

THE STATUTES OF THE REPUBLIC OF SINGAPORE

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Income Tax Act

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An Act to impose a tax upon incomes and to regulate the collection thereof.

[1st January 1948]

PART I

PRELIMINARY

1. This Act may be cited as the Income Tax Act. Short title.
- 2.—(1) In this Act, unless the subject or context otherwise requires — Interpretation.
- “accountant” means a public accountant within the meaning of the Accountants Act; Cap. 2A.
- “advocate and solicitor” means an advocate and solicitor within the meaning of the Legal Profession Act; Cap. 161.
- “annual value” has the same meaning as in section 2 of the Property Tax Act and shall be ascertained in the same manner as annual value is ascertained under that Act; Cap. 254.
- “approved pension or provident fund or society” means a pension or provident fund or society approved by the Comptroller under section 5;
- “Auditor” means the Auditor-General;

“basis period” for any year of assessment means the period on the profits of which tax for that year falls to be assessed;

“body of persons” means any body politic, corporate or collegiate, any corporation sole and any fraternity, fellowship or society of persons whether corporate or not corporate but does not include a company or a partnership;

“Commonwealth”, in relation to a country, means any country recognised by the President to be a Commonwealth country and “part of the Commonwealth” means any Commonwealth country, colony, protectorate or protected state or any other territory administered by the government of any Commonwealth country;

“company” means any company incorporated or registered under any law in force in Singapore or elsewhere;

37/75.

“Comptroller” means the Comptroller of Income Tax appointed under section 5 and includes, for all purposes of this Act except the exercise of the powers conferred upon the Comptroller by sections 45 (5), 67, 95, 96 and 99, a Deputy Comptroller or an Assistant Comptroller so appointed;

“crops” includes any form of vegetable produce;

“earned income” means the statutory income of an individual or Hindu joint family, reduced by any deduction made under section 37 (2) (a) from —

(a) gains or profits from any trade, business, profession, vocation or employment on which tax is payable under section 10 (1), where the Comptroller is satisfied that such gains or profits are immediately derived from the carrying on or exercise by such individual or Hindu joint family, as the case may be, of such trade, business, profession, vocation or employment; and

(b) any pension on which tax is payable under section 10 (1) (e) given to the individual in respect of the past services of such individual or any deceased individual;

- “executor” means any executor, administrator or other person administering the estate of a deceased person;
- “goods” includes currency and specie;
- “harvesting” includes the collection of crops, however effected;
- “incapacitated person” means any infant, lunatic, idiot or insane person;
- “Hindu joint family” means what in any system of law prevailing in India is known as a Hindu joint family or a co-parcenary;
- “local forces” means the Singapore Armed Forces and any volunteer or reserve forces attached thereto;
- “permanent establishment” means a fixed place where ^{577.} a business is wholly or partly carried on including —
- (a) a place of management;
 - (b) a branch;
 - (c) an office;
 - (d) a factory;
 - (e) a warehouse;
 - (f) a workshop;
 - (g) a farm or plantation;
 - (h) a mine, oil well, quarry or other place of extraction of natural resources;
 - (i) a building or work site or a construction, installation or assembly project; and,
- without prejudice to the generality of the foregoing, a person shall be deemed to have a permanent establishment in Singapore if that person —
- (j) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
 - (k) has another person acting on that person’s behalf in Singapore who —
 - (i) has and habitually exercises an authority to conclude contracts;
 - (ii) maintains a stock of goods or merchandise for the purpose of

delivery on behalf of that person;
or

- (iii) habitually secures orders wholly or almost wholly for that person or for such other enterprises as are controlled by that person;

“person” includes a company, body of persons and a Hindu joint family;

“plantation” means any land used for the growing and harvesting of crops;

31/86.

“prescribed” means prescribed by rules or regulations made under this Act;

“replanting” means the replacement of the crop of any product on any area of land by the planting on the same area —

- (a) of a crop of the same product; or
(b) of a crop of a different product approved by the Minister;

28/80
3/89.

“research and development” means any systematic or intensive study carried out in the field of science or technology with the object of using the results of the study for the production or improvement of materials, devices, products, produce or processes, but does not include —

- (a) quality control or routine testing of materials, devices or products;
(b) research in the social sciences or the humanities;
(c) routine data collection;
(d) efficiency surveys or management studies;
or
(e) market research or sales promotion;

28/80
3/89.

“research and development organisation” means a body or organisation which provides research and development services for any trade or business;

26/73.

“resident in Singapore” —

- (a) in relation to an individual, means a person who, in the year preceding the year of assessment, resides in Singapore except for such temporary absences therefrom as may be reasonable and not incon-

sistent with a claim by such person to be resident in Singapore, and includes a person who is physically present or who exercises an employment (other than as a director of a company) in Singapore for 183 days or more during the year preceding the year of assessment; and

(b) in relation to a company or body of persons, means a company or body of persons the control and management of whose business is exercised in Singapore;

“tax” means the income tax imposed by this Act;

“year of assessment” means the period of 12 months commencing on such date as the Minister may, by notification in the *Gazette*, appoint, and each subsequent period of 12 months.*

(2) For the purposes of this Act where an individual is present in Singapore for any part of a day his presence on that day shall be counted as one day. 13/84.

PART II

ADMINISTRATION

3, 3A and 4. (*Repealed by Act 29/65 and L.N. 181/64*).

5.—(1) For the due administration of this Act the Minister may, by notification in the *Gazette*, appoint a Comptroller of Income Tax, and such Deputy Comptrollers, Assistant Comptrollers and other officers and persons as may be necessary. Comptroller
and other
officers.

(2) The Minister may, by notification in the *Gazette*, appoint a Senior Investigation Officer, Income Tax, and may by such or a subsequent notification authorise such officer to exercise all or such of the powers of the Comptroller under this Act as may be specified in such notification but without prejudice to the exercise by the Comptroller of such powers.

(3) The Comptroller may by notification in the *Gazette* or in writing authorise any person, within or without Singapore, to perform or to assist in the performance of any specific duty imposed upon the Comptroller by this Act.

*1st January, 1948 was appointed: see G.N. No. S 433/47.

(4) Subject to such conditions as the Comptroller may specify, the Comptroller may by notification in the *Gazette* direct that any information, return or document required to be supplied, forwarded or given to the Comptroller may be supplied to such other person, being a person who has made and subscribed a declaration of secrecy in accordance with section 6 (1), as the Comptroller may direct.

(5) The Comptroller shall be responsible for the assessment and collection of tax and shall pay all amounts collected in respect thereof into the Consolidated Fund.

(6) The Comptroller may, subject to such conditions as he may think fit to impose, approve any pension or provident fund or society for the purposes of this Act and may (without prejudice to the exercise of any power in that behalf conferred on him by any condition so imposed) at any time withdraw any approval previously given in respect of any such fund or society.

(7) The Comptroller may specify the form of any return, claim, statement or notice to be made or given under this Act.

Official
secrecy.

6.—(1) Every person having any official duty or being employed in the administration of this Act shall regard and deal with all documents, information, returns, assessment lists and copies of such lists relating to the income or items of the income of any person, as secret and confidential, and shall make and subscribe a declaration in the form prescribed to that effect before the Comptroller or a Magistrate.

(2) Every person having possession or control over any documents, information, returns or assessment lists or copies of such lists relating to the income or items of income of any person, who at any time otherwise than for the purpose of this Act or with the express authority of the President —

(a) communicates or attempts to communicate such information or anything contained in such documents, returns, lists or copies to any person; or

(b) suffers or permits any person to have access to any such information or to anything contained in such documents, returns, lists or copies,

shall be guilty of an offence.

(3) (*Deleted by Act 29/65*).

(4) No person appointed under, or employed in carrying out, the provisions of this Act shall be required to produce in any court any return, document or assessment, or to divulge or communicate to any court any matter or thing coming under his notice in the performance of his duties under this Act except as may be necessary for the purpose of carrying into effect the provisions of this Act, or in order to institute a prosecution, or in the course of a prosecution, for any offence committed in relation to income tax.

(5) The obligation as to secrecy imposed by this section shall not prevent the disclosure to the authorised officers of the government of any other country of such facts as may be necessary —

(a) to enable the proper relief from income tax to be given in either country, where provision exists for the granting of relief in respect of taxes paid in the other country; or

(b) for the avoidance of double taxation and the prevention of fiscal evasion in either country, where an arrangement under section 49 is in operation between the government of that country and the Government of Singapore.

