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The following Act was passed by Parliament on 5 October 2021 and assented to by the President on 29 October 2021:—

REPUBLIC OF SINGAPORE

No. 27 of 2021.

I assent.

HALIMAH YACOB,
President.
29 October 2021.

(LS)

An Act to amend the Income Tax Act and to make related amendments to certain other Acts.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1.—(1) This Act is the Income Tax (Amendment) Act 2021.

(2) Sections 8(*b*), (*c*), (*d*) and (*e*), 11 and 32(*a*), (*b*), (*c*) and (*d*) are deemed to have come into operation on 17 February 2021.

(3) Sections 4(*a*), (*b*) and (*c*) and 42 are deemed to have come into operation on 1 April 2021.

(4) Section 13 is deemed to have come into operation on 19 May 2021.

(5) Section 36 is deemed to have come into operation on 1 September 2021.

(6) Sections 5(1)(*a*) and (2), 37, 38(1)(*a*) and (2), 39 and 40 come into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 6

2. Section 6 of the Income Tax Act (called in this Act the principal Act) is amended by inserting, immediately after subsection (11A), the following subsections:

“(11B) Despite anything in this section, the Comptroller may allow a person who is authorised by the chief executive officer of the Inland Revenue Authority of Singapore such access to any records or documents as may be necessary for the person to conduct an audit in relation to the administration of any public scheme specified in the Ninth Schedule, including the audit of any information technology system used by the Inland Revenue Authority of Singapore for such administration.

(11C) A person authorised by the chief executive officer of the Inland Revenue Authority of Singapore under subsection (11B) —

- (*a*) must make and subscribe a declaration of secrecy in accordance with subsection (1);
- (*b*) must not disclose to any person, or allow any person access to, anything contained in the records or documents; and

(c) must not use or make any copy of the records or documents or anything contained in the records or documents, other than for the purpose of the audit mentioned in subsection (11B).

(11D) A person who contravenes subsection (11C)(b) or (c) shall be guilty of an offence.”.

New section 10P

3. The principal Act is amended by inserting, immediately after section 10O, the following section:

“Tax treatment for trading stock appropriated for non-trade or capital purpose

10P.—(1) This section applies where, at any time on or after the date of commencement of section 3 of the Income Tax (Amendment) Act 2021, a person carrying on a trade or business appropriates any trading stock of that trade or business for a purpose other than for sale or disposal in the ordinary course of any of the person’s trades or businesses in circumstances that give rise to a reasonable inference that the appropriation is permanent.

(2) Without limiting the generality of the expression, a person appropriates trading stock for a purpose other than for sale or disposal in the ordinary course of any of the person’s trades or businesses if the person —

(a) holds or uses the trading stock as a capital asset; or

(b) donates the trading stock.

(3) The following is treated for the purposes of this Act as the person’s income for the firstmentioned trade or business in subsection (1) for the year of assessment relating to the basis period in which the date of appropriation of the trading stock falls:

- (a) where the appropriation is by way of a donation of the trading stock that qualifies for a deduction under section 37(3)(b), (e) or (f) for any year of assessment — an amount equal to the person's cost of acquiring, making or constructing the trading stock;
- (b) in any other case — an amount equal to the open market value of the trading stock as at the date of the appropriation.

(4) Section 14 applies for the purpose of ascertaining such part of the income mentioned in subsection (3) that is chargeable with tax under this Act, as if the trading stock were sold on the date of the appropriation.

(5) Where this section applies, then the person must, at the time of lodgment of the person's return of income for the year of assessment relating to the basis period in which the trading stock is appropriated, or such later time as the Comptroller may allow, give notice of the appropriation and specify the particulars of the appropriation in the form and manner specified by the Comptroller.

(6) The Minister may by rules made under section 7, and subject to any condition specified in the rules —

- (a) exempt any person or class of persons from subsection (5); or
- (b) provide that subsection (5) does not apply in a particular case or class of cases.

(7) Rules made for the purposes of subsection (6) may be made to take effect from (and including) the date of commencement of section 3 of the Income Tax (Amendment) Act 2021.

(8) Where subsection (3) applies to a person for a year of assessment and that person has not been assessed accordingly in that year of assessment, any income arising because of that subsection is treated as the person's income for the year of assessment in which the Comptroller discovers sufficient facts on which the Comptroller may reasonably conclude that there has been such appropriation.

(9) In this section —

“open market value”, in relation to any trading stock, means —

- (a) the amount that would be realised if the trading stock had been sold on the open market on the date of appropriation of the trading stock; or
- (b) where the Comptroller is satisfied by reason of the special nature of the trading stock that it is not practicable to determine the amount mentioned in paragraph (a), such other value as appears to the Comptroller to be reasonable in the circumstances;

“trading stock”, in relation to a trade or business —

- (a) means property of any description (whether movable or immovable) —
 - (i) that is sold in the ordinary course of trade or business; or
 - (ii) that would be so sold if it were mature or if its manufacture, preparation or construction were complete; but
- (b) does not include any material used in the manufacture, preparation or construction of any property mentioned in paragraph (a).”.

Amendment of section 13**4.** Section 13 of the principal Act is amended —

- (a) by deleting the words “31 March 2021” in subsection (1)(zj)(ii)(B) and (iii)(B) and substituting in each case the words “31 December 2026”;
- (b) by deleting the words “1 April 2021” in subsection (1)(zj)(ii)(B) and (iii)(B) and substituting in each case the words “1 January 2027”;
- (c) by deleting the words “nor a permanent establishment in Singapore” in subsection (1)(zj)(iii); and
- (d) by deleting the words “an institution approved as an approved Fund Manager under section 43A and” in the definition of “financial institution” in subsection (16).

Amendment of section 13S**5.—(1)** Section 13S of the principal Act is amended —

- (a) by inserting, immediately after subsection (3), the following subsection:
 - “(3A) A reference to the Minister in subsection (3), in the case of an approval granted on or after the date of commencement of section 5(1)(a) of the Income Tax (Amendment) Act 2021, includes the authorised body.”; and
- (b) by deleting the definition of “related party” in subsection (20) and substituting the following definition:
 - ““related party”, in relation to an approved shipping investment enterprise, means —
 - (a) any entity that is related to the approved shipping investment enterprise in such manner as may be prescribed by rules made under section 7; or

(b) any other entity that is approved by the Minister in any particular case to be a related party of the approved shipping investment enterprise;”.

(2) Section 13S(20) of the principal Act, as amended by section 5(1)(b), is amended by inserting, immediately after the words “by the Minister” in paragraph (b) of the definition of “related party”, the words “or authorised body”.

Amendment of section 13U

6. Section 13U of the principal Act is amended —

- (a) by deleting the words “31 March 2022” in subsection (2) and substituting the words “31 December 2027”; and
- (b) by inserting, immediately after subsection (6), the following subsection:

“(6A) Any expenses, losses or allowances incurred or claimed by an approved not-for-profit organisation during the period of its approval under subsection (3) or (4) that remain unabsorbed at the end of that period, are not available as a deduction against any of its income for the year of assessment which relates to the basis period in which the approval of the approved not-for-profit organisation expires or is withdrawn, or any subsequent year of assessment.”.

Amendment of section 13ZA

7. Section 13ZA of the principal Act is amended —

- (a) by deleting the words “, that is part of the Budget Statements of the Government dated 18 February 2020, 26 March 2020, 6 April 2020 and 26 May 2020, and the ministerial statement of the Minister dated 17 August 2020” in subsection (1)(b);
- (b) by inserting, immediately after the words “in this paragraph” in subsection (1)(g)(i), the words “and paragraph (ga)”;

(c) by inserting, immediately after paragraph (g) of subsection (1), the following paragraph:

“(ga) a benefit received by an individual who drives a chauffeured private hire car or taxi, from —

(i) the LTA; or

(ii) an entity in the Tenth Schedule,

that is given on or after 1 January 2021 in connection with an amount received by the LTA or the entity out of a payment made by the Government from a fund established by the Government known as the COVID-19 Driver Relief Fund;”;

(d) by inserting, immediately after subsection (5), the following subsections:

“(5A) The amount of any monetary payment received or receivable by a person who is a lessee or licensee of any prescribed property from the person’s lessor or licensor in the year 2021 is exempt from tax, if —

(a) the payment is made pursuant to an undertaking given by the lessor or licensor to his, her or its lessor or licensor, to provide relief to the person from any economic hardship arising from a COVID-19 event; or

(b) the Comptroller is satisfied that the monetary payment is intended by the lessor or licensor to provide relief to the person from any economic hardship arising from a COVID-19 event.

(5B) Rules made for the purposes of subsection (5A) may be made to take effect from (and including) the date of commencement of section 7 of the Income Tax (Amendment) Act 2021.”; and

- (e) by deleting the full-stop at the end of the definition of “prescribed” in subsection (6) and substituting a semi-colon, and by inserting immediately thereafter the following definition:

““prescribed property” means any non-residential property, or any property belonging to a class of non-residential properties, that is prescribed as a prescribed property for the purposes of section 13ZA(5A), and includes any part of such property.”.

