed in Singapore by a fund manager in respect of designated investments; and

[S 699/2020 wef 20/02/2018]

- (b) in the case of an approved person that is a partner of an approved partnership (including a limited partnership and a limited liability partnership) — the share to which the partner is entitled in any specified income derived by the approved partnership from funds managed in Singapore by a fund manager in respect of designated investments.

[S 699/2020 wef 20/02/2018]

(2) The conditions referred to in paragraph (1) are —

- (a) throughout the basis period for that year of assessment, the funds are managed in Singapore by a fund manager;
- (b) at the time of the application for approval of the person (not being an individual, a body of persons or a Hindu joint family), partnership (including a limited partnership and a limited liability partnership), trust fund or investment vehicle that is not a legal entity under section 13X of the Act —

- (i) the amount of its funds; or

- (ii) if the person, partnership, trust fund or investment vehicle is a private equity fund, a real estate fund or an infrastructure fund, the amount of its committed funds,

managed in Singapore by a fund manager is at least \$50 million;

[S 699/2020 wef 20/02/2018]

- (c) for that year of assessment, no part of the income of the approved person (other than any income derived before the approval of the person, partnership, trust fund or investment vehicle under section 13X of the Act)

—

- (i) is exempt from tax under section 13C, 13CA, 13G, 13H, 13O, 13P, 13Q, 13R, 13W or 13Y of the Act;

- (ii) is subject to a concessionary rate of tax under section 43E, 43G or 43Q of the Act; or

- (iii) is entitled to any tax relief or concessionary rate of tax under Part III or IIIB of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86);

[S 699/2020 wef 20/02/2018]

- (d) the investment strategy remains unchanged from the date the person, partnership, trust fund or investment vehicle is approved under section 13X of the Act unless the effective date for the change in the strategy is before 1 April 2019, and the Minister or the Monetary Authority of Singapore is satisfied that the change is made for a bona fide commercial purpose; and
[S 699/2020 wef 20/02/2018]
- (e) conditions specified in the letter of approval issued by the Monetary Authority of Singapore approving the person, partnership, trust fund or investment vehicle (as the case may be) under section 13X of the Act.
[S 699/2020 wef 20/02/2018]

Exemption from tax under section 13X(1)(b) of Act

3A.—(1) Subject to the conditions in paragraph (2) and regulations 4, 5 and 6, there shall be exempt from tax, pursuant to section 13X(1)(b) of the Act, for any year of assessment —

- (a) in the case of a company or trustee of a trust fund where the company or trust fund is the approved master fund or an approved feeder fund of an approved master-feeder fund structure, any specified income derived by the company or trustee arising from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments; and
- (b) in the case of a partner of a limited partnership where the partnership is the approved master fund or an approved feeder fund of an approved master-feeder fund structure, the share to which the partner of the partnership is entitled in any specified income derived by the partnership arising from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments.

(1A) For the purpose of section 13X(1)(b) of the Act, subject to the conditions in paragraph (2) and regulations 4, 5 and 6, the following income is exempt from tax for any year of assessment:

- (a) in the case of a person (other than a company) that is the approved master fund or an approved feeder fund of an approved master-feeder fund structure — any specified income derived by the person from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments;
- (b) in the case of a partner of a partnership (excluding a limited partnership but including a limited liability partnership), where the partnership is the approved master fund or an approved feeder fund of an approved master-

feeder fund structure — the share to which the partner of the partnership is entitled in any specified income derived by the partnership from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments;

- (c) in the case of a taxable entity in relation to the approved master fund or an approved feeder fund of an approved master-feeder fund structure, where the master fund or feeder fund is not a legal entity — any specified income derived by the taxable entity from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments.

[S 699/2020 wef 20/02/2018]

(2) The conditions referred to in paragraphs (1) and (1A) are —

- (a) throughout the basis period for that year of assessment, the funds of the following are managed in Singapore by a fund manager:
 - (i) in the case of sub-paragraph (a) of paragraph (1) — the company or trust fund mentioned in that sub-paragraph;
 - (ii) in the case of sub-paragraph (b) of paragraph (1) — the limited partnership mentioned in that sub-paragraph;
 - (iii) in the case of sub-paragraph (a) of paragraph (1A) — the person mentioned in that sub-paragraph;
 - (iv) in the case of sub-paragraph (b) of paragraph (1A) — the partnership mentioned in that sub-paragraph;
 - (v) in the case of sub-paragraph (c) of paragraph (1A) — the master fund or feeder fund mentioned in that sub-paragraph;

[S 699/2020 wef 20/02/2018]

(b) at the time of the application for approval of the master-feeder fund structure —

- (i) where no feeder fund carries on any income-deriving activity at that time, the aggregate amount of —
 - (A) the funds of the master fund and all feeder funds of that structure managed in Singapore by the fund manager;
or
 - (B) if the master-feeder fund structure is a private equity fund, a real estate fund or an infrastructure fund, the