(6) Notwithstanding anything in this section, the Comptroller shall permit the Minister, the Auditor or any officer duly authorised in that behalf by the Auditor to have such access to any records or documents as may be necessary for the performance of his official duties. The Minister, the Auditor or any such officer shall be deemed to be a person employed in carrying out the provisions of this Act for the purposes of this section.

(7) Notwithstanding anything in this section, the Comptroller may transmit any document, information or return received by him or in his possession under this Act to the Commissioner of Estate Duties; and the Commissioner of Estate Duties may, notwithstanding anything contained in any written law for the time being in force in Singapore relating to the proof of documents, produce or cause to be produced in any court, in any proceedings relating to estate or death duties, a copy of any particulars contained in any document or return so transmitted, certified by him or on his behalf to be a correct copy of such particulars:

Provided that —

- (a) the Commissioner of Estate Duties may produce or cause to be produced the original of any such document or return in any case where it is necessary to prove the handwriting or the signature of the person who wrote, made, signed or furnished such return or document, but only for the purpose of such proof;
- (b) the Commissioner of Estate Duties shall not in any case be compelled to produce in any court either the original of such document or return or a copy of any particulars contained in such document or return.

1/88.

(8) Notwithstanding anything in this section, the Comptroller may transmit to the Comptroller of Property Tax, the Chief Valuer or the Commissioner of Stamp Duties any information which may be required in the performance of his duties by that Comptroller, Chief Valuer or Commissioner of Stamp Duties, or may permit such access to any records or documents as may be necessary for such purposes.

(9) Notwithstanding anything in this section, the Comptroller may furnish to the Manager of the Central Provident Fund Board any information which may be required by the Manager of the said Board in the performance of his duties, or may permit such access to any records or documents as may be necessary for that purpose.

4/75.

(10) Notwithstanding anything in this section, the Comptroller may lay a complaint of professional misconduct against any person in his professional dealings with the Comptroller, whether before or after the commencement of this subsection, to the appropriate authority empowered to take disciplinary action against such person and may in connection with such complaint furnish any relevant documents or information.

Rules.

7.—(1) The Minister may make rules —

- (a) to provide for the deduction and payment of tax at the source in respect of income from any employment, and for the recovery of tax so deducted; and
- (b) generally to give effect to the provisions of this Act, other than section 81.

(2) Rules made under this section may be expressed to take effect retrospectively from any date after the commencement of this Act specified therein.

(3) All rules made under this section shall be presented to Parliament as soon as possible after publication in the *Gazette*.

8.—(1) Except where it is provided by this Act that service shall be effected either personally or by registered post, a notice may be served on a person either personally or by being sent through the post. Service and signature of notices.

(2) Where a notice is served by ordinary or registered post, it shall be deemed to have been served on the day succeeding the day on which the notice would have been received in the ordinary course of post if the notice is addressed —

(a) in the case of a company incorporated in Singapore, to the registered office of the company;

(b) in the case of a company incorporated outside Singapore, either to the individual authorised to accept service of process under the Companies Act at the address filed with the Registrar of Companies, or to the registered office of the company wherever it may be situated; Cap. 50.

(c) in the case of an individual or a body of persons, to the last known business or private address of such individual or body of persons.

(3) Where the person to whom there has been addressed a registered letter containing any notice which may be given under the provisions of this Act is informed of the fact that there is a registered letter awaiting him at a post office and such person refuses or neglects to take delivery of such registered letter, such notice shall be deemed to have been served upon him on the date on which he was informed that there was a registered letter awaiting him at a post office.

(4) Every notice to be given by the Comptroller under this Act shall be signed by the Comptroller or by some person or persons from time to time authorised by him in that behalf under section 5, and every such notice shall be valid if the signature of the Comptroller or of such person or persons is duly printed or written thereon:

Provided that any notice under this Act requiring the attendance of any person or witness before the Comptroller shall be signed by the Comptroller or by a person duly authorised by him as aforesaid.

Free postage. **9.** All returns, additional information and resulting correspondence and payment of tax under the provisions of this Act may be sent post-free to the Comptroller in envelopes marked "Income Tax".

PART III

IMPOSITION OF INCOME TAX

Charge of income tax. **10.**—(1) Income tax shall, subject to the provisions of this Act, be payable at the rate or rates specified hereinafter for each year of assessment upon the income of any person accruing in or derived from Singapore or received in Singapore from outside Singapore in respect of —

- (a) gains or profits from any trade, business, profession or vocation, for whatever period of time such trade, business, profession or vocation may have been carried on or exercised;
- (b) gains or profits from any employment;
- (c) (*Deleted by Act 29/65*).
- (d) dividends, interest or discounts;
- (e) any pension, charge or annuity;
- (f) rents, royalties, premiums and any other profits arising from property;
- (g) any gains or profits of an income nature not falling within any of the preceding paragraphs.

770. (1A) For the purposes of subsection (1) (f) —

- (a) the expression "any other profits arising from property" shall be deemed to include the net annual value of property used by or on behalf of the owner for residential purposes and not for the purposes of gain or profit; and
- (b) the expression "net annual value" in relation to any property means the annual value of such property less the expenses of repair, insurance, interest, maintenance or upkeep and all public rates and taxes paid thereon:

Provided that in respect of any one property which is occupied for residential purposes by the owner thereof — 9/80
(from Y/A
1980).

- (i) the net annual value of such property; or
- (ii) an amount equal to such sum as the Minister may, by order published in the *Gazette*, specify,*

whichever is the less, shall not be deemed to be profits arising from property and for the purposes of this proviso any property owned by a married woman living with her husband shall be deemed to be owned by the husband.

(2) For the purposes of subsection (1) (b), “gains or profits from any employment” means —

- (a) any wages, salary, leave pay, fee, commission, bonus, gratuity, perquisite or allowance (other than a subsistence, travelling, conveyance or entertainment allowance which is proved to the satisfaction of the Comptroller to have been expended for purposes other than those in respect of which no deduction is allowed under section 15) paid or granted in respect of the employment whether in money or otherwise;
- (b) the value of any food, clothing or lodging provided or paid for by the employer;
- (c) the annual value of any place of residence provided by the employer and for the purposes of this paragraph — 26/73.

- (i) if the place of residence is “premises” within the Control of Rent Act and is provided to a director of a company, or, if the remuneration received by a director of a company is less than the annual value of the premises, the full annual value shall be deemed to be gains or profits of the employment; Cap. 58.

- (ii) except as provided in sub-paragraph (i), if the annual value of the premises exceeds 10% of the gains or profits from the employment mentioned in paragraphs (a) and (b) less the rent, if any, paid

*w.e.f. 1-1-70 the sum specified is \$6,000 — see G.N. No. S 140/70.

w.e.f. 1-1-72 the sum specified is \$12,000 — see G.N. No. S 166/72.

w.e.f. 1-1-75 the sum specified is \$25,000 — see G.N. No. S 2/75.

For the Year of Assessment 1981 and subsequent Years of Assessment the sum specified is \$75,000 — see G.N. No. S 303/81.

by the employee for the use of the premises, the excess shall be disregarded;

(iii) where the premises are shared, "place of residence" means the part of the premises occupied by the person chargeable.

(3) Any sum realised under any insurance against loss of profits shall be taken into account in the ascertainment of any profits or income.

4/75
(from Y/A
1974).

(4) Where, under section 17, 20 or 21, a balancing charge falls to be made, the amount thereof shall be deemed to be income chargeable with tax under this Act, except in the case of a balancing charge in respect of a Singapore ship the income derived from the operation of which would be income of a shipping enterprise within the meaning of section 13A.

26/73.

(5) Any gains or profits directly or indirectly derived by any person by the exercise, assignment or release of a right or benefit whether granted in his name or in the name of his nominee or agent to acquire shares in a company shall, where the right or benefit is obtained by that person by reason of any office or employment held by him, be deemed to be income and for the purposes of this subsection —

(a) such gains or profits shall be the price of the shares in the open market at the time of the exercise, assignment or release of the right or benefit, less the amount paid for such shares;

(b) if it is not possible to determine the gains or profits under paragraph (a), the Comptroller may use the net asset value of the shares, less the amount paid for the shares, as the basis for determining the gains or profits; and

(c) "shares" includes stocks.

