

Income Tax (Qualifying Debt Securities) (Amendment) Regulations 2008

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No. S 399

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (QUALIFYING DEBT SECURITIES) (AMENDMENT) REGULATIONS 2008

In exercise of the powers conferred by section 13(1)(*ba*) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Qualifying Debt Securities) (Amendment) Regulations 2008 and shall be deemed to have come into operation on 15th February 2007.

Amendment of regulation 2

2. Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations (Rg 35) (referred to in these Regulations as the principal Regulations) is amended by deleting the definitions of “ “approved bond intermediary”, “financial institution”, “financial sector

incentive (bond market) company” and “qualifying debt securities” ” and substituting the following definitions:

“ “approved bond intermediary”, “break cost”, “financial institution”, “financial sector incentive (bond market) company”, “prepayment fee”, “qualifying debt securities” and “redemption premium” have the same meanings as in section 13(16) of the Act;”.

New regulation 3C

3. The principal Regulations are amended by inserting, immediately after regulation 3B, the following regulation:

“Prescribed conditions for tax exemption on break cost, prepayment fee and redemption premium from qualifying debt securities

3C.—(1) The conditions referred to in section 13(1)(*ba*) of the Act are —

- (a) the exemption from tax shall not apply —
 - (i) to any break cost, prepayment fee or redemption premium derived by a permanent establishment in Singapore;
 - (ii) if the issuer of the qualifying debt securities does not include in all offering documents a statement to the effect that where any break cost, prepayment fee or redemption premium is derived from any qualifying debt securities issued during the period from 15th February 2007 to 31st December 2008 by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption shall not apply if such person acquires such securities using funds from its Singapore operations; or
 - (iii) if the issuer of the qualifying debt securities issued during the period from 15th February 2007 to 31st December 2008, or such other person as the Comptroller may direct, has not furnished to the Comptroller a return on the debt securities within such period as the Comptroller may specify and such other particulars in connection with those securities as the Comptroller may require; and
- (b) where the issuer of the qualifying debt securities issued during the period from 15th February 2007 to 31st December 2008, is a person who is a resident of or a permanent establishment in Singapore and