

Income Tax (Qualifying Project Debt Securities) Regulations 2008

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No. S 315

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (QUALIFYING PROJECT DEBT SECURITIES) REGULATIONS 2008

In exercise of the powers conferred by section 13(1)(b), (2E) and (16) 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 (Qualifying Project Debt Securities) Regulations 2008 and shall be deemed to have come into operation on 1st November 2006.

Definitions

2. In these Regulations —

“approved bond intermediary”, “break cost”, “debt securities”, “financial institution”, “financial sector incentive (bond market) company”, “financial sector incentive (capital market) company”, “financial sector incentive (project finance) company”, “financial sector incentive (standard tier) company”, “prepayment fee”, “qualifying project debt securities” and “redemption premium” have the same meanings as in section 13(16) of the Act;

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“Authority” means the Monetary Authority of Singapore;

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“offering documents” means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities;

“programme” includes a medium term note programme, a commercial paper programme or any similar programme for the issue of debt securities;

“Singapore-based issuer” —

(a) in relation to an issuer which is not a special purpose vehicle, means an entity that carries on any operation in Singapore; and

(b) in relation to an issuer which is a special purpose vehicle, means an entity whose sponsor carries on any operation in Singapore;

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“tranche” means a particular issue of debt securities under a programme.

Prescribed conditions for tax exemption on income from qualifying project debt securities

3. The exemption from tax under section 13(1)(b) of the Act shall not apply if the issuer of the qualifying project debt securities, or such other person as the Authority may direct, has not furnished to the Authority —

(a) a return on the qualifying project debt securities within such period as the Authority may specify; and

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- (b) such other particulars in connection with the qualifying project debt securities as the Authority may require.

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Arrangements for qualifying project debt securities

4.—(1) The arrangements referred to in paragraph (a) of the definition of “qualifying project debt securities” in section 13(16) of the Act are as follows:

- (a) where the qualifying project debt securities are issued during the period from 1 November 2006 to 31 December 2013 and are not issued under a programme —

- (i) the lead manager for the issue of the qualifying project debt securities is a financial sector incentive (bond market) company or a financial sector incentive (project finance) company; or
- (ii) the issue of the qualifying project debt securities is arranged by a financial institution in Singapore, of which the staff who are based in Singapore have a leading and substantial role in originating and structuring the issue and its distribution;

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- (aa) where the qualifying project debt securities are issued during the period from 1 January 2014 to 31 December 2022 and are not issued under a programme, any one of the following is satisfied:

- (i) the lead manager is any, or if there is more than one lead manager, more than half of the lead managers are any or any combination, of the following:

- (A) a financial sector incentive (bond market) company;
- (B) a financial sector incentive (capital market) company;
- (C) a financial sector incentive (standard tier) company;

- (ii) if the issuer is a Singapore-based issuer —

- (A) more than half of the amount of gross revenue from arranging the issue is attributable to any or any combination of the following:

- (AA) a financial sector incentive (bond market) company;
- (AB) a financial sector incentive (capital market)

company;

(AC) a financial sector incentive (standard tier) company; and

(B) more than half of the staff arranging the issue, of the company or cumulatively of the companies mentioned in sub-paragraph (A), are based in Singapore;

(iii) if the issuer is not a Singapore-based issuer, more than half of the debt securities issued under the issue are distributed by any or any combination of the following:

(A) a financial sector incentive (bond market) company;

(B) a financial sector incentive (capital market) company;

(C) a financial sector incentive (standard tier) company;

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(b) where the qualifying project debt securities are issued during the period from 1 November 2006 to 31 December 2022 under a programme, the programme as a whole is arranged by a financial sector incentive (bond market) company or a financial sector incentive (project finance) company;

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(ba) where the qualifying project debt securities are issued during the period from 1 January 2014 to 31 December 2022 under a programme, the programme as a whole is arranged by a financial sector incentive (bond market) company or a financial sector incentive (project finance) company, the arrangement of which is not completed on or before 31 December 2013 by the financial sector incentive (bond market) company or financial sector incentive (project finance) company, and the arrangement is completed on or after 1 January 2014 by a financial sector incentive (capital market) company or a financial sector incentive (standard tier) company;

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(bb) where the qualifying project debt securities are issued during the period from 1 January 2014 to 31 December 2022 under a programme, the programme as a whole is arranged on or after 1 January 2014 by a financial sector incentive (capital market) company or a financial sector incentive (standard tier) company;

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