4/75.

(6) For the purposes of subsection (1) (e), the income derived from an annuity for any year shall be deemed to be an amount equal to 3% of the total consideration payable or paid for the purchase of the annuity except that the whole amount of the annuity shall be deemed to be income if the person deriving income from the annuity has previously received sums equal to the total consideration for the annuity exclusive of the amounts deemed to be income under this subsection.

(6A) (*Deleted by Act 9/80*).

(7) Where a person derives interest from a negotiable certificate of deposit or derives gains or profits from the sale thereof, his income shall be treated as follows: ^{4/75.}

- (a) in the case of a financial institution the interest and the gains or profits shall be deemed to be income from a trade or business under subsection (1) (a);
- (b) in any other case the interest and the gains or profits shall be deemed to be income from interest under subsection (1) (d) subject to the following provisions:
 - (i) if the interest is received by a subsequent holder of a certificate of deposit the income derived from such interest shall exclude the amount by which the purchase price exceeds the issued price of the certificate, except where that amount has been excluded in the computation of any previous interest derived by him in respect of that certificate;
 - (ii) where a subsequent holder sells a certificate after receiving interest therefrom the gains or profits shall be deemed to be the amount by which the sale price exceeds the issued price or the purchase price whichever is the lower; and
- (c) for the purposes of paragraph (b), where a subsequent holder purchases a certificate at a price which is less than the issued price and holds the certificate until its maturity, the amount by which the issued price exceeds the purchase price shall be deemed to be interest derived by him.

(8) Any maintenance payment received by a child under a maintenance order or a deed of separation shall not be deemed to be income for the purposes of subsection (1) (e). ^{9/80 (from Y/A 1979).}

(9) For the purposes of subsection (1) (a) or (f), the income derived by any author or composer or any company in which he beneficially owns all the issued share capital, from any royalties or other payments received from a ^{15/83 (from Y/A 1984).}

publisher carrying on the business of publishing in Singapore as consideration for the assignment of or for the right to use the copyright in any literary, dramatic, musical or artistic work shall be deemed to be the amount remaining after the deductions allowable under Part IV have been made or an amount equal to 10% of the gross amount of the royalties or other payments, whichever is the less:

1/88
(from Y/A
1987).

Provided that this subsection shall not apply to royalties or payments received in respect of any work published in any newspaper or periodical.

3/89
(from Y/A
1988).

(10) (a) For the purposes of subsection (1) (a) or (f), the income derived by an individual, being a citizen or permanent resident of Singapore who is an inventor or author of an approved invention or approved product innovation, from any royalties or other payments received as consideration for the assignment of or for the rights in the approved invention or approved product innovation shall be deemed to be the amount remaining after the deductions allowable under Part IV have been made or an amount equal to 10% of the gross amount of the royalties or other payments, whichever is the less.

(b) Notwithstanding subsection (10) (a), where it appears to the Comptroller that any amount of income which has been determined under this subsection for the purposes of subsection (1) (a) or (f) ought not to have been so determined for any year of assessment, the Comptroller may, within 12 years after the end of that year of assessment, make such assessment or additional assessment upon the individual as may be necessary in order to make good any loss of tax.

(c) In this subsection —

“approved” means approved by the Minister or such other person as he may appoint;

“product innovation” means —

(i) any new product, or any new method in the manufacture or processing of goods or materials; or

(ii) a substantial improvement in any product, or in any method in the manufacture or processing of goods or materials,

which involves novelty or originality but does not include a computer program unless it is in the

nature of a new computer operating system or new language used in a computer program;

“rights in the approved invention or approved product innovation” means the rights relating to any patent, copyright, industrial design or know-how of an approved invention or approved product innovation.

(11) Any distribution made by a unit trust approved under section 10B out of gains or profits derived on or after 1st July 1989 from the disposal of securities and which have not been subject to tax shall be deemed to be income if received by a unit holder except where the unit holder is —

- (a) an individual resident in Singapore; or
- (b) a person who is not resident in Singapore and has no permanent establishment in Singapore.

10A.—(1) Notwithstanding any other provisions of this Act, the Minister may by regulations —

- (a) provide that tax on gains or profits derived from the disposal of securities by an approved investment company shall be levied and paid for each year of assessment upon such amount as may be determined by reference to the period during which those securities have been held;
- (b) provide for the deduction of such amount of allowances under section 19, 19A, 20, 21 or 23 to be granted in such manner as may be prescribed;
- (c) provide for the deduction of such amount of losses arising from the disposal of securities as may be determined by reference to the period during which those securities have been held;
- (d) provide for the deduction of such amounts of expenses and donations allowable under this Act in such manner as may be prescribed.

Profits of investment company. 3/89 (from Y/A 1988).

(2) For the purposes of this section —

“approved” means approved by the Minister or such other person as he may appoint;

“investment company” means any company whose business consists wholly or mainly in the making of investments and the principal part of whose income is derived therefrom;

23/90.

23/90.

“securities” means —

- (a) debentures, stocks, shares, bonds or notes issued by a government or company;
- (b) any right or option in respect of any such debentures, stocks, shares, bonds or notes; or
- (c) units in any unit trust within the meaning of section 10B.

Profits of
unit trusts.
23/90.

10B.—(1) Notwithstanding any other provisions of this Act, the Minister may by regulations —

- (a) provide that tax on gains or profits derived on or after 1st July 1989 from the disposal of securities by an approved unit trust shall be levied and paid for each year of assessment by the trustees upon such percentage of the gains or profits and in such manner as may be prescribed;
 - (b) provide for the deduction of such percentage of the losses arising from the disposal of securities in such manner as may be prescribed;
 - (c) provide for the deduction of expenses allowable under this Act to be granted in such manner as may be prescribed;
 - (d) provide for the deduction of tax by the trustees of the unit trust on any distribution received by a unit holder which is deemed to be income under section 10 (11).
- (2) In this section —
- “approved” means approved by the Minister or such other person as he may appoint;
 - “securities” has the same meaning as in section 10A;
 - “unit” means a right or interest (whether described as a unit, a sub-unit or otherwise) which may be acquired under a unit trust;
 - “unit trust” means any trust established for the purpose, or having the effect, of providing facilities for the participation by persons as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of securities or any other property.

10C.—(1) Notwithstanding section 13 (1) (j), where in any year from 1st January 1989 contributions have been made by an employer in respect of an employee under section 7 of the Central Provident Fund Act —

Excess contributions deemed to be income. 23/90. Cap. 36.

- (a) any part of the employer's contributions, in respect of ordinary or additional wages paid to the employee in that year, which is not obligatory under that Act; or
- (b) the employer's contributions in respect of that part of the additional wages which exceeds 40% of all ordinary wages paid to the employee in that year,

shall be deemed to be income accruing to the employee for the year in which the wages are paid.

(2) Notwithstanding subsection (1) (b), where in any year from 1st January 1989 all the ordinary wages of an employee paid in that year do not exceed \$72,000, and his total wages paid in the same year —

- (a) do not exceed \$100,000, the excess contributions under subsection (1) (b) shall not be deemed to be income accruing to the employee;
- (b) exceed \$100,000, only that part of such excess contributions made in respect of the difference between the total wages and \$100,000 shall be deemed to be income accruing to the employee.

(3) Where in any year from 1st January 1989 contributions under section 7 of the Central Provident Fund Act have been made in respect of an employee employed by two or more employers and the employers are related to each other, subsection (2) shall apply with the necessary modifications as if all the ordinary and additional wages from those related employers and the contributions on those wages were paid by one employer.

Cap. 36.

(4) For the purposes of subsection (3), one employer shall be deemed to be related to another where one of them, whether directly or indirectly, has the ability to control the other or where both of them, whether directly or indirectly, are under the control of a common person.

(5) Subsections (1) to (4) shall apply with the necessary modifications to contributions made by an employer to a

designated pension or provident fund as if those contributions were employer's contributions to the Central Provident Fund.

(6) Subsection (1) shall apply with the necessary modifications to contributions made to an approved pension or provident fund in respect of an employee who at the same time has no contribution made by his employer to the Central Provident Fund as if the contributions to the approved pension or provident fund were employer's contributions made to the Central Provident Fund.