Amendment of section 14B

- 8.** Section 14B of the principal Act is amended —

- (a) by deleting the words “material or” in subsection (2)(aa)(ii);
- (b) by inserting, immediately after paragraph (aa) of subsection (2), the following paragraph:

“(ab) expenses incurred on or after 17 February 2021 —

- (i) in establishing, maintaining or otherwise participating in an approved trade fair or trade exhibition held or conducted (whether wholly or partly) by means of teleconference, videoconferencing or any other electronic means of communications; or

- (ii) for the transportation of any sample to any potential client outside of Singapore, following the potential client's attendance at or participation in the approved trade fair or trade exhibition;";
- (c) by deleting the words "31 December 2025" in subsection (2A) and substituting the words "16 February 2021";
- (d) by inserting, immediately after subsection (2A), the following subsections:

"(2AA) For the purposes of subsection (1) and subject to subsection (2B), the firm or company need not be an approved firm or approved company to be allowed a deduction under subsection (1) in respect of any of the following expenses incurred during the period between 17 February 2021 and 31 December 2025 (both dates inclusive) for the primary purpose of promoting the trading of goods or the provision of services:

- (a) such expenses in subsection (2)(a) as are prescribed by rules made under section 7;
- (b) such expenses in subsection (2)(ab) as are prescribed by rules made under section 7.

(2AB) Despite subsection (1) but subject to subsection (2B), where the Comptroller is satisfied that any expenses mentioned in subsection (2AC) have been incurred by a firm or company resident in or having a permanent establishment in Singapore during the period between 17 February 2021 and 31 December 2025 (both dates inclusive) for the primary purpose of promoting the trading of goods or the provision of services, there is to be allowed a further deduction of the amount of such expenses in addition to the amount allowed under section 14.

(2AC) The expenses mentioned in subsection (2AB) are the following types of expenses that fall within descriptions prescribed by rules made under section 7, to the extent that such expenses do not fall within subsection (1):

- (a) expenses incurred in the design of packaging;
- (b) expenses incurred in obtaining any approved certification of goods and services;
- (c) expenses incurred in any advertisement placed in any media or on any promotion campaign carried out overseas.

(2AD) Rules made for the purposes of subsections (2AA) and (2AC) may be made to take effect from (and including) 17 February 2021.”; and

- (e) by deleting the words “subsection (2A)” in subsections (2B) and (3) and substituting in each case the words “subsections (2A), (2AA) and (2AB) (whichever is applicable)”.

Amendment of section 14D

9. Section 14D(5) of the principal Act is amended by deleting the words “(in respect of those relating to general insurance business only)” in paragraph (b) of the definition of “concessionary rate of tax”.

Amendment of section 14I

10.—(1) Section 14I of the principal Act is amended —

- (a) by inserting, immediately after subsection (6AA), the following subsection:

“(6AB) For the purposes of subsections (5) and (6) —

(a) a reference to a loan is to a loan that has been disbursed by the bank or qualifying finance company, but does not include —

(i) a loan to and placement with any financial institution in Singapore or any other country;

(ii) a loan to the Government or the government of any other country;

(iii) a loan to and placement with the Monetary Authority of Singapore or the central bank or other monetary authority of any other country;

(iv) a loan to any statutory body or corporation guaranteed by the Government or the government of any other country; or

(v) such other loan or advance as may be prescribed by rules made under section 7; and

(b) a reference to securities does not include securities issued or guaranteed by the Government or the government of any other country.”;

(b) by deleting the definition of “loan” in subsection (7) and substituting the following definition:

““loan” means any loan, advance or credit facility made or granted by a bank or qualifying finance company, including an overdraft;”;

(c) by deleting the full-stop at the end of the definition of “qualifying profit” in subsection (7) and substituting a semi-colon, and by inserting immediately thereafter the following definition:

““securities” means debentures, bonds or notes.”;
and

(d) by deleting subsection (8).

(2) Subsection (1)(a) has effect for the year of assessment 2023 and subsequent years of assessment, and subsection (1)(b), (c) and (d) has effect for the year of assessment 2022 and subsequent years of assessment.

Amendment of section 14K

11. Section 14K of the principal Act is amended —

(a) by deleting paragraph (a) of subsection (1A) and substituting the following paragraph:

“(a) need not be an approved firm or approved company to be allowed a deduction under subsection (1) in respect of the following expenditure that is directly attributable to the carrying out of any study to identify investment overseas:

(i) where the expenditure is incurred during the period between 1 April 2012 and 16 February 2021 (both dates inclusive) — any investment development expenditure;

(ii) where the expenditure is incurred during the period between 17 February 2021 and 31 December 2025 (both dates inclusive) — such investment development expenditure as is prescribed by rules made under section 7; and”;

(b) by inserting, immediately after subsection (1A), the following subsection:

“(1AA) Rules made for the purposes of subsection (1A)(a)(ii) may be made to take effect from (and including) 17 February 2021.”; and

(c) by deleting the definition of “investment development expenditure” in subsection (7) and substituting the following definition:

““investment development expenditure” means —

(a) expenses directly attributable to the carrying out of —

(i) any study to identify investment overseas; and

(ii) any feasibility or due diligence study on any approved investment overseas; and

(b) expenses incurred on or after 17 February 2021 for the transportation of any sample for use in any study carried out overseas to identify investment overseas.”.

Amendment of section 14Q

12. Section 14Q(3A) of the principal Act is amended by inserting, immediately after the words “year of assessment 2021”, the words “or 2022”.

Amendment of section 14ZA

13. Section 14ZA of the principal Act is amended —

(a) by deleting paragraph (a) of subsection (1) and substituting the following paragraphs:

“(a) an issue of post-seasoning debentures offered in reliance on an exemption under the Post-seasoning Debentures Regulations within 5 years starting from the date of issue of the corresponding seasoned debentures, being a date falling within the period between 19 May 2016 and 18 May 2021 (both dates inclusive);

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- (aa) an issue of qualifying debentures (other than post-seasoning debentures mentioned in paragraph (a)) during the period between 19 May 2016 and 18 May 2021 (both dates inclusive); or”;
- (b) by inserting, immediately after the words “the date of their issue” in subsection (1)(b), the words “(being a date falling within the period between 19 May 2016 and 18 May 2021 (both dates inclusive))”;
- (c) by inserting, immediately after subsection (1), the following subsection:
- “(1A) Where the Comptroller is satisfied that qualifying expenditure has been incurred on or after 19 May 2021 by a person carrying on a trade or business in Singapore in connection with —
- (a) an issue of post-seasoning debentures offered in reliance on an exemption under the Post-seasoning Debentures Regulations within 5 years starting from the date of issue of the corresponding seasoned debentures that is a date falling within the period between 19 May 2021 and 31 December 2026 (both dates inclusive), being post-seasoning debentures that are credit-rated as at the date they are issued;
- (b) an issue of qualifying debentures (other than post-seasoning debentures mentioned in paragraph (a)) during the period between 19 May 2021 and 31 December 2026 (both dates inclusive), being debentures that are credit-rated as at the date they are issued; or
- (c) making available potential seasoned debentures for secondary trading within 5 years starting from the date of their issue that is a date falling within the period between 19 May 2021 and 31 December

2026 (both dates inclusive), being debentures that are credit-rated as at the date they are so made available,

that person is to be allowed —

(d) where the expenditure is allowable as a deduction under section 14 — a further deduction of the amount of the expenditure; or

(e) where the expenditure is not allowable as a deduction under section 14 — a deduction equal to twice the amount of the expenditure.”;

(d) by inserting, immediately before the definition of “offering document” in subsection (6), the following definition:

““credit-rated”, in relation to qualifying debentures, means qualifying debentures that are given at least one credit rating by Fitch Ratings, Moody’s, or Standard & Poor (S&P) Global;”; and

(e) by deleting the definition of “qualifying debentures” in subsection (6) and substituting the following definition:

““qualifying debentures” means —

(a) potential seasoned debentures;

(b) post-seasoning debentures offered in reliance on an exemption under the Post-seasoning Debentures Regulations; or

(c) straight debentures offered in reliance on an exemption under the Straight Debentures Regulations;”.

Amendment of section 14ZB

14. Section 14ZB of the principal Act is amended —

- (a) by deleting the words “31 December 2021” in subsections (1) and (13)(b) and substituting in each case the words “31 December 2023”; and
- (b) by deleting “2021” in subsection (4) and substituting “2023”.

