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**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (EXEMPTION OF INTEREST AND
OTHER PAYMENTS ON ECONOMIC AND
TECHNOLOGICAL DEVELOPMENT LOANS)
(AMENDMENT) NOTIFICATION 2021**

In exercise of the powers conferred by section 13(4) of the Income Tax Act, the Minister for Finance makes the following Notification:

Citation and commencement

1.—(1) This Notification is the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (Amendment) Notification 2021 and, except for paragraphs 4(a) and (e) and 5(b), (c), (d) and (i), is deemed to have come into operation on 24 February 2015.

(2) Paragraph 4(a) and (e) is deemed to have come into operation on 17 February 2012.

(3) Paragraph 5(b), (c), (d) and (i) comes into operation on 18 May 2021.

Amendment of paragraph 1

2. Paragraph 1 of the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 4) Notification 2016 (G.N. No. S 636/2016) (called in this Notification the principal Notification) is amended by inserting, immediately after the word “Loans”, the words “and Finance Leases”.

Amendment of paragraph 2**3. Paragraph 2 of the principal Notification is amended —**

- (a) by inserting, immediately after the words “In this Notification”, the words “, unless the context otherwise requires”;
- (b) by inserting, immediately after the definition of “approved container investment enterprise”, the following definition:

““Authority” means the Maritime and Port Authority of Singapore established by section 4 of the Maritime and Port Authority of Singapore Act (Cap. 170A);”;
- (c) by inserting, immediately after the definitions of “container” and “intermodal equipment”, the following definition:

““finance lease”, in relation to one or more containers, means a lease of the container or containers (including any arrangement or agreement in connection with the lease) which has the effect of transferring substantially the obsolescence, risks or rewards incidental to the ownership of the container or containers to the lessee;”;
- (d) by deleting the definitions of “original container”, “qualifying payment” and “specified person” and substituting the following definitions:

““original container” means any of the containers mentioned in paragraph 3(2)(a), (b), (ba), (bb) or (c) or 5(1), but excludes a container that replaces another container under the terms of the agreement for the applicable loan or applicable finance lease (as the case may be) after that other container is disposed of or lost at sea;

“qualifying payment”, in relation to an applicable loan or applicable finance lease, means any of the following payments made in connection with the applicable loan or applicable finance lease:

(a) either —

(i) in the case of an applicable loan — interest; or

(ii) in the case of an applicable finance lease — any payment liable to be made by the lessee to the lessor under the finance lease that is not attributable to the repayment of principal;

(b) front-end fees;

(c) commitment fees;

(d) interest rate swap payments;

(e) currency swap payments;

(f) arranger fees;

(g) arrangement fees;

(h) retainer fees;

(i) agency fees;

(j) security trustee fees;

“specified person”, in relation to an applicable loan or applicable finance lease, means a person who —

(a) is not resident in Singapore; and

(b) either —

(i) does not (alone or in association with others) carry on a business in Singapore, and does not have

a permanent establishment in Singapore; or

- (ii) carries on a business in Singapore (alone or in association with others) or has a permanent establishment in Singapore, but no arrangement, management or service relating to the applicable loan or applicable finance lease is made or performed through that business or that permanent establishment.”.

Amendment of paragraph 3

4. Paragraph 3 of the principal Notification is amended —

- (a) by deleting sub-paragraph (1) and substituting the following sub-paragraph:

“(1) In this Notification, an applicable loan is a loan (or other arrangement similar to a loan) obtained on or before 31 May 2016 by an approved container investment enterprise —

- (a) that is obtained solely for a purpose specified in sub-paragraph (2); or
- (b) where the purposes for which it is obtained include any one or more purposes specified in sub-paragraph (2).”;

- (b) by deleting “2016” in sub-paragraph (1) and substituting “2021”;
- (c) by deleting the word “or” at the end of sub-paragraph (2)(b);
- (d) by deleting sub-paragraph (c) of sub-paragraph (2) and substituting the following sub-paragraphs:

“(ba) the acquisition by the enterprise of all the shares issued by a special purpose vehicle (called in this paragraph the additional shares) where —

- (i) the enterprise has sole legal and beneficial ownership of all the shares of the special purpose vehicle immediately before the additional shares are issued;
- (ii) the acquisition of the additional shares is for the purpose of financing the acquisition by the special purpose vehicle of one or more containers; and
- (iii) the special purpose vehicle has sole legal and beneficial ownership of each container mentioned in sub-paragraph (ii);

(bb) the grant of a loan by the enterprise to a special purpose vehicle where —

- (i) the enterprise has sole legal and beneficial ownership of all the shares of the special purpose vehicle;
- (ii) the loan is granted by the enterprise for the purpose of financing the acquisition by the special purpose vehicle of one or more containers; and
- (iii) the special purpose vehicle has sole legal and beneficial ownership of each container mentioned in sub-paragraph (ii); or