

# **Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations 1999**

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**No. S 479**

## **INCOME TAX ACT (CHAPTER 134)**

### **INCOME TAX (CONCESSIONARY RATE OF TAX OR EXEMPTION FOR INCOME DERIVED FROM DEBT SECURITIES) REGULATIONS 1999**

In exercise of the powers conferred by Section 43N of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

#### **Citation**

**1.** These Regulations may be cited as the Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations 1999.

## Definitions

### 2. In these Regulations —

“debt securities”, “primary dealer” and “Singapore Government securities” have the same meanings as in section 43N of the Act;

“financial institution” and “qualifying debt securities” have the same meanings as in section 13(2A) of the Act.

## Concessionary rate of tax

### 3. Tax shall be payable at the rate of 10% on —

(a) subject to section 43N(1A) of the Act, any interest derived by a company on or after 28th February 1998 from any qualifying debt securities issued during the period from 28th February 1998 to 27th February 2003; and

(b) any income derived by a financial institution from trading in any debt securities during the period from 28th February 1998 to 27th February 2003.

## Tax exemption

### 4. There shall be exempt from tax —

(a) any income derived by a financial institution from arranging, underwriting and distributing any qualifying debt securities issued during the period from 28th February 1998 to 27th February 2003; and

(b) notwithstanding regulation 3(b), any income derived by a primary dealer from trading in any Singapore Government securities during the period from 27th February 1999 to 27th February 2003.

## Determination of income chargeable to tax at concessionary rate

### 5. For the purposes of regulation 3, the Comptroller shall determine —

(a) the income chargeable to tax of a company or financial institution, as the case may be, having regard to such expenses, capital allowances and donations allowable under the Act as are, in his opinion, to be deducted in ascertaining such income; and

(b) the manner and extent to which any losses arising from the activities specified in these regulations may be deducted under section 37(2) of the Act in ascertaining the chargeable income of a company or financial institution, as the case may be.