Amendment of section 14ZE

15. Section 14ZE of the principal Act is amended —

- (a) by deleting subsection (1) and substituting the following subsection:

“(1) Each provision in the first column of the following table applies for the purpose of ascertaining the income of a Tenth Schedule entity for the basis period for each year of assessment set out opposite that provision in the second column of the table:

<i>Provision</i>	<i>Year of assessment</i>
Subsection (2)	2021 or 2022
Subsection (2A)(a)	2022 or 2023
Subsection (2A)(b) and (c)	2022 or a subsequent year of assessment”;

- (b) by inserting, immediately after subsection (2), the following subsections:

“(2A) Despite any other provision in this Part, the following expenditure incurred by a Tenth Schedule entity is allowed as a deduction for the relevant year of assessment:

- (a) any monetary payment given during the period between 1 January 2021 and 31 December 2021 (both dates inclusive) by the Tenth Schedule entity to an individual who drives a chauffeured private hire car or taxi, that the Comptroller is satisfied is given to mitigate the individual's loss of income arising from a COVID-19 event;
- (b) the value of any benefit given on or after 1 January 2021 to an individual who drives a chauffeured private hire car or taxi, that is given in connection with an amount received by the Tenth Schedule entity out of a payment made by the Government from a fund established by the Government known as the COVID-19 Driver Relief Fund;
- (c) any monetary payment given on or after 1 January 2021 by the Tenth Schedule entity to an individual who drives a chauffeured private hire car or taxi that is a petrol car or petrol-electric car, that is given in connection with an amount received by the Tenth Schedule entity out of a payment made on behalf of the Government (known as the Additional Petrol Duty Rebate), that is part of the Budget Statement of the Government dated 16 February 2021.

(2B) Despite any other provision in this Part, any monetary payment given by a person (other than an individual) who paid a tax under section 11 of the Road Traffic Act for a vehicle that is a petrol car or petrol-electric car, to an individual who drives that vehicle as a chauffeured private hire car or taxi, in connection with an amount given to the person as a

rebate against that tax on or after 1 August 2021, is allowed as a deduction against the income of the person for the basis period for the year of assessment 2022 or a subsequent year of assessment.”;

- (c) by inserting, immediately after the definitions of “COVID-19 event” and “monetary payment” in subsection (3), the following definitions:

““petrol car” means a motor car which uses petrol as its source of power;

“petrol-electric car” means a motor car which uses either or both petrol and electricity as its source of power;”;

- (d) by deleting the words “individual drivers of chauffeured private hire cars and taxis due to COVID-19 events” in the section heading and substituting the words “drivers of chauffeured private hire cars and taxis”.

Amendment of section 14ZF

16. Section 14ZF of the principal Act is amended —

- (a) by deleting subsection (1) and substituting the following subsection:

“(1) Each provision in the first column of the following table applies for the purpose of ascertaining the income of a person set out opposite that provision in the second column of the table, for the basis period for each year of assessment set out opposite that income in the third column of the table:

<i>Provision</i>	<i>Income</i>	<i>Year of assessment</i>
Subsection (2)	Income derived by a person in the period between 1 January 2020 and 31 December 2020 (both dates inclusive) from the leasing or licensing of any immovable property in relation to which a remission of property tax is given by the Property Tax (Non-Residential Properties) (Remission) Order 2020	2021 or 2022
Subsection (2A)	Income derived by a person (being the lessor or licensor of a prescribed property) in the period between 1 January 2021 and 31 December 2021 (both dates inclusive) from the leasing or licensing of the prescribed property	2022 or 2023”;

(b) by inserting, immediately after subsection (2), the following subsection:

“(2A) Despite any other provision in this Part, the amount of any monetary payment made by the person in the year 2021 to the person’s lessee or licensee of the prescribed property, is allowed as a deduction against that income for the relevant year of assessment, if —

(a) the payment is made pursuant to an undertaking given by the person to his, her or its lessor or licensor, to provide relief to the lessee or licensee from any economic hardship arising from a COVID-19 event; or

- (b) the Comptroller is satisfied that the payment is intended to provide relief to the lessee or licensee from any economic hardship arising from a COVID-19 event.”;
- (c) by deleting the words “between 1 January 2020 and 31 December 2020 (both dates inclusive)” in subsection (3) and substituting the words “between 1 January and 31 December (both dates inclusive) of the year 2020 or 2021 (whichever is applicable)”;
- (d) by deleting the words “and “owner”” in subsection (4) and substituting the words “, “owner” and “prescribed property” ”.

New sections 14ZG and 14ZH

17. The principal Act is amended by inserting, immediately after section 14ZF, the following sections:

“Deduction for expenditure incurred in obtaining or granting, etc., leases of immovable properties

14ZG.—(1) Subject to subsections (3), (4) and (5), for the purpose of ascertaining the income of a person from the carrying on of a trade or business during the basis period for the year of assessment 2022 or any subsequent year of assessment, there is to be allowed a deduction for any expenditure incurred by the person during that basis period for the purpose of obtaining a lease, or renewing or extending a lease, of an immovable property that is used by the person for the purpose of the person’s trade or business.

(2) Subject to subsections (4) and (5), for the purpose of ascertaining the rental income derived by a person from an immovable property that is chargeable to tax under section 10(1)(f) during the basis period for the year of assessment 2022 or any subsequent year of assessment, there is to be allowed a deduction for any expenditure incurred by the person during that basis period for the purpose of granting the lease, or renewing or extending the lease, of the immovable property.

(3) No deduction may be allowed under subsection (1) to a company or trustee of a property trust in the business of letting immovable properties in which the company or trustee has a proprietary interest (other than as a legal owner) and would receive consideration if the proprietary interest is disposed of or transferred, whether in whole or in part.

(4) In subsections (1) and (2), expenditure incurred to obtain, grant, renew or extend a lease —

- (a) means any commission, legal fees, stamp duty, advertising expenses and such other expenditure as may be prescribed by rules made under section 7; but
- (b) excludes any outgoing or expense that is allowed as a deduction under section 14.

(5) No deduction may be allowed under subsection (1) or (2) to a person in respect of —

- (a) any lease, or any renewal or extension of a lease, for a term that (excluding any option for the renewal or extension of the lease) exceeds 3 years;
- (b) any acquisition, grant, novation, transfer or assignment (however described) of a lease because of any acquisition, sale, transfer or restructuring of any business; or
- (c) a lease under an arrangement where the immovable property is sold by, and leased back to, the seller of the immovable property.

Deduction for expenditure incurred on immovable property while vacant

14ZH.—(1) This section applies where an immovable property used by a person to derive rental income chargeable to tax under section 10(1)(f), in the basis period for the year of assessment 2022 or a subsequent year of assessment, is vacant during any part of the basis period.

(2) Subject to subsection (3), for the purpose of ascertaining the rental income derived during the basis period by the person

from the immovable property that is chargeable to tax under section 10(1)(f), there is to be allowed a deduction for —

- (a) any expenditure incurred by the person for the repair, insurance, maintenance or upkeep of the immovable property while it is vacant during that basis period; and
- (b) any amount paid during that basis period in respect of property tax charged on that immovable property.

(3) A deduction under subsection (2) is allowed to a person only if the Comptroller is satisfied that the person has made reasonable efforts in the circumstances to procure a lessee for the immovable property while it is vacant during the basis period.”.

Amendment of section 15

18. Section 15 of the principal Act is amended by inserting, immediately after subsection (2F), the following subsections:

“(2G) Subsection (1)(b) and (c) does not apply to any expenditure that qualifies for deduction under section 14ZG.

(2H) Subsection (1)(b) and (f) does not apply to any expenditure that qualifies for deduction under section 14ZH.”.

New section 15B

19. The principal Act is amended by inserting, immediately after section 15A in Part V, the following section:

“Limit on deduction allowed for leasing or licensing expenditure in 2021

15B.—(1) No deduction is allowed in respect of any expenditure incurred in the year 2021 by a person who is a lessee or licensee of any prescribed property on the leasing or licensing of that property, of an amount described in subsection (2).

(2) The amount mentioned in subsection (1) is the amount of any monetary payment received or receivable by the person from the person's lessor or licensor in the year 2021, which —

(a) is made by the lessor or licensor pursuant to an undertaking given by the lessor or licensor to his, her or its lessor or licensor, to provide relief to the person from any economic hardship arising from a COVID-19 event; or

(b) the Comptroller is satisfied is intended by the lessor or licensor to provide relief to the person from any economic hardship arising from a COVID-19 event.

(3) In this section, “COVID-19 event”, “monetary payment” and “prescribed property” have the meanings given by section 13ZA(6).”.

Amendment of section 19

20. Section 19 of the principal Act is amended by inserting, immediately after subsection (9), the following subsections:

“(10) This section applies to a person carrying on any trade or business who appropriates any trading stock of that trade or business for use as machinery or plant for the purpose of any of the person's trades, professions or businesses in circumstances that give rise to a reasonable inference that the appropriation is permanent, subject to the following modifications:

(a) a reference to the capital expenditure incurred on the provision of machinery or plant is to the open market value of the trading stock as at the date of the appropriation;

(b) the capital expenditure is treated as having been incurred on the date of the appropriation of the trading stock.

(11) In subsection (10), “open market value” and “trading stock” have the meanings given by section 10P(9).”.

