

Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 3) Notification 2003

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THE SCHEDULE Part I

No. S 500

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR
ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) (NO. 3) NOTIFICATION
2003**

In exercise of the powers conferred by section 13(4) of the Income Tax Act, the Minister for Finance hereby makes the following Notification:

Citation

1. This Notification may be cited as the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 3) Notification 2003.

Definitions

2. In this Notification —

“compensatory payment” and “securities lending or repurchase arrangement” have the same meanings as in section 10N(12) of the Act;

“specified payments” means any of the following:

- (a) borrowing fees;
- (b) loan rebate fees;
- (c) price differentials;
- (d) interest payments; and
- (e) compensatory payments.

Exemption

3.—(1) Subject to sub-paragraphs (3) and (4), there shall be exempt from tax any specified payments which an institution specified in Part I of the Schedule is liable to pay on or after 23rd November 2001 but before 28th October 2003 under a securities lending or repurchase agreement to a person who is neither a resident of nor a permanent establishment in Singapore.

(2) Subject to sub-paragraphs (3) and (4), any specified payment —

- (a) made by an institution specified in Part II of the Schedule to a person who is not a resident in Singapore;
- (b) that is not derived through any operation carried on by the person through the person’s permanent establishment in Singapore; and
- (c) that is liable to be made —
 - (i) under a securities lending or repurchase agreement that takes effect on a date that falls within the period from 28 October 2003 to 31 December 2022 (both dates inclusive) (called in this sub-paragraph the relevant period); or
 - (ii) under a securities lending or repurchase agreement that is extended or renewed, where —
 - (A) the extension or renewal takes effect on a date that falls within the relevant period; and
 - (B) the payment is made on or after the date on which such