

**Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2)
Act 2004
(No. 48 of 2004)**

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**REPUBLIC OF SINGAPORE
GOVERNMENT GAZETTE
ACTS SUPPLEMENT**

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The following Act was passed by Parliament on 17th November 2004 and assented to by the President on 23rd November 2004:—

**ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX)
(AMENDMENT NO. 2) ACT 2004**

(No. 48 of 2004)

I assent.

S R NATHAN,
President.
23rd November 2004.

Date of Commencement: 27th February 2004

Date of Commencement: 25th November 2004

An Act to amend the Economic Expansion Incentives (Relief from Income Tax) Act (Chapter 86 of the 2001 Revised Edition) and to make a consequential amendment to the

Income Tax Act (Chapter 134 of the 2004 Revised Edition).

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 may be cited as the Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2) Act 2004.

(2) Sections 4, 6, 9 and 12 to 15 shall be deemed to have come into operation on 27th February 2004.

Amendment of section 3

2. Section 3 of the Economic Expansion Incentives (Relief from Income Tax) Act (referred to in this Act as the principal Act) is amended by deleting the word “declared” in the definitions of “pioneer industry” and “pioneer product” and substituting in each case the word “approved”.

Repeal and re-enactment of section 4

3. Section 4 of the principal Act is repealed and the following section substituted therefor:

“Power and procedure for approving an industry and a product as a pioneer industry and a pioneer product

4.—(1) The Minister may, if he considers it expedient in the public interest to do so, approve an industry, which is not being carried on in Singapore on a scale adequate to the economic needs of Singapore and for which in his opinion there are favourable prospects for development, to be a pioneer industry and any specific product of that industry to be a pioneer product.

(2) The Minister may revoke any approval given under this section but any such revocation shall not affect the operation of any pioneer certificate issued to any pioneer enterprise before the revocation.

(3) Any industry which has been approved as a pioneer industry or any product which has been approved as a pioneer product before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2) Act 2004 shall be deemed to have been approved under this section.”.

Amendment of section 6

4. Section 6 of the principal Act is amended by deleting the words “10 years” and

substituting the words “15 years”.

Amendment of section 10

5. Section 10 of the principal Act is amended —

- (a) by deleting the words “sections 16, 17, 18, 19,” in subsections (1A) and (1B) (6th line) and substituting in each case the words “sections 16, 17, 18, 19, 19A, 19B,”;
- (b) by inserting, immediately after the words “more than 50%” in subsection (3)(a), the words “, or such other percentage as the Minister may determine,”;
- (c) by deleting the word “fixed” in subsections (3) (3rd line) and (3B);
- (d) by deleting the words “sections 16, 17, 18, 19, 19A,” in subsections (3) (14th and 15th lines) and (4) and substituting in each case the words “sections 16, 17, 18, 19, 19A, 19B,”; and
- (e) by deleting subsection (5) and substituting the following subsection:

“(5) In subsections (3) and (3B), “capital expenditure” means capital expenditure in connection with a pioneer product, on factory building (excluding land) in Singapore, on any new plant or new machinery used in Singapore and on intellectual property rights for use in Singapore and, subject to the approval of the Minister, on any secondhand plant or secondhand machinery used in Singapore.”.

Amendment of section 18

6. Section 18 of the principal Act is amended by deleting the words “10 years” and substituting the words “15 years”.

Amendment of section 19J

7. Section 19J of the principal Act is amended by deleting subsection (8) and substituting the following subsections:

“(8) Where a development and expansion company which has been granted a tax relief period of at least 10 years is granted an extension or a further extension of its tax relief period under section 19K(1)(b) or (2), the Minister shall compute the average corresponding income for each such extension or further extension in accordance with subsection (9).

(9) The average corresponding income for each extension or further extension referred to in subsection (8) shall be determined by taking one-third of the total of