Amendment of section 19A

21. Section 19A of the principal Act is amended —

- (a) by inserting, immediately after the words “during the basis period for the year of assessment 2021” in subsection (1E), the words “or 2022”;
- (b) by deleting “2021” in subsections (1E)(a) and (1F) and substituting in each case the words “relating to the basis period in which the capital expenditure is incurred”;
- (c) by deleting “2022” in subsection (1E)(b) and substituting the words “immediately following the year of assessment mentioned in paragraph (a)”;
- (d) by deleting subsection (1G) and substituting the following subsection:

“(1G) Where a person carrying on a trade, profession or business enters into a hire-purchase agreement during the basis period for the year of assessment 2021 or 2022 in respect of machinery or plant provided for the purposes of that trade, profession or business, subsection (1E) applies, with the necessary modifications, to each instalment paid by the person under the hire-purchase agreement in a basis period for a year of assessment (whether the firstmentioned year of assessment or a subsequent year of assessment), as it applies to capital expenditure incurred in the basis period for the year of assessment 2021 or 2022, as the case may be.”;
- (e) by deleting the words “on or after 1st January 1996” in subsection (5) and substituting the words “during the period between 1 January 1996 and 16 February 2021 (both dates inclusive)”;
- (f) by inserting, immediately after subsection (14C), the following subsections:

“(14D) This section applies to a person carrying on any trade or business who appropriates any trading stock of that trade or business for use as machinery or plant for the purpose of any of the person’s trades, professions or businesses in circumstances that give rise to a reasonable inference that the appropriation is permanent, subject to the following modifications:

- (a) a reference to the capital expenditure incurred on the provision of machinery or plant is to the open market value of the trading stock on the date of the appropriation;
- (b) the capital expenditure is treated as having been incurred on the date of the appropriation of the trading stock.

(14E) In subsection (14D), “open market value” and “trading stock” have the meanings given by section 10P(9).”.

New section 19E

22. The principal Act is amended by inserting, immediately after section 19D, the following section:

“Use of open-market price for making allowances under sections 19, 19A and 19D

19E.—(1) This section applies for the purpose of making an allowance under section 19, 19A or 19D for capital expenditure incurred in acquiring any machinery, plant or IRU (called in this section the property), and applies despite anything in that section.

(2) If the capital expenditure (not being a deposit or an instalment payment) incurred for the acquisition of the property exceeds the open-market price for the property, then, for the purpose of determining the amount of allowances for the capital expenditure under section 19, 19A or 19D, the Comptroller may treat the open-market price as the amount of that expenditure.

(3) In subsection (2), the open-market price for the property is either —

- (a) the price which the property could have been purchased in the open market on the date of its acquisition; or
- (b) where the Comptroller is satisfied by reason of the special nature of the property that it is not practicable to determine the price mentioned in paragraph (a), such other value as appears to the Comptroller to be reasonable in the circumstances.

(4) If the capital expenditure consists of deposits and instalment payments and the total amount of the deposits and instalment payments (excluding any finance charges) made in any basis period exceeds a proportion of the open-market price for the property as computed under subsection (5), then, for the purpose of determining the amount of allowances for the expenditure under section 19, 19A or 19D, the Comptroller may treat that proportion of the open-market price as the amount of that expenditure.

(5) In subsection (4), the proportion of the open-market price for the property is an amount computed by the formula

$$\frac{A}{B} \times C,$$

where —

- (a) A is the total amount of the deposits and instalment payments (excluding any finance charges) made in the basis period;
- (b) B is the total amount of all the deposits and instalment payments (excluding any finance charges) payable to acquire the property; and
- (c) C is either —
 - (i) the price (excluding any finance charges) which the property could have been purchased in the open market on the date of its acquisition; or

- (ii) where the Comptroller is satisfied by reason of the special nature of the property that it is not practicable to determine the price mentioned in sub-paragraph (i), such other value as appears to the Comptroller to be reasonable in the circumstances.

(6) In this section, “IRU” has the meaning given by section 19D(1).”.

Amendment of section 20

23. Section 20(4) of the principal Act is amended by deleting the word “special” in paragraph (b).

Amendment of section 24

24. Section 24 of the principal Act is amended —

- (a) by deleting the word “special” in subsection (3)(c); and
- (b) by inserting, immediately after subsection (3), the following subsection:

“(3A) In subsection (3), “Indefeasible Right of Use” has the meaning given by section 19D(1).”.

New section 25

25. The principal Act is amended by inserting, immediately after section 24 in Part VI, the following section:

“Special provisions as to certain transfers

25.—(1) This section has effect in relation to any transfer of any property without consideration as a result of —

- (a) a conversion of a firm to a limited liability partnership under section 20 of the Limited Liability Partnerships Act;
- (b) a conversion of a private company to a limited liability partnership under section 21 of the Limited Liability Partnerships Act;

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- (c) a conversion of any business carried on by an individual proprietor to one carried on by a firm, where the individual proprietor is a partner of, and has control over, the firm after the conversion; or
 - (d) a conversion of any business carried on by a firm to one carried on by an individual proprietor, where the individual proprietor was a partner of, and had control over, the firm before the conversion,

and the transfer is not one to which section 33 applies.

(2) For the purposes of subsection (1), “conversion” means a transfer of the property, assets, interests, rights, privileges, liabilities, obligations and undertaking —

- (a) in the case of subsection (1)(a) — of the partners of the firm relating to the business to the limited liability partnership;
- (b) in the case of subsection (1)(b) — of the private company to the limited liability partnership;
- (c) in the case of subsection (1)(c) — of the individual proprietor relating to the business to the partners of the firm; or
- (d) in the case of subsection (1)(d) — of the partners of the firm relating to the business to the individual proprietor.

(3) Where the parties to the transfer of the property by written notice to the Comptroller so elect —

- (a) the like consequences ensue for the purposes of sections 19, 19A, 19D, 20 and 21 as would have ensued if the property had been transferred —
 - (i) in the case of machinery or plant — for a sum equal to the amount of the expenditure on the provision of the machinery or plant remaining unallowed immediately before the transfer, computed in accordance with section 20; or

- (ii) in the case of an IRU — for a sum equal to the amount of capital expenditure remaining unallowed immediately before the transfer, computed in accordance with section 19D;
 - (b) despite anything in section 19, where the transfer is a transfer of machinery or plant, no initial allowance is to be made to the transferee;
 - (c) despite anything in section 19A, where the transfer is a transfer of machinery or plant, allowances provided under that section continue to be available as if no transfer had taken place;
 - (d) despite anything in section 19D, where the transfer is a transfer of an IRU, the writing-down allowances provided under that section continue to be available as if no transfer had taken place; and
 - (e) despite anything in paragraphs (a) to (d) or in sections 19D and 20, such balancing charge (if any) must be made on the transferee on any event occurring after the date of the transfer as would have fallen to be made on the transferor if the transferor had continued to own the property and had done all the things and been allowed all the allowances and deductions in connection with the property as were done by or allowed to the transferee.
- (4) No election may be made under subsection (3) unless, before the transfer in the case of the transferor and after the transfer in the case of the transferee, the property is used in the production of income chargeable under the provisions of this Act.
- (5) In this section —
- “firm” and “individual proprietor” have the meanings given by section 2(1) of the Business Names Registration Act 2014;
 - “IRU” has the meaning given by section 19D(1);

“private company” has the meaning given by section 2(1) of the Limited Liability Partnerships Act.”.

Amendment of section 26

26.—(1) Section 26 of the principal Act is amended —

- (a) by deleting the words “or (7)” in subsections (6)(a)(ii) and (c)(ii) and (7)(a)(i)(B);
- (b) by inserting, immediately after the words “surplus account” in subsections (6)(a)(iv) and (c)(iv) and (7)(a)(i)(D), the words “of the participating fund”;
- (c) by deleting the word “and” at the end of sub-paragraph (iv) of subsection (6)(a), and by inserting immediately thereafter the following sub-paragraphs:
 - “(iva) adding thereto an amount allocated to the surplus account of the participating fund by the insurer in accordance with regulations made under section 17(7) of the Insurance Act, being an amount that does not exceed 1/9th of the tax payable at the rate under section 43(9) on the amount mentioned in sub-paragraph (i);
 - (ivb) adding thereto any amount (other than the amounts mentioned in sub-paragraphs (iv) and (iva)) allocated to the surplus account of the participating fund by the insurer in accordance with regulations made under section 17(7) of the Insurance Act, but excluding any portion that is not chargeable to tax;”;
- (d) by inserting, immediately after sub-paragraph (iv) of subsection (6)(c), the following sub-paragraphs:

- “(iva) adding thereto an amount allocated to the surplus account of the participating fund by the insurer in accordance with regulations made under section 17(7) of the Insurance Act, being an amount that does not exceed 1/9th of the tax payable at the rate under section 43(9) on the amount mentioned in sub-paragraph (i);
- (ivb) adding thereto any amount (other than the amounts mentioned in sub-paragraphs (iv) and (iva)) allocated to the surplus account of the participating fund by the insurer in accordance with regulations made under section 17(7) of the Insurance Act, but excluding any portion that is not chargeable to tax;”;
- (e) by deleting the word “and” at the end of sub-paragraph (D) of subsection (7)(a)(i), and by inserting immediately thereafter the following sub-paragraphs:
- “(DA) adding thereto an amount allocated to the surplus account of the participating fund by the insurer in accordance with regulations made under section 17(7) of the Insurance Act, being an amount that does not exceed 1/9th of the tax payable at the rate under section 43(9) on the amount mentioned in sub-paragraph (A);