(7) Where in any year from 1st January 1989 contributions have been made by an employer in respect of an employee to the Central Provident Fund or to a designated pension or provident fund, in addition to any other approved pension or provident fund, the whole of the contributions made to that approved pension or provident fund shall be deemed to be income accruing to the employee for the year in which the contributions are paid.

(8) In this section —

“additional wages” has the same meaning as in the Central Provident Fund Act;

“designated pension or provident fund” means an approved pension or provident fund designated by the Minister under section 39 (6) (c);

“employer's contributions” means the contributions made by any employer under section 7 (1) of the Central Provident Fund Act less the amount of contributions recoverable by the employer from the wages of an employee under section 7 (2) of that Act;

“ordinary wages” has the same meaning as “ordinary wages for the month” in the Central Provident Fund Act;

“total wages”, in relation to any year, means the total of the ordinary and additional wages in that year received by an employee;

“year” means any year from 1st January to 31st December.

Cap. 36.

Income
from finance
lease.
20/91.

10D.—(1) Notwithstanding any other provisions of this Act, the Minister may by regulations provide for the circumstances in which the Comptroller may direct that

allowances under section 19, 19A, 20, 21, 22 or 23 in respect of any machinery or plant which is leased under a finance lease entered into on or after 1st April 1990 shall not be made to the lessor but to the lessee as though the machinery or plant had been sold by the lessor to the lessee.

(2) In determining the income of a lessor from the leasing of any machinery or plant under any finance lease, other than those which have been treated as though they had been sold pursuant to regulations made under subsection (1) —

(a) the Comptroller shall determine —

(i) the manner and extent to which allowances under section 19, 19A, 20, 21, 22 or 23 and any expenses and donations allowable under this Act are to be deducted;

(ii) the manner and extent to which any loss may be deducted under section 37 (2);

(b) the allowances under section 19, 19A, 20, 21, 22 or 23 shall only be available as a deduction against such income and the balance of the allowances shall not be available as a deduction against any other income.

(3) For the purposes of this section, “finance lease” means a lease of any machinery or plant (including any arrangement or agreement in connection with the lease) which has the effect of transferring substantially the obsolescence, risks or rewards incidental to ownership of such machinery or plant to the lessee.

11.—(1) Where a body of persons, whether corporate or unincorporate, carries on a club or similar institution and receives from its members not less than half of its gross receipts on revenue account (including entrance fees and subscriptions), it shall not be deemed to carry on a business; but where less than half of such gross receipts are received from members, the whole of the income from transactions both with members and others (including entrance fees and subscriptions) shall be deemed to be receipts from a business, and the body of persons shall be chargeable in respect of the profits therefrom.

Ascertainment of income of clubs, trade associations, etc.

(2) Where a body of persons, whether corporate or unincorporate, carries on a trade association in such circumstances that more than half its receipts by way of

entrance fees and subscriptions are from persons who claim or would be entitled to claim that such sums were allowable deductions for the purposes of section 14, such body of persons shall be deemed to carry on a business, and the whole of its income from transactions both with members and others (including entrance fees and subscriptions) shall be deemed to be receipts from a business, and the body of persons shall be chargeable in respect of the profits therefrom.

(3) In this section, “members”, in relation to a body of persons, means those persons who are entitled to vote at a general meeting of the body at which effective control is exercised over its affairs.

Source of
income:
Trading
operations
carried on
partly in
Singapore.

12.—(1) Where a non-resident person carries on a trade or business of which only part of the operations is carried on in Singapore, the gains or profits of the trade or business shall be deemed to be derived from Singapore to the extent to which such gains or profits are not directly attributable to that part of the operations carried on outside Singapore.

Non-resident
shipping and
air transport.

(2) Where a non-resident person carries on either —

(a) the business of shipowner or charterer; or

(b) the business of air transport,

and any ship or aircraft owned or chartered by him calls at a port, aerodrome or airport in Singapore, his full profits arising from the carriage of passengers, mails, livestock or goods shipped, or loaded into an aircraft, in Singapore shall be deemed to accrue in Singapore:

Provided that this subsection shall not apply to passengers, mails, livestock or goods which are brought to Singapore solely for transshipment, or for transfer from one aircraft to another or from an aircraft to a ship or from a ship to an aircraft.

Cable or
wireless
undertakings.

(3) Where a non-resident person carries on in Singapore the business of transmitting messages by cable or by any form of wireless apparatus, his full profits arising from the transmission in Singapore of any such messages, whether originating in Singapore or elsewhere, to places outside Singapore shall be deemed to accrue in Singapore.

Employment
exercised in
Singapore.

(4) The gains or profits from any employment exercised in Singapore shall be deemed to be derived from Singapore

whether the gains or profits from such employment are received in Singapore or not.

(5) The gains or profits from any employment exercised outside Singapore on behalf of the Government of Singapore by any individual in the discharge of governmental functions shall be deemed to be derived from Singapore except where such individual is not a citizen or a resident of Singapore.

Employment exercised outside Singapore on behalf of the Government.

(6) There shall be deemed to be derived from Singapore —

Interest.
5/77.

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is —

(i) borne directly or indirectly by a person resident in Singapore or a permanent establishment in Singapore except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore; or

(ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

(7) There shall be deemed to be derived from Singapore —

Royalties,
etc.
5/77.

(a) royalty or other payments in one lump sum or otherwise for the use of or the right to use any movable property;

(b) any payment for the use of or the right to use scientific, technical, industrial or commercial knowledge or information or for the rendering of assistance or service in connection with the application or use of such knowledge or information;

(c) any payment for the management or assistance in the management of any trade, business or profession; or

- (d) rent or other payments under any agreement or arrangement for the use of any movable property,

which are borne directly or indirectly by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore) or which are deductible against any income accruing in or derived from Singapore.

Exempt
income:
Specific
exemptions
of income.
Cap. 52.

13.—(1) There shall be exempt from tax —

- (a) (*Deleted by Act 37/75*).
- (b) the official emoluments of consular officers (as defined in the Consular Conventions Act) of foreign countries and of Commonwealth officers (as defined in the Diplomatic Privileges (Commonwealth Countries and Republic of Ireland) Act) and of persons employed on the staff of any such consular or Commonwealth officer who are subjects or citizens of the country which they represent, but only to the extent to which reciprocal treatment is accorded by the country which they represent to Singapore consular officers or to corresponding members of the staff of such consular officer;
- (c) the official emoluments payable from Commonwealth funds to members of Commonwealth forces, and to persons in the service of a Commonwealth Government, in Singapore, in respect of their offices under such Commonwealth Government, if such emoluments are subject to income tax in such Commonwealth country;
- (d) (*Deleted by Act 29/65*).
- (e) the income of any institution, authority, person or fund specified in the First Schedule, except dividends received by it from any company in which it holds, at the time such dividends are declared, more than half of the issued share capital of the company unless the Minister otherwise approves;
- (f) the income of —

Cap. 83.

1/82
(from Y/A
1982).

- (i) any bona fide friendly society approved by the Comptroller;
- (ii) any co-operative society registered under the Co-operative Societies Act; Cap. 62.
- (g) the income of any charitable institution or of any body of persons or trust established for charitable purposes only: 26/73
(from Y/A
1974).

Provided that —

- (i) where a trade or business is carried on by any such institution, body of persons or trust, the income derived from such trade or business shall be exempt from tax only if such income is applied solely for charitable purposes and either —
 - (A) the trade or business is exercised in the course of the actual carrying out of a primary purpose of such institution, body of persons or trust; or
 - (B) the work in connection with the trade or business is mainly carried on by persons for whose benefit such institution, body of persons or trust was established;
- (ii) the institution, body of persons or trust applies in any year of assessment for charities or charitable objects within Singapore not less than 80% of its income (after providing for allowable deductions) in the preceding year unless the Comptroller otherwise permits; 1/82
(from Y/A
1983).
- (iii) if the institution, body of persons or trust applies any amount of its income which, otherwise than in accordance with its charitable objects the institution, body of persons or trust shall pay to the

Comptroller tax on that amount of its income and a determination and assessment under this sub-paragraph shall be treated as a notice of assessment and shall be subject to the provisions of Parts XI and XII;

- (h) sums received by way of commutation of pensions;
- (i) sums received by way of retiring or death gratuities or as consolidated compensation for death or injuries;
- (j) sums standing to the account of an individual in any approved pension or provident fund or society, or withdrawn therefrom, except that any withdrawal from an approved fund other than the Central Provident Fund would have been authorised under the Central Provident Fund Act or any regulations made thereunder if it had been a withdrawal from the Central Provident Fund;
- (k) sums derived from, or received in, Singapore as pensions, being —
 - (i) wound or disability pensions granted to members or former members of a Commonwealth force;
 - (ii) pensions granted to dependent relatives of any such member killed on war service or who died as a result of war service injuries; or
 - (iii) wound or disability pensions granted to members or former members of civil defence organisations;
- (l) pensions granted to any person under the provisions of the Widows' and Orphans' Pension Act or under any approved scheme within the meaning of that Act and pensions paid, by or out of any approved pension or provident fund or society, to or for the benefit of the widow or children of a deceased contributor to such society or fund;
- (m) the income of any trade union registered under the Trade Unions Act in so far as such income is not

13/84
1/88.

