

Income Tax (Exemption of Income of Foreign Trusts) Regulations

Table of Contents

1 Citation

2 Definitions

3 Exemption

4 Deduction of certain losses not allowed

5 Regulations not applicable to certain foreign trusts

6 Keeping of records

Legislative History

INCOME TAX ACT (CHAPTER 134, SECTION 13G)

INCOME TAX (EXEMPTION OF INCOME OF FOREIGN TRUSTS) REGULATIONS

Rg 24

G.N. No. S 92/1994

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Citation

1. These Regulations may be cited as the Income Tax (Exemption of Income of Foreign Trusts) Regulations and shall have effect for the year of assessment 1994 and subsequent years of assessment.

Definitions

2. In these Regulations —

“designated investments” has the same meaning as in the Income Tax (Income from Funds Managed for Foreign Investors) Regulations;

“foreign trust” means —

- (a) a trust by deed where every settlor and beneficiary of the trust are —
 - (i) In the case of an individual, neither a citizen of Singapore nor resident in Singapore; and
 - (ii) in the case of a company, neither incorporated nor resident in Singapore and where such a company has not more than 50 shareholders, the whole of its issued capital is beneficially owned, directly or indirectly, by persons who are neither citizens of Singapore nor resident in Singapore; and where such a company has more than 50 shareholders, not less than 95% of its issued capital is beneficially owned, directly or indirectly, by persons who are neither citizens of Singapore nor resident in Singapore or
- (b) a unit trust where the whole value of its fund is beneficially held, directly or indirectly, by individuals or companies referred to in paragraph (a);

“specified income” means —

- (a) interest and dividends derived from outside Singapore and received in Singapore in respect of any designated investments;
- (b) interest derived from deposits with and certificates of deposit issued by banks approved under section 13(6) of the Act and from Asian dollar bonds approved under section 13(1)(v) of the Act;
- (c) gains or profits realised from the sale of any designated investments;
- (d) gains from transactions in currencies other than Singapore dollars carried out on or after 1st April 1993 in interest rate or currency contracts on a forward basis, interest rate or currency options and interest rate or currency swaps with —
 - (i) an Asian Currency unit of a financial institution;
 - (ii) a person who is neither a resident of nor a permanent establishment in Singapore; or