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- (DB) adding thereto any amount (other than the amounts mentioned in sub-paragraphs (D) and (DA)) allocated to the surplus account of the participating fund by the insurer in accordance with regulations made under section 17(7) of the Insurance Act, but excluding any portion that is not chargeable to tax;”;
- (f) by inserting, immediately after paragraph (a) of subsection (8), the following paragraph:
- “(aa) allowances under section 19, 19A, 20, 21, 22 or 23 or losses or donations allowable under section 37 may be deducted against any part of the income of the insurer from a participating fund that is apportioned to policyholders in accordance with regulations made under section 43(9) or 43C if, and only if, the allowances, losses or donations are —
- (i) allowances, losses or donations in respect of such income; or
- (ii) allowances, losses or donations in respect of any income of the insurer from another participating fund that is also apportioned to policyholders in accordance with those regulations;”;
- (g) by inserting, immediately after the words “or the losses” in subsection (8)(b) and (c), the words “or donations”;
- (h) by deleting the words “as is apportioned to the policyholders” in subsection (8)(b) and substituting the words “from a participating fund as is apportioned to policyholders”;

- (i) by deleting the words “such part of the income as is so apportioned” in subsection (8)(b)(i) and substituting the words “any part of the insurer’s income from any participating fund that is apportioned to policyholders”; and
- (j) by deleting sub-paragraph (ii) of subsection (8)(b) and substituting the following sub-paragraph:

“(ii) the balance of such allowances, losses or donations under sub-paragraph (i) may, subject to section 23 or 37 (as the case may be), only be deducted against any part of the insurer’s income from any participating fund that is apportioned to policyholders in accordance with regulations made under section 43(9) or 43C, for any subsequent year of assessment;”.

(2) The amendments to section 26(6) and (7) of the principal Act apply for the year of assessment 2021 and any subsequent year of assessment.

New section 32A

27. The principal Act is amended by inserting, immediately after section 32, the following section:

“Valuation of cost of trading stock converted from non-trade or capital asset

32A.—(1) Where, at any time on or after the date of commencement of section 27 of the Income Tax (Amendment) Act 2021, any property of a person that is not trading stock becomes wholly or in part trading stock of the person’s trade or business, then, in computing the gains or profits arising from the sale or disposal of such trading stock, the open market value of the property or part of the property as at the date it becomes trading stock is treated as the cost of the trading stock.

(2) For the purpose of subsection (1), property is treated as having become trading stock if the property is held for sale or disposal in the ordinary course of a trade or business.

(3) To avoid doubt, the reference to trading stock in subsection (1) does not include property the sale or disposal of which results in a gain or loss that is capital in nature.

(4) Where property has become wholly or in part trading stock under subsection (1), then the person must, at the time of lodgment of the person's return of income for the year of assessment relating to the basis period in which the property becomes trading stock, or such later time as the Comptroller may allow, give notice of the occurrence and specify the particulars of the occurrence in such form and manner as the Comptroller may specify.

(5) The Minister may by rules made under section 7, exempt any person or class of persons from subsection (4), subject to such conditions as may be specified in the rules.

(6) Rules made for the purposes of subsection (5) may be made to take effect from (and including) the date of commencement of section 27 of the Income Tax (Amendment) Act 2021.

(7) In this section —

“open market value”, in relation to any property, means —

- (a) the amount that would be realised if the property had been sold in the open market; or
- (b) where the Comptroller is satisfied by reason of the special nature of the property that it is not practicable to determine the amount mentioned in paragraph (a), such other value as appears to the Comptroller to be reasonable in the circumstances;

“trading stock”, in relation to a trade or business —

- (a) means property of any description (whether movable or immovable) —

- (i) that is sold in the ordinary course of trade or business; or
 - (ii) that would be so sold if it were mature or if its manufacture, preparation or construction were complete; but
- (b) does not include any material used in the manufacture, preparation or construction of any property mentioned in paragraph (a).”.

Amendment of section 34E

28. Section 34E of the principal Act is amended by deleting subsection (2) and substituting the following subsection:

“(2) Despite any objection to or an appeal lodged against an assessment made pursuant to any adjustment under section 34D(1A), the surcharge must be paid —

- (a) within one month after the date a written notice of the surcharge is served in accordance with section 8(1) on the person imposed with the surcharge; and
- (b) in the manner stated in the written notice.”.

Amendment of section 37

29. Section 37(3A) of the principal Act is amended by deleting “2021” in paragraph (a)(ii) and substituting “2023”.

Amendment of section 37B

30. Section 37B(11) of the principal Act is amended by deleting the words “(in respect of those relating to general insurance business only)” in paragraph (b)(ii) of the definition of “rate of tax”.

Amendment of section 37C

31. Section 37C of the principal Act is amended by inserting, immediately after subsection (15), the following subsection:

“(15A) This section does not entitle —

- (a) a company that is a life insurer to transfer to another company that is a life insurer, any qualifying deduction relating to any income from a participating fund of the firstmentioned life insurer that is apportioned to policyholders in accordance with regulations made under section 43(9) or 43C; or
- (b) a company that is a life insurer to claim any qualifying deduction of another company that is a life insurer against any income of the firstmentioned insurer from a participating fund that is apportioned to policyholders in accordance with regulations made under section 43(9) or 43C.”.

Amendment of section 37E

32. Section 37E of the principal Act is amended —

- (a) by deleting subsections (1A), (1B) and (1C) and substituting the following subsections:

“(1A) Subject to the other provisions of this section, a person may, instead of deducting any qualifying deduction for the year of assessment 2020 or 2021 (called in this section the subject YA) in accordance with subsection (1), deduct the qualifying deduction for the subject YA against the person’s assessable income for the 3 years of assessment immediately preceding the subject YA.

(1B) A qualifying deduction for the subject YA under subsection (1A) must be deducted in the following order:

- (a) the qualifying deduction must first be made against the person’s assessable income for the third year of assessment immediately preceding the subject YA;

- (b) any balance of the qualifying deduction after the deduction in paragraph (a) must then be made against the person's assessable income for the second year of assessment immediately preceding the subject YA;
- (c) any balance of the qualifying deduction after the deduction in paragraph (b) must then be made against the person's assessable income for the year of assessment immediately preceding the subject YA.

(1C) Where a person is entitled to make 2 or more of the qualifying deductions set out in the first column of the following table against the person's assessable income for a particular year of assessment, then the deductions must be made in the order set out in the second column of the table, and each deduction must as far as possible be made against such assessable income (or any balance of such income after an earlier deduction) by the amount set out opposite that deduction in the third column of the table:

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
A qualifying deduction under subsection (1)	First	Full amount of the qualifying deduction
A qualifying deduction for the year of assessment 2020 under subsection (1A)	Second	Full amount of the qualifying deduction or its balance as described in subsection (1B)
A qualifying deduction for the year of assessment 2021 under subsection (1A)	Third	Full amount of the qualifying deduction or its balance as described in subsection (1B)

(1D) Any election made by a person under subsection (6) for the deduction of any qualifying deduction for the year of assessment 2020 to be in accordance with subsection (1A) as in force immediately before 17 February 2021, is treated as an election made for the deduction of such qualifying deduction to be in accordance with subsection (1A) as in force on that date.”;

- (b) by inserting, immediately after the words “year of assessment 2020” in subsection (3A), the words “or 2021”;
- (c) by deleting paragraph (b) of subsection (3A) and substituting the following paragraph:

“(b) the amount of the person’s assessable income for the second-mentioned year of assessment or any balance of the assessable income as determined in accordance with the table in subsection (1C) against which the deduction may be made.”;

- (d) by deleting subsection (8A) and substituting the following subsection:

“(8A) Despite subsection (8), where the Comptroller discovers that any deduction made under subsection (1A) of any qualifying deduction for a subject YA against the assessable income of a person for the year of assessment 2017, 2018, 2019 or 2020 (whichever is applicable) has become excessive, the Comptroller may make an assessment on the person on the amount which, in the Comptroller’s opinion, ought to have been charged to tax in the year of assessment 2017, 2018, 2019 or 2020, as the case may be —

- (a) in the case of a qualifying deduction for the year of assessment 2020 — on or before 31 December 2024; or

(b) in the case of a qualifying deduction for the year of assessment 2021 — on or before 31 December 2025.”;

(e) by inserting, immediately after subsection (16), the following subsections:

“(16A) This section does not entitle any qualifying deduction of a life insurer for any year of assessment to be deducted against any income of the insurer for any preceding year of assessment from a participating fund that is apportioned to policyholders in accordance with regulations made under section 43(9) or 43C, unless the qualifying deduction is —

(a) a qualifying deduction in respect of any income from that participating fund that is apportioned to policyholders in accordance with those regulations; or

(b) a qualifying deduction in respect of any income of the insurer from another participating fund that is also apportioned to policyholders in accordance with those regulations.

