

Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2007

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No. S 101

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) NOTIFICATION 2007

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 and commencement

1. This Notification may be cited as the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2007 and shall be deemed to have come into operation on 1st February 2006.

Definitions

2. In this Notification —

“debt securities” has the same meaning as in section 43N(4) of the Act;

“financial sector incentive (bond market) company”, “qualifying debt securities” and “related party” have the same meanings as in section 13(16) of the Act;

“funds from Singapore operations”, in relation to a person, means the funds and profits of that person’s operations through a permanent establishment in Singapore;

“programme” means the US\$1,000,000,000 Euro Medium Term Note Programme first entered into on 4th March 1996 by Toshiba Capital (Asia) Ltd;

“specified interest” means —

- (a) any interest payable on or after 1st February 2006 in respect of any notes issued by Toshiba Capital (Asia) Ltd before the specified period under the programme; and
- (b) any interest payable in respect of any notes issued by Toshiba Capital (Asia) Ltd during the specified period under the programme;

“specified period” means the period from 1st February 2006 to 31st December 2008 (both dates inclusive).

Exemption

3.—(1) Subject to sub-paragraph (2), there shall be exempt from tax the specified interest payable by Toshiba Capital (Asia) Ltd on notes issued under the programme to any noteholder who is not resident in Singapore and —

- (a) who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used by that person to acquire the notes under the programme are not obtained from that operation; or
- (b) who does not have any permanent establishment in Singapore.

(2) The exemption under sub-paragraph (1) is subject to the following terms and conditions:

- (a) that the annual update in October 2006, and all future annual updates up to 31st December 2008, to the programme are arranged by a financial sector incentive (bond market) company;
- (b) unless otherwise approved by the Minister or such person as he may appoint, the tax exemption shall not apply to any notes issued during the specified period if, during their primary launch —
 - (i) the notes are issued to less than 4 persons; and
 - (ii) 50% or more of the notes so issued is beneficially held or funded, directly or indirectly, by related parties of Toshiba Capital (Asia) Ltd;