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The following Act was passed by Parliament on 5 October 2021 and assented to by the President on 29 October 2021:—

**REPUBLIC OF SINGAPORE**

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**No. 27 of 2021.**

I assent.

HALIMAH YACOB,  
*President.*  
*29 October 2021.*



An Act to amend the Income Tax Act and to make related amendments to certain other Acts.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

**Short title and commencement**

1.—(1) This Act is the Income Tax (Amendment) Act 2021.

(2) Sections 8(*b*), (*c*), (*d*) and (*e*), 11 and 32(*a*), (*b*), (*c*) and (*d*) are deemed to have come into operation on 17 February 2021.

(3) Sections 4(*a*), (*b*) and (*c*) and 42 are deemed to have come into operation on 1 April 2021.

(4) Section 13 is deemed to have come into operation on 19 May 2021.

(5) Section 36 is deemed to have come into operation on 1 September 2021.

(6) Sections 5(1)(*a*) and (2), 37, 38(1)(*a*) and (2), 39 and 40 come into operation on a date that the Minister appoints by notification in the *Gazette*.

**Amendment of section 6**

2. Section 6 of the Income Tax Act (called in this Act the principal Act) is amended by inserting, immediately after subsection (11A), the following subsections:

“(11B) Despite anything in this section, the Comptroller may allow a person who is authorised by the chief executive officer of the Inland Revenue Authority of Singapore such access to any records or documents as may be necessary for the person to conduct an audit in relation to the administration of any public scheme specified in the Ninth Schedule, including the audit of any information technology system used by the Inland Revenue Authority of Singapore for such administration.

(11C) A person authorised by the chief executive officer of the Inland Revenue Authority of Singapore under subsection (11B) —

- (*a*) must make and subscribe a declaration of secrecy in accordance with subsection (1);
- (*b*) must not disclose to any person, or allow any person access to, anything contained in the records or documents; and

(c) must not use or make any copy of the records or documents or anything contained in the records or documents, other than for the purpose of the audit mentioned in subsection (11B).

(11D) A person who contravenes subsection (11C)(b) or (c) shall be guilty of an offence.”.

### **New section 10P**

3. The principal Act is amended by inserting, immediately after section 10O, the following section:

#### **“Tax treatment for trading stock appropriated for non-trade or capital purpose**

**10P.**—(1) This section applies where, at any time on or after the date of commencement of section 3 of the Income Tax (Amendment) Act 2021, a person carrying on a trade or business appropriates any trading stock of that trade or business for a purpose other than for sale or disposal in the ordinary course of any of the person’s trades or businesses in circumstances that give rise to a reasonable inference that the appropriation is permanent.

(2) Without limiting the generality of the expression, a person appropriates trading stock for a purpose other than for sale or disposal in the ordinary course of any of the person’s trades or businesses if the person —

(a) holds or uses the trading stock as a capital asset; or

(b) donates the trading stock.

(3) The following is treated for the purposes of this Act as the person’s income for the firstmentioned trade or business in subsection (1) for the year of assessment relating to the basis period in which the date of appropriation of the trading stock falls:

- (a) where the appropriation is by way of a donation of the trading stock that qualifies for a deduction under section 37(3)(b), (e) or (f) for any year of assessment — an amount equal to the person's cost of acquiring, making or constructing the trading stock;
- (b) in any other case — an amount equal to the open market value of the trading stock as at the date of the appropriation.

(4) Section 14 applies for the purpose of ascertaining such part of the income mentioned in subsection (3) that is chargeable with tax under this Act, as if the trading stock were sold on the date of the appropriation.

(5) Where this section applies, then the person must, at the time of lodgment of the person's return of income for the year of assessment relating to the basis period in which the trading stock is appropriated, or such later time as the Comptroller may allow, give notice of the appropriation and specify the particulars of the appropriation in the form and manner specified by the Comptroller.

(6) The Minister may by rules made under section 7, and subject to any condition specified in the rules —

- (a) exempt any person or class of persons from subsection (5); or
- (b) provide that subsection (5) does not apply in a particular case or class of cases.

(7) Rules made for the purposes of subsection (6) may be made to take effect from (and including) the date of commencement of section 3 of the Income Tax (Amendment) Act 2021.

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(8) Where subsection (3) applies to a person for a year of assessment and that person has not been assessed accordingly in that year of assessment, any income arising because of that subsection is treated as the person's income for the year of assessment in which the Comptroller discovers sufficient facts on which the Comptroller may reasonably conclude that there has been such appropriation.

(9) In this section —

“open market value”, in relation to any trading stock, means —

- (a) the amount that would be realised if the trading stock had been sold on the open market on the date of appropriation of the trading stock; or
- (b) where the Comptroller is satisfied by reason of the special nature of the trading stock that it is not practicable to determine the amount mentioned in paragraph (a), such other value as appears to the Comptroller to be reasonable in the circumstances;

“trading stock”, in relation to a trade or business —

- (a) means property of any description (whether movable or immovable) —
  - (i) that is sold in the ordinary course of trade or business; or
  - (ii) that would be so sold if it were mature or if its manufacture, preparation or construction were complete; but
- (b) does not include any material used in the manufacture, preparation or construction of any property mentioned in paragraph (a).”.