Cap. 36.

Cap. 350.

Cap. 333.

derived from a trade or business carried on by such trade union;

- (n) any income derived by any person who is not resident in Singapore from trading in Singapore through consignees in any of the following commodities:
- (i) rubber;
 - (ii) copra;
 - (iii) pepper;
 - (iv) tin;
 - (v) tin-ore;
 - (vi) gambia;
 - (vii) sago flour;
 - (viii) cloves,
- produced outside Singapore;
- (o) (*Deleted by Act 29/65*).
- (p) (*Deleted by Act 29/65*).
- (q) the investment income of any approved pension or provident fund or society;
- (r) (*Deleted by Act 29/65*).
- (s) sums payable by way of annual bounty out of the public revenue to members of such local forces as the Minister may from time to time by order declare to be a force to which this paragraph shall apply;
- (t) the income derived on or after 20th August 1968 from interest on moneys held on deposit in an approved bank in Singapore by —
- (i) a non-resident individual; and
 - (ii) a person, other than an individual, if such person does not, by himself or in association with others, carry on a business in Singapore, and does not have a permanent establishment in Singapore;
- (u) the interest derived by any person from the deposit of moneys in any savings account with the Post Office Savings Bank of Singapore constituted under the Post Office Savings Bank of Singapore Act;

15/83.

Cap. 237.

26/73
5/77.

(v) interest received from such Asian Dollar Bonds as may be approved in writing by the Minister if the interest is received by —

(i) a non-resident individual; and

(ii) a person, other than an individual, if that person does not, by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore;

4/75
(from Y/A
1974).
Cap. 179.

(w) the income derived from an employment exercised on board a Singapore ship, as defined in the Merchant Shipping Act, if the employment is exercised substantially outside Singapore;

9/80
(from Y/A
1979).

(x) the income derived by a person resident in Singapore from any pension granted under any written law relating to pensions in Singapore or under such other pensions scheme as may be approved by the Minister by notification in the *Gazette*;

15/83
13/84.

(y) such income of a financial institution arising from the operation of its Asian Currency Unit as may be prescribed by regulations under section 43A;

13/84
3/89.

(z) for a period of 10 years from the commencement of its business, such income of the Singapore International Monetary Exchange Limited as may be prescribed.

26/73.

(1A) Nothing in subsection (1) shall be construed to exempt in the hands of the recipients any dividends, interest, bonuses, salaries or wages paid wholly or in part out of income so exempted.

Exemption
from tax of
income made
for purpose
which will
promote or
enhance
economic or
technological
development.
5/77.

(2) Where the Minister is of the opinion that any payment in the nature of any income referred to in section 12 (6) or (7) is made for any purpose which will promote or enhance the economic or technological development of Singapore, he may, by notification in the *Gazette*, provide that the income shall, subject to such conditions as he may impose, be exempt from tax wholly or in part and either generally or in respect of certain classes of persons; and such income shall as from the date and to the extent specified by the notification be exempt from tax.

(3) There shall be exempt from tax for any year of assessment any income arising from sources outside Singapore and received by any individual who is not resident in Singapore in that year of assessment.

Income received in Singapore by temporary residents.
13/84.

(4) There shall be exempt from tax any income accruing in or derived from Singapore in respect of gains or profits from any employment exercised in Singapore for not more than 60 days in the year preceding any year of assessment by a person who is not resident in Singapore in that year of assessment:

Income derived by short term visiting employees.
4/75
(from Y/A 1974).

Provided that this subsection shall not apply to —

- (a) the emoluments received by a director of a company; or
- (b) the gains or profits of public entertainers, as defined in section 40B, whose visits are not substantially supported from public funds of the government of another country.

(4A) (*Deleted by Act 29/65*).

(5) The Minister may, at any time, by rules made under section 7, add to, vary or amend the list of commodities mentioned in subsection (1) (*n*).

29/65.

(6) For the purposes of this section, “approved bank” means a bank in Singapore approved by the Minister by order published in the *Gazette*.

23/69
5/77.

(7) The Minister may by order exempt from tax wholly or in part the income received by a person resident in Singapore from such sources in any country outside Singapore as may be specified in the order.

Exemption of tax of income received from outside Singapore.
9/80
15/83.

(8) Any order made under subsection (7) may be either general or specific and may prescribe the conditions subject to which the income will be exempt from tax but such conditions need not be included in the order for the purpose of publication in the *Gazette*.

9/80.

(9) Where any income is exempt from tax by virtue of an order made under subsection (7) and the income is received by a company which is resident in Singapore, section 13A (6) shall apply, *mutatis mutandis*, to the company in respect of

26/73.

a distribution of dividends from the income as if the company were a shipping enterprise.

Exemption of
shipping
profits.
4/75
20/91.

13A.—(1)(a) There shall be exempt from tax the income of a shipping enterprise derived or deemed to be derived from the operation of Singapore ships as hereinafter provided.

(b) Such exemption shall be backdated to the date of provisional registration if the owner has subsequently obtained a permanent certificate of registration in respect of the ship.

(2) A shipping enterprise shall maintain separate accounts for the income derived or deemed to be derived from the operation of each Singapore ship:

Provided that where expenses have been incurred by a shipping enterprise which are not directly attributable to a Singapore ship the Comptroller may allocate as expenses such amounts as might reasonably and properly have been incurred in the normal course of its business in respect of such ship.

4/75.

(3) In determining the income of a shipping enterprise —

(a) the capital allowances provided under sections 16, 17, 18, 19, 20, 21 and 22 shall only be made against the income exempt under this section, and the balance of such allowances shall not be available as a deduction against any other income;

(b) a loss incurred by a shipping enterprise in respect of the operation of a Singapore ship for any year shall only be deducted against the income exempt under this section, and the balance of such loss shall not be available as a deduction against any other income.

(4) The Comptroller shall for each year of assessment issue to a shipping enterprise a statement showing the amount of income derived from the operation of Singapore ships by the shipping enterprise; and Parts XI and XII (relating to objections and appeals) and any rules made under this Act shall apply, *mutatis mutandis*, as if such statement were a notice of assessment.

(5) Subject to subsection (8) where any statement issued under subsection (4) has become final and conclusive, the amount of income shown therein shall not form part of the statutory income of a shipping enterprise for the year of assessment to which the statement relates and shall be exempt from tax:

Provided that the Comptroller may, before such statement has become final and conclusive, treat a specified amount of the income of a shipping enterprise as exempt from tax pending such statement becoming final and conclusive.

(6) The following provisions shall apply to a shipping enterprise resident in Singapore:

- (a) as soon as any amount of income of the shipping enterprise is exempted under subsection (5), such amount shall be credited to an account to be kept by the shipping enterprise for the purpose of this section;
- (b) where such account is in credit at the date on which any dividends are paid by the shipping enterprise out of income which has been exempted, an amount equal to such dividends or to such credit, whichever is the less, shall be debited to such account;
- (c) so much of the amount of any dividends debited to such account as are received by a shareholder in the shipping enterprise shall, if the Comptroller is satisfied with the entries in such account, be exempt from tax in the hands of such shareholder;
- (d) any dividends debited to such account shall be treated as having been distributed to the shareholders of the shipping enterprise or any particular class of such shareholders in the same proportions as such shareholders were entitled to payment of the dividends giving rise to the debit;
- (e) section 44 shall not apply to any dividends or part thereof which are exempt from tax under this section;

(f) where an amount has been received by way of dividends from the shipping enterprise by a shareholder and such amount is exempt from tax under this section, if that shareholder is a holding company any dividends paid by such holding company to its shareholders, to the extent that the Comptroller is satisfied that those dividends are paid out of such amount, shall be exempt from tax in the hands of those shareholders; and section 44 shall not apply to any such dividend or part thereof;

3/89.

