

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

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INCOME TAX ACT (CHAPTER 134, SECTION 43N)

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

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Citation

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

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(11) 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;
- (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; and
- (c) any income derived by any financial institution during the period commencing from the first day of its basis period for the year of assessment 2001 to 27th February 2003 from —
 - (i) providing services as an intermediary in connection with any transaction involving interest rate or currency swaps; and
 - (ii) trading in interest rate or currency swaps.

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