

Income Tax (Amendment) Act 2000
(No. 24 of 2000)

Table of Contents

Long Title

Enacting Formula

1 Short title and commencement

2 Amendment of section 10

3 Amendment of section 10J

4 Amendment of section 13

5 New sections 13I and 13J

6 Amendment of section 14D

7 Amendment of section 14I

8 Amendment of section 19A

9 Amendment of section 35

10 Amendment of section 39

11 Amendment of section 42

12 Amendment of section 43

13 Amendment of section 43D

14 Amendment of section 43N

15 Amendment of section 44

- 16 Amendment of section 45**
- 17 Amendment of section 45B**
- 18 Amendment of section 46**
- 19 Amendment of section 85**
- 20 Amendment of section 86**
- 21 Amendment of section 87**
- 22 Amendment of section 89**
- 23 Amendment of section 100**
- 24 Remission of tax**

**REPUBLIC OF SINGAPORE
GOVERNMENT GAZETTE
ACTS SUPPLEMENT**

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The following Act was passed by Parliament on 25th August 2000 and assented to by the President on 26th August 2000:—

INCOME TAX (AMENDMENT) ACT 2000
(No. 24 of 2000)

I assent.

S R NATHAN,
President.
26th August 2000.

Date of Commencement: 12th December 2002

Date of Commencement: 7th September 2000

An Act to amend the Income Tax Act (Chapter 134 of the 1999 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. This Act may be cited as the Income Tax (Amendment) Act 2000.
- (2) Section 8 shall be deemed to have come into operation on 27th February 1999.
- (3) Section 13 shall be deemed to have come into operation on 1st December 1999.
- (4) Section 6 shall be deemed to have come into operation on 30th December 1999.
- (5) Section 4 shall be deemed to have come into operation on 18th January 2000.
- (6) Sections 7, 10(a) and 19 to 23 shall have effect for the year of assessment 2000 and subsequent years of assessment.
- (7) Sections 2(a), (b) and (c), 3, 10(b) to (d), 11(a), 12(a), 15(a) and (b), 16(a), 17 and 18(b) shall have effect for the year of assessment 2001 and subsequent years of assessment.

Amendment of section 10

2. Section 10 of the Income Tax Act (referred to in this Act as the principal Act) is amended —

(a) by deleting subsection (9) and substituting the following subsection:

“(9) For the purposes of subsection (1)(a) and (f), the income derived by any author, composer or choreographer, or any company in which he beneficially owns all the issued share capital, from any royalties or other payments received from a person carrying on in Singapore the business of publishing, of recording music or of

producing cinematograph films, choreographic works or plays as consideration for the assignment of or for the right to use the copyright in any literary, dramatic, musical or artistic work, shall be deemed to be —

- (a) the amount of the royalties or other payments remaining after the deductions allowable under Parts V and VI have been made; or
- (b) an amount equal to 10% of the gross amount of the royalties or other payments,

whichever is the less.”;

- (b) by deleting subsection (10) and substituting the following subsection:

“(10) For the purposes of subsection (1)(a) and (f), the income derived by an individual who is an inventor, author or proprietor of an approved invention or approved innovation, from any royalties or other payments received as consideration for the assignment of or for the rights in the approved invention or approved innovation shall be deemed to be —

- (a) the amount of the royalties or other payments remaining after the deductions allowable under Parts V and VI have been made; or
- (b) an amount equal to 10% of the gross amount of the royalties or other payments,

whichever is the less.”;

- (c) by deleting subsection (12) and substituting the following subsection:

“(12) In subsection (10) —

“approved” means approved for such period not exceeding 5 years by the Minister or such person as the Minister may appoint;

“innovation” means —

- (a) any new product or new service, or any new method used in the manufacture or processing of goods or materials or in the provision of services; or
- (b) any substantial improvement in any product or in the provision of any service, or in any

method used in the manufacture or processing of goods or materials or in the provision of services,

which involves novelty or originality;

“rights in the approved invention or approved innovation” means the rights relating to any patent, copyright, industrial design, trade mark or know-how of an approved invention or approved innovation where a substantial part of the work in developing the invention or innovation is undertaken in Singapore.”; and

- (d) by deleting the words “in respect of any unit purchased with moneys other than those standing to his credit in the Central Provident Fund” in the 2nd, 3rd and 4th lines of subsection (13A).

Amendment of section 10J

3. Section 10J of the principal Act is amended —

- (a) by inserting, immediately after subsection (3), the following subsections:

“(3A) Notwithstanding subsection (3), where a company undertakes a buyback described in subsection (1)(a) through a special trading counter established on the Singapore Exchange, any payment made by the company to any shareholder for the buyback shall, to the extent that the payment is not made out of the contributed capital of the company, be deemed to be —

- (a) a dividend paid by the company on the date of the payment, and section 44 shall apply, with the necessary modifications, to such dividend; and
- (b) a dividend received by the shareholder if the conditions in subsection (3B) are satisfied.

(3B) The conditions referred to in subsection (3A)(b) are —

- (a) the shares sold through the special trading counter are not acquired by the shareholder through any securities lending or repurchase arrangement;
- (b) the shareholder has beneficially owned the shares for a continuous period of at least 183 days ending immediately before the day of the sale of the share through the special trading counter;