(16B) This section also does not entitle any qualifying deduction of a life insurer for any year of assessment in respect of any income of the insurer from a participating fund that is apportioned to policyholders in accordance with regulations made under section 43(9) or 43C, to be deducted against any income of the insurer for any preceding year of assessment, other than income from a participating fund that is apportioned to policyholders in accordance with regulations made under section 43(9) or 43C.”; and

(f) by deleting the words “(in respect of those relating to general insurance business and life reinsurance business

only)” in paragraph (b) of the definition of “concessionary rate of tax” in subsection (17).

Amendment of section 37L

33. Section 37L of the principal Act is amended —

- (a) by deleting the words “subsection (16)(c)(v) and (d)(v)” in subsection (16E) and substituting the words “subsections (16)(c)(v) and (d)(v) and (17)(db)”; and
- (b) by inserting, immediately after paragraph (da) of subsection (17), the following paragraph:

“(db) where the qualifying acquisition is one mentioned in subsection (4A)(a) or (b), the acquiring company or the acquiring subsidiary (as the case may be) fails to satisfy any condition prescribed under subsection (16E);”.

Amendment of section 42

34. Section 42 of the principal Act is amended —

- (a) by deleting the words “Subject to subsection (2), there” in subsection (1) and substituting the word “There”; and
- (b) by deleting subsection (2).

Amendment of section 42A

35. Section 42A of the principal Act is amended by inserting, immediately after subsection (12), the following subsections:

“(12A) For the purposes of the definitions of “first child of the family”, “second child of the family”, “third child of the family”, “fourth child of the family” and “fifth or subsequent child of the family” in subsection (11), for the year of assessment 2022 or any subsequent year of assessment, any sibling of the child, being a sibling that is a stillborn child (whether issued from the child’s mother before, on or after 1 January 2022), is to be included in determining the number of siblings that the child has who are members of the same

household, but only if the natural mother of the stillborn child is a member of that household.

(12B) To avoid doubt, subsection (12A) does not imply that a stillborn child is a child in respect of whom a rebate may be allowed under this section.

(12C) In subsection (12A), “stillborn child” means any child that —

- (a) issues from the child’s mother after the twenty-second week of pregnancy; and
- (b) does not show any sign of life at any time after being completely expelled or extracted from the mother.”.

Amendment of section 43C

36. Section 43C(1) of the principal Act is amended —

- (a) by deleting the words “on or after 1 September 2019” in the second column of the table in paragraph (c) and substituting the words “between 1 September 2019 and 31 August 2021 (both dates inclusive)”; and
- (b) by deleting the words “on or after 1 September 2016” in the second column of the table in paragraph (c) and substituting the words “between 1 September 2016 and 31 August 2021 (both dates inclusive)”.

Amendment of section 43W

37. Section 43W(4A) of the principal Act is amended —

- (a) by inserting, immediately after the words “the Minister” wherever they appear, the words “or authorised body”; and
- (b) by deleting the words “as he thinks fit” and substituting the words “as the Minister or authorised body thinks fit”.

Amendment of section 43ZA

38.—(1) Section 43ZA of the principal Act is amended —

- (a) by inserting, immediately after subsection (4), the following subsection:

“(4A) A reference to the Minister in subsection (4), in the case of an approval granted on or after the date of commencement of section 38(1)(a) of the Income Tax (Amendment) Act 2021, includes the authorised body.”; and

(b) by deleting the definition of “related party” in subsection (7) and substituting the following definition:

““related party”, in relation to an approved container investment enterprise, means —

(a) any entity that is related to the approved container investment enterprise in such manner as may be prescribed by rules made under section 7; or

(b) any other entity that is approved by the Minister in any particular case to be a related party of the approved container investment enterprise.”.

(2) Section 43ZA(7) of the principal Act, as amended by section 38(1)(b), is amended by inserting, immediately after the words “by the Minister” in paragraph (b) of the definition of “related party”, the words “or authorised body”.

Amendment of section 43ZB

39. Section 43ZB(4A) of the principal Act is amended —

(a) by inserting, immediately after the words “the Minister” wherever they appear, the words “or authorised body”; and

(b) by deleting the words “as he thinks fit” and substituting the words “as the Minister or authorised body thinks fit”.

Amendment of section 43ZF

40. Section 43ZF(2) of the principal Act is amended by inserting, immediately after the words “the Minister”, the words “or authorised body”.

Amendment of section 43ZI

41. Section 43ZI(11) of the principal Act is amended by inserting, immediately after paragraph *(d)*, the following paragraphs:

- “(da) the circumstances under which a prescribed amount of expenses, allowances or donations deducted from qualifying intellectual property income of an approved company may be deemed as a loss;
- (db)* the treatment of the loss mentioned in paragraph *(da)*, including disregarding any part of it, or making available any part of it for —
 - (i) deduction against any income subject to tax at the rate specified in section 43(1)(a) for a specified year of assessment in accordance with this Act;
 - (ii) deduction against any income for any preceding or subsequent year of assessment in accordance with this Act; and
 - (iii) transfer under section 37C;
- (dc)* the application of the provisions of this Act for the purpose of the deductions and transfer in paragraph *(db)* with such modifications as may be prescribed;”.

Amendment of section 45I

42. Section 45I of the principal Act is amended by deleting the words “31st March 2021” in subsections (1)(a) and (3)(i), (ii), (iii)(A) and (iv) and substituting in each case the words “31 December 2026”.

Amendment of section 50

43. Section 50 of the principal Act is amended —

- (a)* by inserting, immediately after the words “year of assessment” in subsection (9), the words “to which the claim relates (if the year of assessment is the year of assessment 2021 or a previous year of assessment), or

4 years after the end of the year of assessment to which the claim relates (if the year of assessment is any other year of assessment)”;

- (b) by deleting the words “2 years” in subsection (10) and substituting the words “3 years”; and
- (c) by inserting, immediately after subsection (10), the following subsections:

“(11) If the amount of any credit given under the arrangements to a person is rendered excessive by reason of any adjustment of the amount of any tax payable in any territory outside Singapore, the person must give the Comptroller a written notice of the particulars of the adjustment, in the manner specified by the Comptroller, within one year after the adjustment is made.

(11A) Any person who, without reasonable excuse, fails to comply with subsection (11) shall be guilty of an offence and shall be liable on conviction to a penalty not exceeding the amount of the excess credit under subsection (11).

(11B) The Comptroller may compound any offence under subsection (11A).”.

Amendment of section 50C

44. Section 50C(6) of the principal Act is amended by inserting, immediately after “(10)”, “, (11), (11A), (11B)”.

Amendment of section 62B

45. Section 62B(7) of the principal Act is amended —

- (a) by deleting the words “section 24, where the buyer and seller” and substituting the words “section 24 or 25, where the buyer and seller or the transferee and transferor (as the case may be)”;
- (b) by inserting, immediately after the words “date of sale”, the words “or transfer (as the case may be)”.

Amendment of section 74

46. Section 74 of the principal Act is amended —

- (a) by deleting the words “arising out of the application” in subsection (2A) and substituting the words “or doubts arising out of the interpretation or application”; and
- (b) by deleting subsection (2B) and substituting the following subsection:

“(2B) Subsection (2A) applies to —

- (a) an agreement (other than one mentioned in paragraph (b)) entered into on or after 26 October 2017; and
- (b) an agreement on the appropriate criteria to be used to ascertain the transfer pricing of a person’s transactions with the person’s related parties over a specified period (commonly called an advance pricing arrangement), entered into on or after the date on which the Income Tax (Amendment) Act 2021 is published in the *Gazette*.”.

Amendment of section 94

47. Section 94(2) of the principal Act is amended by deleting “\$1,000” and substituting “\$5,000”.

Amendment of section 94A

48. Section 94A of the principal Act is amended —

- (a) by deleting “\$1,000” in subsections (1) and (3)(b) and substituting in each case “\$5,000”; and
- (b) by deleting “\$50” in subsection (2) and substituting “\$100”.

Amendment of section 101

- 49.** Section 101(2) of the principal Act is amended —
- (a) by inserting, immediately after “45(5),”, the words “50(11A) (including that provision as applied by section 50A(4) or 50C(6)),”; and
 - (b) by deleting the words “and 96A” and substituting the words “, 96A, and section 50(11B) in Part 3 of the Third Schedule (including that provision as applied by section 50A(4) or 50C(6) in Part 3 of the Third Schedule)”.

New section 104A

50. The principal Act is amended by inserting, immediately after section 104, the following section:

“Protection of informers

104A.—(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings commenced on or after the date of commencement of section 50 of the Income Tax (Amendment) Act 2021 is obliged or permitted —

- (a) to disclose the identity of an informer who has given any information (whether the information is given before, on or after that date) with respect to an offence under this Act; or
- (b) to answer any question if the answer to the question would lead, or would tend to lead, to the discovery of the identity of the informer.

(2) If any document which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to the discovery of the informer’s identity, the court must cause the entry to be concealed from view or to be obliterated so far only as may be necessary to protect the informer from discovery.

