

**Income Tax (Amendment No. 2) Act 1990
(No. 23 of 1990)**

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**REPUBLIC OF SINGAPORE
GOVERNMENT GAZETTE
ACTS SUPPLEMENT**

The following Act was passed by Parliament on 9th November 1990 and assented to by the President on 21st November 1990:—

INCOME TAX (AMENDMENT NO. 2) ACT 1990

(No. 23 of 1990)

I assent.

WEE KIM WEE
President.
21st November 1990.

Date of Commencement: 30th November 1990

An Act to amend the Income Tax Act (Chapter 134 of the 1985 Revised Edition).

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

Short title

1. This Act may be cited as the Income Tax (Amendment No. 2) Act 1990.

Amendment of section 10

2. Section 10 of the Income Tax Act (referred to in this Act as the principal Act) is amended by inserting, immediately after subsection (10), the following subsection:

“(11) Any distribution made by a unit trust approved under section 10B out of gains or profits derived on or after 1st July 1989 from the disposal of securities and which have not been subject to tax shall be deemed to be income if received by a unit holder except where the unit holder is —

- (a) an individual resident in Singapore; or

- (b) a person who is not resident in Singapore and has no permanent establishment in Singapore.”.

Amendment of section 10A

3. Section 10A (2) of the principal Act is amended —

- (a) by deleting the words “, and includes any unit trust” in the definition of “investment company”;
- (b) by deleting the word “or” at the end of paragraph (a) of the definition of “securities”;and
- (c) by deleting the full-stop at the end of paragraph (b) of the definition of “securities” and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

“(c) units in any unit trust within the meaning of section 10B.”.

New sections 10B and 10C

4. The principal Act is amended by inserting, immediately after section 10A, the following sections:

“Profits of unit trusts

10B.—(1) Notwithstanding any other provisions of this Act, the Minister may by regulations —

- (a) provide that tax on gains or profits derived on or after 1st July 1989 from the disposal of securities by an approved unit trust shall be levied and paid for each year of assessment by the trustees upon such percentage of the gains or profits and in such manner as may be prescribed;
- (b) provide for the deduction of such percentage of the losses arising from the disposal of securities in such manner as may be prescribed;
- (c) provide for the deduction of expenses allowable under this Act to be granted in such manner as may be prescribed;
- (d) provide for the deduction of tax by the trustees of the unit trust on any distribution received by a unit holder which is deemed to be income under section 10(11).

(2) In this section —

“approved” means approved by the Minister or such other person as he may appoint;

“securities” has the same meaning as in section 10A;

“unit” means a right or interest (whether described as a unit, a sub-unit or otherwise) which may be acquired under a unit trust;

“unit trust” means any trust established for the purpose, or having the effect, of providing facilities for the participation by persons as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of securities or any other property.

Excess contributions deemed to be income

10C.—(1) Notwithstanding section 13(1)(j), where in any year from 1st January 1989 contributions have been made by an employer in respect of an employee under section 7 of the Central Provident Fund Act (Cap. 36) —

- (a) any part of the employer’s contributions, in respect of ordinary or additional wages paid to the employee in that year, which is not obligatory under that Act; or
- (b) the employer’s contributions in respect of that part of the additional wages which exceeds 40% of all ordinary wages paid to the employee in that year,

shall be deemed to be income accruing to the employee for the year in which the wages are paid.

(2) Notwithstanding subsection (1)(b), where in any year from 1st January 1989 all the ordinary wages of an employee paid in that year do not exceed \$72,000, and his total wages paid in the same year —

- (a) do not exceed \$100,000, the excess contributions under subsection (1)(b) shall not be deemed to be income accruing to the employee;
- (b) exceed \$100,000, only that part of such excess contributions made in respect of the difference between the total wages and \$100,000 shall be deemed to be income accruing to the employee.

(3) Where in any year from 1st January 1989 contributions under section 7 of the Central Provident Fund Act (Cap. 36) have been made in respect of an employee employed by two or more employers and the employers are related to