(g) notwithstanding paragraphs (c) and (f), no dividend paid on or after 17th February 1989 on any share of a preferential nature shall be exempt from tax in the hands of the shareholder.

(7) A shipping enterprise shall deliver to the Comptroller a copy of the accounts referred to in subsections (2) and (6) made up to any date specified by him whenever called upon to do so by notice in writing.

(8) Notwithstanding subsections (1) to (7), where it appears to the Comptroller that —

(a) any income of a shipping enterprise which has been exempt; or

(b) any dividend (including a dividend paid by a holding company to which subsection (6) (f) applies) exempted in the hands of any shareholder,

ought not to have been so exempt, the Comptroller may at any time within 12 years from the date of the statement referred to in subsection (4) —

(c) make such assessment or additional assessment upon the shipping enterprise or any such shareholder as may appear to be necessary in order to make good any loss of tax; or

(d) direct the shipping enterprise to debit its account kept in accordance with subsection (6) with such amount as the circumstances may require.

(9) Parts XI and XII (relating to objections and appeals) and any rules made under this Act shall apply mutatis mutandis as if an assessment or a direction under subsection (8) were a notice of assessment.

(10) For the purposes of this section —

“holding company” means a company which holds not less than 50% beneficial interest in the issued shares of a shipping enterprise;

“income of a shipping enterprise” means the income derived by a shipping enterprise from the carriage (other than within the limits of the port of Singapore) of passengers, mails, livestock or goods by sea-going Singapore ships, or from towing or salvage operations carried out (other than within the limits of the port of Singapore) by sea-going Singapore ships, and includes the income from the charter of such ships;

26/73
20/91
(from Y/A
1991).

“shipping enterprise” means any company owning or operating Singapore ships;

“Singapore ship” means a ship in respect of which a permanent certificate of registry has been issued under any written law in Singapore relating to merchant shipping.

(11) Nothing in this section shall affect the operation of section 27 in ascertaining the income of a non-resident person owning or operating Singapore ships.

(12) Where in the basis period for any year of assessment a ship ceases to be a Singapore ship the income derived from the operation of which is exempt under this section, the capital allowances in respect of that ship for that year of assessment and subsequent years shall be calculated on the residue of expenditure or reducing value of the assets after taking into account the capital allowances provided for in sections 16, 17, 18, 19, 20, 21 and 22 for those years of assessment during which income derived from the operation of the ship was exempt from tax notwithstanding that no claim for such allowances was made.

(13) Subsections (3) and (12) shall have effect notwithstanding any other provisions of this Act.

13B.—(1) Where a company derives income which is subject to tax or exempt from tax in accordance with regulations prescribed under section 43A, 43C, 43D, 43E, 43F, 43G, 43H or 43I, the following provisions shall have effect.

Exemption
of certain
dividends.
1/82
(from Y/A
1981)
15/83
31/86
1/90
20/91
(from Y/A
1991).

15/83
1/90
20/91
(from Y/A
1991).

(2) As soon as any amount of income of the company has been subject to tax at the rate of 10% (or other concessional rate) or exempt from tax in accordance with regulations prescribed under section 43A, 43C, 43D, 43E, 43F, 43G, 43H or 43I, the net amount of the income after deduction of the tax or the amount of the income exempted shall be credited to a special account (referred to in this section as the account) to be kept by the company for the purposes of this section.

15/83.

(3) Where the account is in credit at the date on which any dividends are paid by the company out of the net amount of the income credited to that account, an amount equal to those dividends or to that credit, whichever is the less, shall be debited to the account.

(4) So much of the amount of any dividends debited to the account as is received by a shareholder of the company shall, if the Comptroller is satisfied with the entries in the account, be exempt from tax in the hands of the shareholder.

1/90.

(5) Section 44 shall not apply to any dividends or part thereof which are exempt from tax under this section.

3/89.

(6) Where an amount of dividends exempt from tax under this section has been received by a shareholder, which is a holding company owning, at the time such dividends are received, not less than 50% beneficial interest in the issued capital of the company, any dividends paid by the holding company to its shareholders, to the extent that the Comptroller is satisfied that those dividends are paid out of such amount, shall be exempt from tax in the hands of those shareholders; and section 44 shall not apply to any such dividends or part thereof.

3/89.

(6A) Notwithstanding subsections (4) and (6), no dividend paid on or after 17th February 1989 on any share of a preferential nature shall be exempt from tax in the hands of the shareholder.

(7) A company shall deliver to the Comptroller a copy of the account made up to any date specified by him whenever called upon to do so by notice in writing.

15/83
1/90
20/91
(from Y/A
1991).

(8) Notwithstanding subsections (1) to (7), where it appears to the Comptroller that —

- (a) any income of a company which has been subject to tax at the rate of 10% (or such other concessorary rate) or exempt from tax as prescribed under section 43A, 43C, 43D, 43E, 43F, 43G, 43H or 43I; or
- (b) any dividend, including a dividend paid by a holding company under subsection (6), which has been exempted from tax in the hands of any shareholder,

ought not to have been so taxed or exempted, as the case may be, the Comptroller may within the year of assessment or within 12 years after the expiration thereof —

- (c) make such assessment or additional assessment upon the company or any such shareholder as may be necessary in order to make good any loss of tax; or
- (d) direct the company to debit the account with such amount as the circumstances require.

13C. There shall be exempt from tax such income as the Minister may by regulations prescribe of a person not resident in Singapore arising from —

- (a) funds managed by any Asian Currency Unit of a financial institution or other fund manager approved in either case by the Minister or such other person as he may appoint;
- (b) funds managed by a headquarters company approved under section 43E; and
- (c) funds managed by a Finance and Treasury Centre approved under section 43G.

Exemption of income of non-resident arising from funds managed by Asian Currency Unit, etc. 31/86 20/91 (from Y/A 1991).

13D.—(1) Where an investment company has been approved under section 10A, the provisions of this section shall have effect.

Exemption of certain dividends. 3/89.

(2) As soon as any amount of the income has been determined to be not chargeable to tax in accordance with regulations prescribed under section 10A, the net amount of that income shall be credited to a special account (referred to in this section as the account) to be kept by the investment company for the purposes of this section.

(3) Subsections (3) to (8) of section 13B shall apply with such modifications as may be necessary in respect of any

dividends paid out of the account of that investment company.

(4) In this section, “net amount” in relation to the income referred to in subsection (2) for any year of assessment means the amount of that income less —

- (a) expenses and donations allowable under this Act for that year of assessment which are determined in accordance with regulations prescribed under section 10A as attributable to that income;
- (b) any amount of loss for that year of assessment arising from the disposal of securities which is determined in accordance with regulations prescribed under section 10A by reference to the period during which those securities have been held and which is not deductible under those regulations;
- (c) any amount of allowances for that year of assessment under section 19, 19A, 20, 21 or 23 which is determined in accordance with regulations prescribed under section 10A as attributable to that income; and
- (d) any amount of the expenses, donations, allowances and losses referred to in paragraphs (a), (b) and (c) which have not been deducted in arriving at the net amount of the income for any previous year of assessment.

PART IV

ASCERTAINMENT OF INCOME

Deductions
allowed.

