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**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX
(CONCESSIONARY RATE OF TAX FOR
FINANCIAL SECTOR INCENTIVE COMPANIES)
(AMENDMENT) REGULATIONS 2021**

In exercise of the powers conferred by section 43Q of the Income Tax Act, the Minister for Finance makes the following Regulations:

Citation and commencement

1. These Regulations are the Income Tax (Concessionary Rate of Tax for Financial Sector Incentive Companies) (Amendment) Regulations 2021 and come into operation on 1 July 2021.

Amendment of regulation 2

2. Regulation 2(1) of the Income Tax (Concessionary Rate of Tax for Financial Sector Incentive Companies) Regulations 2005 (G.N. No. S 735/2005) (called in these Regulations the principal Regulations) is amended —

(a) by deleting the definition of “futures member of the Singapore Exchange” and substituting the following definition:

““futures member of the Singapore Exchange” means any company that holds membership of any class or description of a futures market, or of a clearing house for the futures market, maintained by the Singapore Exchange Limited or any of its subsidiaries;”;

(b) by deleting the words “licensed under the Banking Act (Cap. 19)” in paragraph (a) of the definition of “offshore guarantee facility” and substituting the words “that holds a

licence under section 7 or 79 of the Banking Act (Cap. 19),”;

- (c) by inserting, immediately after the words “Monetary Authority of Singapore Act (Cap. 186)” in paragraph (a) of the definition of “offshore guarantee facility”, the words “on or before 30 June 2021”;
- (d) by deleting the words “licensed under” in paragraph (a)(A)(AA) of the definition of “specified person” and substituting the words “that holds a licence under section 7 or 79 of”;
- (e) by inserting, immediately after the words “Monetary Authority of Singapore Act (Cap. 186)” in paragraph (a)(A)(AB) of the definition of “specified person”, the words “on or before 30 June 2021”.

Amendment of regulation 2A

3. Regulation 2A of the principal Regulations is amended by deleting the word “finance” and substituting the word “financial”.

Amendment of regulation 3

4. Regulation 3(6) of the principal Regulations is amended by deleting the word “headquarters” in sub-paragraph (e)(iv) and substituting the word “headquarter”.

Amendment of regulation 4

5. Regulation 4(1) of the principal Regulations is amended —

- (a) by deleting the words “licensed under the Banking Act (Cap. 19)” in sub-paragraph (a) and substituting the words “that holds a licence under section 7 or 79 of the Banking Act,”; and
- (b) by inserting, immediately after the words “Monetary Authority of Singapore Act (Cap. 186)” in sub-paragraph (a), the words “on or before 31 December 2010”.

Amendment of regulation 4A**6. Regulation 4A of the principal Regulations is amended —**

(a) by deleting the words “on or after 1 January 2014” in paragraph (1B) and substituting the words “during the period between 1 January 2014 and 30 June 2021 (both dates inclusive)”;

(b) by inserting, immediately after paragraph (1B), the following paragraph:

“(1C) Subject to this regulation, tax is payable at the rate of 12% on the income of a financial sector incentive (standard tier) company derived on or after 1 July 2021, being —

(a) income from any of the activities specified in the Sixth Schedule; and

(b) interest from any deposit held by the company as a corporate futures member as a margin for any transaction in relation to any activity mentioned in paragraph 1(e), (g) or (h) of the Sixth Schedule.”; and

(c) by deleting the words “or (1B)” in paragraphs (2) and (3) and substituting in each case the words “, (1B) or (1C)”.

Amendment of regulation 4B**7. Regulation 4B of the principal Regulations is amended —**

(a) by deleting the words “on or after 1 April 2016” in paragraph (1) and substituting the words “during the period between 1 April 2016 and 30 June 2021 (both dates inclusive)”;

(b) by deleting the words “on or after 1 April 2016” in the regulation heading and substituting the words “between 1 April 2016 and 30 June 2021”.

Amendment of regulation 5**8. Regulation 5 of the principal Regulations is amended —**

- (a) by deleting the words “on or after 31st December 2010” in paragraph (1) and substituting the words “during the period between 31 December 2010 and 30 June 2021 (both dates inclusive)”;
- (b) by deleting the words “licensed under” in paragraph (1)(l)(i)(A) and (ii)(A) and (m)(i) and substituting in each case the words “that holds a licence under section 7 or 79 of”;
- (c) by inserting, immediately after the words “Monetary Authority of Singapore Act (Cap. 186)” in paragraph (1)(l)(i)(A), the words “on or before 30 June 2021”;
- (d) by inserting, immediately after the words “Monetary Authority of Singapore Act” in paragraph (1)(l)(ii)(A) and (m)(i), the words “on or before 30 June 2021”;
- (e) by inserting, immediately after paragraph (1A), the following paragraph:
 - “(1B) Tax is payable at the rate of 10% on the income of a financial sector incentive (headquarter services) company derived on or after 1 July 2021 from the provision of any of the following services, to any approved office of the financial sector incentive (headquarter services) company or any approved person:
 - (a) general management, risk management and administration;
 - (b) strategic business planning and strategic business development;
 - (c) operational processing services;
 - (d) information technology support and technical services;

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- (e) training and personnel management;
 - (f) corporate finance advisory services;
 - (g) economic, financial, investment or market research and analysis;
 - (h) credit control and administration;
 - (i) arranging credit facilities for the approved office where the funds for providing the facilities are obtained from —
 - (i) financial institutions in Singapore; or
 - (ii) the accumulated profits of other approved offices;
 - (j) providing guarantees, performance bonds, standby letters of credit and services relating to remittances where —
 - (i) in the case of a guarantee, performance bond or standby letter of credit, the party in whose favour the facility is issued; or
 - (ii) in the case of services relating to remittances, the person to whom the remittances are made,is a financial institution;
 - (k) arranging interest rate or currency swaps with a financial institution;
 - (l) managing the funds of the approved office.”; and
- (f) by deleting the definition of “prescribed processing services” in paragraph (2) and substituting the following definition:
- “ “prescribed processing services” —
- (a) in relation to income derived during the period between 22 January 2009 and