

Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2013

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No. S 5

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) NOTIFICATION 2013

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 2013 and shall be deemed to have come into operation on 20th May 2012.

Definitions

2. In this Notification —

“Authority” means the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act (Cap. 186);

“financial derivatives” means derivatives the payoffs of which are linked, whether in whole or in part, to the payoffs or performance of any financial assets, securities, financial instruments or indices, but does not include derivatives the payoffs of which are linked wholly to the payoffs or performance of commodities;

“financial institution” means any institution licensed or approved by the Authority, or exempt from such licensing or approval, under any Act administered by the Authority, and includes an approved Finance and Treasury Centre referred to in section 43G of the Act;

“related party” has the same meaning as in section 13(16) of the Act.

Exemption

3.—(1) There shall be exempt from tax any payment made by a financial institution to a person who is not resident in Singapore and who does not have a permanent establishment in Singapore —

(a) on over-the-counter financial derivatives, where the payment is liable to be made during the period from 20 May 2012 to 31 December 2026 (both dates inclusive) under —

(i) a contract for such derivatives which took effect before 15th February 2007; or

(ii) a contract for such derivatives which is extended or renewed, where the extension or renewal took effect before 15th February 2007; and

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(b) on over-the-counter financial derivatives, where the payment is liable to be made under —

(i) a contract for such derivatives which takes effect during the period from 20 May 2012 to 31 December 2026 (both dates inclusive); or

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(ii) a contract for such derivatives which is extended or renewed, where the extension or renewal takes effect during the period from 20 May 2012 to 31 December 2026 (both dates inclusive).