(3) If —

(a) in any proceedings for an offence under any written law, the court, after full enquiry into the case, believes that the informer wilfully made a material statement which the informer knew or believed to be false or did not believe to be true; or

(b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties to the proceedings without the discovery of the informer,

the court may permit enquiry and require full disclosure concerning the informer.

(4) In this section, a reference to civil proceedings includes any proceedings before the Board of Review.”.

Amendment of section 105M

51. Section 105M of the principal Act is amended by deleting subsection (1) and substituting the following subsections:

“(1) Any person who, without reasonable excuse, fails or neglects to comply with —

(a) section 105L(1); or

(b) any regulation made under section 105P that requires the person to apply to the Comptroller for registration or report any information to the Comptroller,

shall be guilty of an offence.

(1A) Any person who is convicted of an offence under subsection (1) shall be liable —

(a) to a fine not exceeding \$5,000 and in default of payment to imprisonment not exceeding 6 months; and

(b) in the case of a continuing offence, to a further fine not exceeding \$100 for every day or part of a day during which the offence continues after conviction.

(1B) Any person who, without reasonable excuse, fails or neglects to comply with any requirement imposed by regulations made under section 105P, other than a requirement mentioned in subsection (1)(b), shall be guilty of an offence and shall be liable on conviction —

- (a) to a fine not exceeding \$1,000 and in default of payment to imprisonment not exceeding 6 months; and
- (b) in the case of a continuing offence, to a further fine not exceeding \$50 for every day or part of a day during which the offence continues after conviction.”.

Amendment of Part 3 of Third Schedule

52.—(1) Section 50 in Part 3 of the Third Schedule to the principal Act is amended —

- (a) by inserting, immediately after the words “the year of assessment” in subsection (10), the words “to which the claim relates (if the year of assessment is the year of assessment 2021 or a previous year of assessment), or 4 years after the end of the year of assessment to which the claim relates (if the year of assessment is any other year of assessment)”;
- (b) by deleting the words “2 years” in subsection (11) and substituting the words “3 years”; and
- (c) by inserting, immediately after subsection (11), the following subsections:

“(11A) If the amount of any credit given under the arrangements to an umbrella VCC attributable to any of its sub-funds is rendered excessive by reason of any adjustment of the amount of any tax payable in any territory outside Singapore, the umbrella VCC must give the Comptroller a written notice of the particulars of the adjustment, in the manner specified by the Comptroller, within one year after the adjustment is made.

(11B) An umbrella VCC that, without reasonable excuse, fails to comply with subsection (11A) shall be guilty of an offence

and shall be liable on conviction to a penalty not exceeding the amount of the excess credit under subsection (11A).

(11C) The Comptroller may compound any offence under subsection (11B).”.

(2) Section 50C(6) in Part 3 of the Third Schedule to the principal Act is amended by inserting, immediately after “(11),”, “(11A), (11B), (11C),”.

Amendment of Fifth Schedule

53. The Fifth Schedule to the principal Act is amended —

(a) by inserting, immediately after sub-paragraph (1A) of paragraph 5, the following sub-paragraphs:

“(1B) For the purposes of determining whether a child is a “first eligible child”, “second eligible child” or “third and subsequent eligible child” in sub-paragraph (1A), for the year of assessment 2022 or any subsequent year of assessment, a sibling of the child, being a sibling that is a stillborn child (whether issued from the child’s mother before, on or after 1 January 2022), is treated as if the stillborn child were an eligible child, but only if the natural mother of the stillborn child is the married woman, divorcee or widow claiming the deduction.

(1C) To avoid doubt, sub-paragraph (1B) does not imply that a stillborn child is an eligible child in respect of whom a deduction is allowable under section 39(2)(e).”; and

(b) by deleting the word “and” at the end of sub-paragraph (a) of paragraph 7, and by inserting immediately thereafter the following sub-paragraph:

“(aa) “stillborn child” means any child that —

- (i) issues from the child’s mother after the twenty-second week of pregnancy; and
- (ii) does not show any sign of life at any time after being completely expelled or extracted from the mother; and”.

Amendment of Ninth Schedule

54. The Ninth Schedule to the principal Act is amended by inserting, immediately after item 2, the following items:

- “3. SkillsFuture Enterprise Credit
4. Senior Employment Credit
5. Enabling Employment Credit
6. CPF Transition Offset
7. Foreign Worker Levy Rebate
8. Jobs Growth Incentive
9. Rental Support Scheme”.

Related amendment to Betting and Sweepstake Duties Act

55. The Betting and Sweepstake Duties Act is amended by inserting, immediately after section 11, the following section:

“Protection of informers

12.—(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings commenced on or after the date of commencement of section 55 of the Income Tax (Amendment) Act 2021 is obliged or permitted —

- (a) to disclose the identity of an informer who has given any information (whether the information is given before, on or after that date) with respect to an offence under this Act; or
- (b) to answer any question if the answer to the question would lead, or would tend to lead, to the discovery of the identity of the informer.

(2) If any document which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to the discovery of the informer’s identity, the court must cause the entry to be concealed from view or to be obliterated so far only as may be necessary to protect the informer from discovery.

(3) If —

(a) in any proceedings for an offence under any written law, the court, after full enquiry into the case, believes that the informer wilfully made a material statement which the informer knew or believed to be false or did not believe to be true; or

(b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties to the proceedings without the discovery of the informer,

the court may permit enquiry and require full disclosure concerning the informer.”.

Related amendment to Estate Duty Act

56. The Estate Duty Act is amended by inserting, immediately after section 54, the following section:

“Protection of informers

54A.—(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings commenced on or after the date of commencement of section 56 of the Income Tax (Amendment) Act 2021 is obliged or permitted —

(a) to disclose the identity of an informer who has given any information (whether the information is given before, on or after that date) with respect to an offence under this Act; or

(b) to answer any question if the answer to the question would lead, or would tend to lead, to the discovery of the identity of the informer.

(2) If any document which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to the discovery of the informer’s identity, the court must cause the entry to be concealed from view or to be obliterated so far only as may be necessary to protect the informer from discovery.

(3) If —

(a) in any proceedings for an offence under any written law, the court, after full enquiry into the case, believes that the informer wilfully made a material statement which the informer knew or believed to be false or did not believe to be true; or

(b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties to the proceedings without the discovery of the informer,

the court may permit enquiry and require full disclosure concerning the informer.”.

Related amendments to Goods and Services Tax Act

57. The Goods and Services Tax Act is amended —

(a) by inserting, immediately after subsection (6C) of section 6, the following subsections:

“(6CA) Despite anything in this section, the Comptroller may allow a person who is authorised by the chief executive officer of the Inland Revenue Authority of Singapore such access to any records or documents as may be necessary for the person to conduct an audit in relation to the administration of any public scheme specified in Part 1 of the Sixth Schedule, including the audit of any information technology system used by the Inland Revenue Authority of Singapore for such administration.

(6CB) A person authorised by the chief executive officer under subsection (6CA) —

(a) must make and subscribe a declaration of secrecy in accordance with subsection (1)(b);

(b) must not disclose to any person, or allow any person access to, anything contained in the records or documents; and

(c) must not use or make any copy of the records or documents or anything contained in the records or documents, other than for the purpose of the audit mentioned in subsection (6CA).

(6CC) A person who contravenes subsection (6CB)(b) or (c) shall be guilty of an offence.”;

(b) by inserting, immediately after section 84 in Part XI, the following section:

“Protection of informers

84A.—(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings commenced on or after the date of commencement of section 57(b) of the Income Tax (Amendment) Act 2021 is obliged or permitted —

(a) to disclose the identity of an informer who has given any information (whether the information is given before, on or after that date) with respect to an offence under this Act; or

(b) to answer any question if the answer to the question would lead, or would tend to lead, to the discovery of the identity of the informer.

(2) If any document which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to the discovery of the informer’s identity, the court must cause the entry to be concealed from view or to be obliterated so far only as may be necessary to protect the informer from discovery.

(3) If —

(a) in any proceedings for an offence under any written law, the court, after full enquiry into the case, believes that the informer wilfully made a material statement which the informer knew or believed to be false or did not believe to be true; or

(b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties to the proceedings without the discovery of the informer,

the court may permit enquiry and require full disclosure concerning the informer.

(4) In this section, a reference to civil proceedings includes any proceedings before the Goods and Services Tax Board of Review.”; and

(c) by inserting, immediately after item 2 of Part 1 of the Sixth Schedule, the following items:

- “3. SkillsFuture Enterprise Credit
4. Senior Employment Credit
5. Enabling Employment Credit
6. CPF Transition Offset
7. Foreign Worker Levy Rebate
8. Jobs Growth Incentive
9. Rental Support Scheme”.

Related amendment to Private Lotteries Act

58. The Private Lotteries Act is amended by inserting, immediately after section 29, the following section:

“Protection of informers

29A.—(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings commenced on or after the

date of commencement of section 58 of the Income Tax (Amendment) Act 2021 is obliged or permitted —

- (a) to disclose the identity of an informer who has given any information (whether the information is given before, on or after that date) with respect to an offence under this Act; or
- (b) to answer any question if the answer to the question would lead, or would tend to lead, to the discovery of the identity of the informer.

