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**No. S 636**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX  
(EXEMPTION OF INTEREST AND OTHER PAYMENTS  
ON ECONOMIC AND TECHNOLOGICAL DEVELOPMENT  
LOANS) (NO. 4) NOTIFICATION 2016**

**ARRANGEMENT OF PARAGRAPHS**

**Paragraph**

1. Citation and commencement
  2. General definitions
  3. Meaning of “applicable loan”
  4. Exemption
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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.** This Notification is the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 4) Notification 2016 and is deemed to have come into operation on 17 February 2012.

**General definitions**

**2.** In this Notification —

“approved container investment enterprise” has the same meaning as in section 43ZA of the Act, and includes a partnership approved by the Minister (or such person as the Minister may appoint) under section 43ZA of the Act as applied by section 36 of the Act;

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“container” and “intermodal equipment” have the same meanings as in section 43ZA(7) of the Act;

“original container” means any of the containers mentioned in paragraph 3(2)(a), (b) or (c) (whichever is applicable);

“qualifying payment”, in relation to a loan, means any of the following payments made in connection with the loan:

- (a) interest;
- (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, 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 loan is made or performed through that business or that permanent establishment.

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**Meaning of “applicable loan”**

**3.—**(1) In this Notification, an applicable loan is a loan or other arrangement similar in nature to a loan, that is obtained on or before 31 May 2016 by an approved container investment enterprise for any purpose specified in sub-paragraph (2).

(2) The purposes mentioned in sub-paragraph (1) are —

- (a) the acquisition by the enterprise of one or more containers;
- (b) the acquisition by the enterprise of all the shares of a special purpose vehicle that has sole legal and beneficial ownership of one or more containers; or
- (c) the financing of qualifying payments on a previous loan obtained by the enterprise for the acquisition of —
  - (i) one or more containers; or
  - (ii) all the shares of a special purpose vehicle that has sole legal and beneficial ownership of one or more containers.

(3) In sub-paragraph (2)(a) and (c)(i), a reference to the acquisition of one or more containers includes the financing of any one or more of the following payments made in connection with the acquisition if (and only if) the loan is for both the acquisition and the financing:

- (a) the payment of the cost to purchase or install equipment within or on any of the containers;
- (b) the payment of the cost to inspect any of the containers before accepting its delivery, and to obtain any report of such inspection;
- (c) the payment of the cost to purchase any intermodal equipment.

(4) In sub-paragraph (2)(b) and (c)(ii), a special purpose vehicle is a company whose only business is to own, or to both own and lease —

- (a) any container; or
- (b) any container and any intermodal equipment.