

# **Income Tax (Functional Currency) Regulations 2004**

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**No. S 748**

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

### **INCOME TAX (FUNCTIONAL CURRENCY) REGULATIONS 2004**

In exercise of the powers conferred by section 62B(11) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

#### **Citation**

1. These Regulations may be cited as the Income Tax (Functional Currency) Regulations 2004.

#### **Transitional provisions for companies**

2. Where a company —

- (a) is required for any year of assessment to furnish its tax computation and particulars of its income in a non-Singapore dollar functional currency; and
- (b) has, in any previous year of assessment, furnished its tax computation and particulars of its income with a return of income in Singapore dollar,

the company shall convert the following amounts denominated in Singapore dollar into an equivalent amount in the functional currency in accordance with the applicable rate of exchange referred to in regulation 4:

- (i) the residue of the value of any industrial building or structure, machinery or plant, or right referred to in section 16, 19, 19A, 19B, 19C or 19D of the Act, after deducting any allowance that has been made under any of those sections;
- (ii) any expenses or balance of expenses which are allowed as deductions for the year of assessment 2004 or any subsequent year of assessment, or such earlier year of assessment as may be approved by the Comptroller;
- (iii) income from any source that is chargeable to tax for the year of assessment 2004 or any subsequent year of assessment, or such earlier year of assessment as may be approved by the Comptroller;
- (iv) the value of any asset which has been granted an initial or annual allowance under section 16, 19 or 19A of the Act for the purposes of calculating any balancing charge under section 17 or 20 of the Act;
- (v) the balance of any allowance falling to be made under section 16, 17, 19, 19A, 19B, 19C, 19D or 20 of the Act, or under section 67 of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86) at the end of the previous year of assessment;
- (vi) the amount of any loss incurred in any trade or business which remains unabsorbed at the end of the basis period for the previous year of assessment;
- (vii) the amount of any further tax deduction under section 14B, 14E, 14J, 14K or 14L of the Act which remains unabsorbed at the end of the basis period for the previous year of assessment;
- (viii) the amount of deduction allowed in respect of any donation under section 37(3) of the Act which remains unabsorbed at the end of the basis period for the previous year of assessment.

### **Transitional provisions for individuals and partnerships**

#### **3. Where an individual or a precedent partner —**

- (a) is required for any year of assessment to furnish his tax computation and particulars of his income in a non-Singapore dollar functional currency; and
- (b) has, in any previous year of assessment, furnished his tax computation and