(2) If any book which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to the discovery of the informer's identity, the court must cause the entry to be concealed from view or to be obliterated so far only as may be necessary to protect the informer from discovery.

(3) If —

- (a) in any proceedings for an offence under any written law, the court, after full enquiry into the case, believes that the informer wilfully made a material statement which the informer knew or believed to be false or did not believe to be true; or
- (b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties to the proceedings without the discovery of the informer,

the court may permit enquiry and require full disclosure concerning the informer.”.

Related amendment to Property Tax Act

59. The Property Tax Act is amended by inserting, immediately after section 64A, the following section:

“Protection of informers

64B.—(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings commenced on or after the

date of commencement of section 59 of the Income Tax (Amendment) Act 2021 is obliged or permitted —

- (a) to disclose the identity of an informer who has given any information (whether the information is given before, on or after that date) with respect to an offence under this Act; or
- (b) to answer any question if the answer to the question would lead, or would tend to lead, to the discovery of the identity of the informer.

(2) If any document which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to the discovery of the informer's identity, the court must cause the entry to be concealed from view or to be obliterated so far only as may be necessary to protect the informer from discovery.

(3) If —

- (a) in any proceedings for an offence under any written law, the court, after full enquiry into the case, believes that the informer wilfully made a material statement which the informer knew or believed to be false or did not believe to be true; or
- (b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties to the proceedings without the discovery of the informer,

the court may permit enquiry and require full disclosure concerning the informer.

(4) In this section, a reference to civil proceedings includes any proceedings before the Valuation Review Board.”.

Related amendment to Stamp Duties Act

60. The Stamp Duties Act is amended by inserting, immediately after section 68A in Part IX, the following section:

“Protection of informers

68B.—(1) Except as provided in subsection (3), no witness in any civil or criminal proceedings commenced on or after the date of commencement of section 60 of the Income Tax (Amendment) Act 2021 is obliged or permitted —

- (a) to disclose the identity of an informer who has given any information (whether the information is given before, on or after that date) with respect to an offence under this Act; or
- (b) to answer any question if the answer to the question would lead, or would tend to lead, to the discovery of the identity of the informer.

(2) If any document which is in evidence or liable to inspection in any civil or criminal proceedings contains any entry in which any informer is named or described or which may lead to the discovery of the informer’s identity, the court must cause the entry to be concealed from view or to be obliterated so far only as may be necessary to protect the informer from discovery.

(3) If —

- (a) in any proceedings for an offence under any written law, the court, after full enquiry into the case, believes that the informer wilfully made a material statement which the informer knew or believed to be false or did not believe to be true; or
- (b) in any other proceedings, the court is of the opinion that justice cannot be fully done between the parties to the proceedings without the discovery of the informer,

the court may permit enquiry and require full disclosure concerning the informer.”.

Validation relating to section 3

61.—(1) This section applies to any assessment that has been made, or any sum purportedly paid, collected or recovered as tax, before the date of commencement of section 3 of the Income Tax (Amendment) Act 2021, in connection with the appropriation of any trading stock of a person's trade or business for a purpose other than for sale or disposal in the ordinary course of any of the person's trades or businesses.

(2) Any assessment, payment, collection or recovery mentioned in subsection (1) is taken to have been validly made as if section 10P of the principal Act were in force at the material time, and no legal proceedings may be instituted on or after 13 September 2021 on account of such assessment, payment, collection or recovery.

Validation relating to section 54

62.—(1) This section applies where, in relation to any public scheme mentioned in subsection (2), the Comptroller of Income Tax has, during the period beginning on the starting date specified against the public scheme in that subsection and ending on the day immediately before the date of commencement of section 54 (called in this section the appointed date) (both dates inclusive) —

(a) furnished to —

(i) the chief executive officer of the Inland Revenue Authority of Singapore established under section 3 of the Inland Revenue Authority of Singapore Act; or

(ii) an officer duly authorised by the chief executive officer,

any information required for the performance of the official duties of the chief executive officer or authorised officer in administering the public scheme; or

(b) allowed the chief executive officer or authorised officer such access to any records or documents as may be necessary for the performance of those official duties.

(2) For the purpose of subsection (1), the public schemes and their respective starting dates are as follows:

<i>Public scheme</i>	<i>Starting date</i>
SkillsFuture Enterprise Credit	18 February 2020
Senior Employment Credit	18 February 2020
Enabling Employment Credit	18 February 2020
CPF Transition Offset	18 February 2020
Foreign Worker Levy Rebate	6 April 2020
Jobs Growth Incentive	17 August 2020
Rental Support Scheme	28 May 2021

(3) For the purpose of subsection (1) and despite the provisions of any notification made under section 6(2) of the Inland Revenue Authority of Singapore Act, the Inland Revenue Authority of Singapore is treated as having been assigned the function of administering each public scheme mentioned in subsection (2) by the Minister for Finance on the starting date that is specified against that public scheme in subsection (2).

(4) An act mentioned in subsection (1)(a) or (b) in relation to a public scheme mentioned in subsection (2) (other than the Rental Support Scheme) is taken to have been validly carried out in accordance with section 6(11A) of the principal Act, as if at the material time —

- (a) where the material time falls within the part of the period mentioned in subsection (1) that is before 7 December 2020 — section 6(11A) of, and the Ninth Schedule to, the principal Act as in force on the appointed date were in force; and
- (b) where the material time falls within the part of the period mentioned in subsection (1) that is on or after 7 December 2020 — the public scheme were specified in the Ninth Schedule to the principal Act.

(5) An act mentioned in subsection (1)(a) or (b) in relation to the Rental Support Scheme is taken to have been validly carried out in accordance with section 6(11A) of the principal Act as if the Rental Support Scheme were specified in the Ninth Schedule to the principal Act at the material time.

Validation relating to section 57(c)

63.—(1) This section applies where, in relation to any public scheme mentioned in subsection (2), the Comptroller of Goods and Services Tax has, during the period beginning on the starting date specified against the public scheme in that subsection and ending on the day immediately before the date of commencement of section 57(c) (called in this section the appointed date) (both dates inclusive) —

(a) furnished to —

- (i) the chief executive officer of the Inland Revenue Authority of Singapore established under section 3 of the Inland Revenue Authority of Singapore Act; or
- (ii) an officer duly authorised by the chief executive officer,

any information required for the performance of the official duties of the chief executive officer or authorised officer in administering the public scheme; or

- (b) allowed the chief executive officer or authorised officer such access to any records or documents as may be necessary for the performance of those official duties.

(2) For the purpose of subsection (1), the public schemes and their respective starting dates are as follows:

<i>Public scheme</i>	<i>Starting date</i>
SkillsFuture Enterprise Credit	18 February 2020
Senior Employment Credit	18 February 2020
Enabling Employment Credit	18 February 2020
CPF Transition Offset	18 February 2020
Foreign Worker Levy Rebate	6 April 2020
Jobs Growth Incentive	17 August 2020
Rental Support Scheme	28 May 2021

(3) For the purpose of subsection (1) and despite the provisions of any notification made under section 6(2) of the Inland Revenue Authority of Singapore Act, the Inland Revenue Authority of Singapore is treated as having been assigned the function of administering each public scheme mentioned in subsection (2) by the Minister for Finance on the starting date that is specified against that public scheme in subsection (2).

(4) An act mentioned in subsection (1)(a) or (b) in relation to a public scheme mentioned in subsection (2) (other than the Rental Support Scheme) is taken to have been validly carried out in accordance with section 6(6C) of the Goods and Services Tax Act, as if at the material time —

- (a) where the material time falls within the part of the period mentioned in subsection (1) that is before 1 January 2021 — section 6(6C) of, and Part 1 of the Sixth Schedule to, the Goods and Services Tax Act as in force on the appointed date were in force; and
- (b) where the material time falls within the part of the period mentioned in subsection (1) that is on or after 1 January 2021 — the public scheme were specified in Part 1 of the Sixth Schedule to the Goods and Services Tax Act.

(5) An act mentioned in subsection (1)(a) or (b) in relation to the Rental Support Scheme is taken to have been validly carried out in accordance with section 6(6C) of the Goods and Services Tax Act as if the Rental Support Scheme were specified in Part 1 of the Sixth Schedule to the Goods and Services Tax Act at the material time.

Saving and transitional provisions

64.—(1) Section 50(10) of the principal Act as in force immediately before the date of commencement of section 43(b) of the Income Tax (Amendment) Act 2021, continues to apply in relation to any adjustment of the amount of any tax payable either in Singapore or elsewhere that is made before that date.

(2) Section 50(11) set out in Part 3 of the Third Schedule to the principal Act as in force immediately before the date of commencement of section 52(1)(b) of the Income Tax (Amendment) Act 2021, continues to apply in relation to any adjustment of the amount of any tax payable either in Singapore or elsewhere that is made before that date.

(3) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such additional provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.