14.—(1) For the purpose of ascertaining the income of any person for any period from any source chargeable with tax under this Act (referred to in this Part as the income), there shall be deducted all outgoings and expenses wholly and exclusively incurred during that period by that person in the production of the income, including —

- (a) except as hereinafter provided, any sum payable by way of interest upon any money borrowed by that person where the Comptroller is satisfied that the interest was payable on capital employed in acquiring the income;

- (b) rent payable by any person in respect of any land or building or part thereof occupied by him for the purpose of acquiring the income;
- (c) any expenses incurred for repair of premises, plant, machinery or fixtures employed in acquiring the income or for the renewal, repair or alteration of any implement, utensil or article so employed:

Provided that no deduction shall be made for ^{37/75.} the cost of renewal of any plant, machinery or fixture, which is the subject of an allowance under section 19 or 19A; or for the cost of reconstruction or rebuilding of any premises, buildings, structures or works of a permanent nature;

- (d) bad debts incurred in any trade, business, profession or vocation, which have become bad during the period for which the income is being ascertained, and doubtful debts to the extent that they are respectively estimated, to the satisfaction of the Comptroller, to have become bad during that period, notwithstanding that those bad or doubtful debts were due and payable before the commencement of that period:

Provided that —

- (i) all sums recovered during that period on account of amounts previously written off or allowed in respect of bad or doubtful debts, other than debts incurred before the commencement of the basis period for the first year of assessment under this Act, shall for the purposes of this Act be treated as receipts of the trade, business, profession or vocation for that period;
- (ii) the debts in respect of which a deduction is claimed were included as a trading receipt in the income of the year within which they were incurred;

(iii) no deduction shall be allowed in respect of any debt incurred before the commencement of the basis period for the first year of assessment under this Act;

(e) any sum contributed by an employer to an approved pension or provident fund or society in respect of any of his employees engaged in activities relating to the production of the income of the employer, the contribution of which sum by the employer was obligatory by reason of any contract of employment or of any provision in the rules or constitution of the fund or society:

Provided that —

(i) a deduction in respect of any such contribution by an employer in respect of an employee for any period —

(A) before 1st July 1977 shall not exceed 15%;

(B) commencing on or after 1st July 1977 and before 1st July 1978 shall not exceed 15½%;

(C) commencing on or after 1st July 1978 and before 1st July 1979 shall not exceed 16½%;

(D) commencing on or after 1st July 1979 and before 1st July 1982 shall not exceed 20½%;

(E) commencing on or after 1st July 1982 and before 1st July 1983 shall not exceed 22%;

(F) commencing on or after 1st July 1983 and before 1st July 1984 shall not exceed 23%;

7/79
28/80
5/83
7/85
31/86
(from Y/A
1987)
1/90
23/90.

5/83.

- (G) commencing on or after 1st July 1984 and before 1st April 1986 shall not exceed 25%; (from Y/A 1987).
- (H) commencing on or after 1st April 1986 and before 1st July 1988 shall not exceed 10%; (from Y/A 1987) 1/90.
- (I) commencing on or after 1st July 1988 and before 1st July 1989 shall not exceed 12%; 1/90.
- (J) commencing on or after 1st July 1989 and before 1st July 1990 shall not exceed 15%; 23/90.
- (K) commencing on or after 1st July 1990 shall not exceed 16½%; 23/90.

of the remuneration paid by the employer to the employee for that period, and "remuneration" in this proviso means that part of an employee's emoluments by reference to which his employer's contributions are calculated;

- (ii) where any such fund or society is first established and a special contribution is made thereto by the employer whereby persons in his employment whose employment commenced prior to the establishment of the fund or society may qualify for the benefits thereunder in respect of such prior employment, the Comptroller may, when approving the fund or society, authorise such deductions in respect of that special contribution as he thinks fit;
- (f) zakat, fitrah, or any religious dues, payment of which is made under any written law;

(g) where the income is derived from the working of a mine or other source of mineral deposits of a wasting nature, such deductions in respect of capital expenditure as may be prescribed in rules made under section 7.

(2) Notwithstanding subsection (1), payments made by way of salary, wages or similar emoluments, to an employee who is the husband, wife or child of an employer, shall be allowed as deductions only to the extent to which, in the opinion of the Comptroller, they are reasonable in amount having regard to the services performed by that employee.

7/79
(from Y/A
1979).

(3) Notwithstanding subsection (1), where outgoings and expenses falling within that subsection are incurred, whether directly or in the form of reimbursements, in respect of a motor car (whether or not owned by the person incurring the outgoings and expenses) to which this subsection applies, the sum to be allowed as a deduction shall be limited to the amount which bears to such outgoings and expenses the same proportion as \$15,000 bear to the capital expenditure incurred by the owner in respect of the motor car, where such capital expenditure exceeds \$15,000:

Provided that any deduction for the cost of renewal of a motor car to which this subsection applies shall not exceed \$15,000.

9/80
5/83.

(3A) For the purpose of application to a motor car acquired on or after the 1st April 1979 and before 1st April 1982, the reference to “\$15,000” in subsection (3) shall, wherever it occurs, be read as a reference to “\$25,000”.

5/83.

(3B) For the purpose of application to a motor car acquired on or after 1st April 1982, the reference to “\$15,000” in subsection (3) shall, wherever it occurs, be read as a reference to “\$35,000”.

(4) Subsection (3) shall apply to a motor car which is constructed or adapted for the carriage of not more than 7 passengers exclusive of the driver and the weight of which unladen does not exceed 3,000 kilograms except —

- (a) a taxi;
- (b) a motor car registered as a private car (school transport);
- (c) a private hire car which is hired to the same person for not more than 6 months in any year; and

- (d) a motor car registered as a business service passenger vehicle for the purposes of the Road Traffic Act which is —
- (i) used principally for instructional purposes; and
 - (ii) acquired during or after the basis period for the year of assessment 1989 by a person who carries on the business of providing driving instruction and who holds a driving school or driving instructor's licence issued under that Act.

1/90.
Cap. 276.

14A.—(1) For the purpose of ascertaining the income for any period of any person who has incurred expenditure on lawfully searching for, or for discovering and testing, or winning access to any mineral deposits in Singapore, there shall if the person has within that period permanently abandoned such activities without having carried on any trade which consists of or includes the working of deposits in respect of which the expenditure was incurred, be deducted the amount of the expenditure wholly and exclusively incurred by that person in connection with such activities as if the expenditure were incurred at the time when such activities were so abandoned:

Deductions allowed in relation to certain expenditure on abortive mining operations.

Provided that no deduction shall be made —

- (a) in respect of the value at the date of the permanent abandonment of such activities of any machinery or plant used in such activities or, if the machinery or plant is subsequently sold or transferred, any sum of money or other consideration received by that person in respect of it;
- (b) to the extent that any sum of money or other consideration is received by such person from the sale of any rights or other benefits derived from such activities, or from the use of any such machinery or plant by any other person;
- (c) in respect of any sum which is, apart from this section, allowed to be deducted in computing for the purposes of income tax the gains or profits of any such person;

- (d) in respect of any expenditure met directly or indirectly by the Government or by any government, public or local authority, whether within Singapore or elsewhere, or by any person other than the person claiming relief.

(2) In this section, “mineral deposits” means minerals and mineral substances other than mineral oils, and includes precious metals, precious stones or non-precious minerals, but does not include common clay (other than kaolin or bentonite), sand, sandstone and any sodium compound or any other similar common mineral substance obtainable without underground mining operations and not containing any precious metal or precious stones in economically workable quantities.

Further deduction for expenses relating to approved trade fairs, exhibitions or trade missions or to maintenance of overseas trade office. 7/79.

14B.—(1) Where the Comptroller is satisfied that expenses have been incurred —

- (a) on or after 4th June 1977 by a manufacturer, trader, or bank resident in or having a permanent establishment in Singapore in establishing, maintaining or otherwise participating in an approved overseas trade fair, exhibition or trade mission which is for the primary purpose of promoting the export of goods manufactured in Singapore;
- (b) on or after 13th September 1977 by a manufacturer resident in or having a permanent establishment in Singapore in establishing, maintaining or otherwise participating in an approved local trade fair or exhibition which is for the primary purpose of promoting the export of goods manufactured in Singapore; or
- (c) on or after 1st January 1978 by a company resident in Singapore which is engaged in the manufacture of goods in Singapore or the export of goods manufactured in Singapore, in maintaining an approved overseas trade office established exclusively for the purpose of promoting the export of such goods,

there shall be allowed a further deduction of the amount of such expenses in addition to the deduction allowed under section 14, subject to the following provisions of this section.

(2) In respect of the deduction allowable to a manufacturer under subsection (1) (b), if the export sales of the manufacturer do not exceed 50% of his total sales in the basis period for the year of assessment, the amount of deduction to be allowed shall be determined in accordance with the formula $A \times \frac{B}{C}$,

where A is the amount of expenses incurred;

B is the export sales in the basis period for the year of assessment; and

C is the total sales in the basis period for the year of assessment.

(3) No deduction shall be allowed under this section in respect of —

- (a) any expenses which are not allowed as deductions under section 14;
- (b) travelling, accommodation and subsistence expenses or allowances for more than two employees taking part in the approved overseas trade fair, exhibition or trade mission;
- (c) any expenses incurred during its tax relief period ^{9/80.} (or qualifying period in the case of investment allowance) by a company which is given tax relief under the Economic Expansion Incentives ^{Cap. 86.} (Relief from Income Tax) Act;
- (d) any expenses relating to an approved overseas trade office —
 - (i) which are incurred in the establishment of the approved overseas trade office;
 - (ii) by way of remuneration, travelling, accommodation and subsistence expenses or allowances for more than 3 employees of the approved overseas trade office;
 - (iii) which are specifically excluded as a condition for the approval of the overseas trade office under this section;
 - (iv) which are incurred after the end of the first two years of the date of establishment of the approved overseas trade office; and

- (v) which are incurred by a company having a permanent establishment subject to tax in the country in which the approved trade office is established.

(4) In this section, “approved” means approved by the Minister or such person as he may appoint for the purpose of this section.

Further deduction for export market development expenditure. 9/80.

14C.—(1) Subject to this section, where the Comptroller is satisfied that —

- (a) export market development expenditure for the carrying out of an approved marketing project overseas; or
- (b) advertising expenses in respect of advertisements placed in any approved Singapore publication designed for publicity overseas,

have been incurred on or after 1st April 1979 by a company resident in Singapore principally for promoting the export of goods manufactured in Singapore, there shall be allowed a further deduction of the amount of such expenditure in addition to the deduction allowed under section 14.

(2) The Minister may specify the maximum amount of export market development expenditure (or any item thereof) or of advertising expenses to be allowed under subsection (1).

(3) No deduction shall be allowed under this section in respect of —

- (a) any expenses which are not allowed as deductions under section 14;
- (b) any expenses incurred during its tax relief period (or qualifying period in the case of investment allowance) by a company which is given tax relief under the Economic Expansion Incentives (Relief from Income Tax) Act;
- (c) any expenses which are allowed as deductions under section 14B; or
- (d) travelling, accommodation and subsistence expenses or allowances for more than two employees taking part overseas in the approved marketing project.

Cap. 86.

(4) For the purposes of this section —

“approved” means approved by the Minister or such person as he may appoint;

“export market development expenditure” means —

- (i) expenses directly attributable to the carrying out of export market research or obtaining of export market information;
- (ii) expenses in respect of advertisements placed in overseas news media, including television, newspapers and trade journals; or
- (iii) expenses incurred on overseas export promotion campaigns.

14D.—(1) For the purpose of ascertaining the income of any person carrying on a trade or business, the following expenditure incurred on or after the respective dates referred to in subsection (1A) (other than any amount which is allowable as a deduction under section 14) by that person shall be allowed as a deduction:

Expenditure on research and development.
28/80
3/89.

- (a) expenditure incurred on research and development undertaken directly by him and related to that trade or business (except to the extent that it is capital expenditure on plant, machinery, land or buildings or on alterations, additions or extensions to buildings or in the acquisition of rights in or arising out of research and development); and
- (b) payments made by that person to an approved research and development organisation for undertaking on his behalf research and development related to that trade or business.

(1A) For the purposes of subsection (1) —

3/89.

- (a) any person carrying on a manufacturing trade or business shall only be allowed as deduction expenditure incurred on or after 1st April 1979; and
- (b) any person carrying on a trade or business for the provision of specified services shall only be allowed as deduction expenditure incurred on or after 1st April 1988.

3/89

(2) For the purposes of this section —

(a) “approved” means approved by the Minister or such person as he may appoint;

(aa) “specified services” means —

(i) services and activities which relate to the development of computer programs;

(ii) services and activities which relate to the technology involved in acquiring, storing, processing or distributing information by the use of computers or computer programs;

(iii) services and activities which relate to technology applied to agriculture, horticulture or the farming of livestock, fish or other forms of aquatic life;

(iv) laboratory and testing services;

(v) services and activities which relate to medical research; and

(vi) any other services or activities as may be prescribed by the Minister;

(b) any expenditure incurred by a person prior to the commencement of his trade or business shall be deemed to have been incurred by that person on the first day on which he carries on that trade or business.

Further
deduction for
expenditure
on research
and
development
project.
28/80.

14E.—(1) Subject to this section, where the Comptroller is satisfied that —

(a) a person carrying on a manufacturing trade or business has incurred expenditure on or after 1st April 1980 in undertaking directly by himself, or in paying a research and development organisation to undertake on his behalf, an approved research and development project in Singapore which is related to that trade or business;

(b) a research and development organisation has incurred expenditure on or after 1st April 1980 in undertaking an approved research and

development project in Singapore and no deduction under this section has been allowed to another person in respect of any expenditure for that project or for another project of which that project forms a part; or

- (c) a person carrying on a trade or business for the provision of any specified services has incurred expenditure on or after 1st April 1988, in undertaking directly by himself, or in paying a research and development organisation to undertake on his behalf, an approved research and development project in Singapore which is related to that trade or business,

there shall be allowed to that person or research and development organisation a further deduction of the amount of such expenditure in addition to the deduction allowed under section 14 or 14D.

(2) The Minister may —

- (a) specify the maximum amount of the expenditure (or any item thereof) incurred to be allowed under subsection (1);
- (b) impose such conditions as he thinks fit when approving the research and development project and may specify the period or periods for which deduction is to be allowed under this section.

(3) No deduction shall be allowed under this section in respect of any expenditure which is not allowed under section 14 or 14D.

(4) For the purposes of this section —

“approved” means approved by the Minister or such other person as he may appoint;

“specified services” has the same meaning as in section 14D.

14F.—(1) Subject to this section for the purpose of ascertaining the income for the basis period for any year of assessment of an approved investment company, there shall be allowed as a deduction any expenses for the management of its investments paid to any person who is a

Management expenses of investment companies. 1/82 (from Y/A 1982).

resident of or has a permanent establishment in Singapore and the amount of the deduction shall be ascertained by the formula $\frac{A \times B}{2C}$,

where A is the total expenses for the management of its investments paid for that basis period;

B is the total interest and dividends chargeable to tax in that basis period;

C is the total investment income (whether chargeable to tax or not) for that basis period.

(2) The deduction allowed under this section for any year of assessment shall not exceed the total interest and dividends chargeable to tax of the approved investment company in the basis period for that year of assessment.

(3) For the purposes of this section —

“approved” means approved by the Minister or such person as he may appoint;

“investment company” means any company whose business consists wholly or mainly in the making of investments and the principal part of whose income is derived therefrom, and includes any unit trust.

(4) This section shall not apply to any investment company which has been approved under section 10A or any unit trust which has been approved under section 10B.

3/89
23/90.

Expenditure
on energy
conservation.

1/82
(from Y/A
1982).

14G.—(1) Subject to this section, where any person being the owner of any premises in a centrally air-conditioned commercial building has during any period incurred any approved expenditure in relation to that building when carrying on any trade, business, profession or vocation at those premises, or when receiving rent from the letting of those premises, there shall for the purpose of ascertaining the income of the person for that period be allowed a deduction of an amount equal to that expenditure.

(2) Where any person has been allowed a deduction under this section in respect of any approved expenditure, no deduction shall be allowed under any other provision of this Act in respect of that expenditure or by way of

depreciation in respect of any asset acquired as a result of that expenditure.

(3) For the purposes of this section —

“approved expenditure”, in relation to a commercial building, means any expenditure approved by the Minister or such person as he may appoint and incurred in effecting, for the purposes of energy conservation, alteration of the building which results in a reduction of the overall thermal transfer value of the building to 45 watts per square metre or less and, in connection therewith, any alteration of the central air-conditioning plant of the building which results in an improvement to the coefficient of performance of the plant;

“commercial building” includes any part of the building which is used for residential purposes;

“owner” has the same meaning as in the Property Tax Act. Cap. 254.

14H.—(1) Subject to subsections (2) and (3), where any person being the owner or lessee of any premises and carrying on a trade, business or profession at those premises has incurred, on or after 1st January 1989, approved expenditure on any addition or alteration to those premises for the purpose of facilitating the mobility or work of any disabled employee, there shall, in ascertaining the income of that person for the basis period during which the expenditure was incurred, be allowed as a deduction an amount equal to that expenditure. Expenditure on building modifications for benefit of disabled employees. 1/90.

(2) Where any person has been allowed a deduction under subsection (1), no deduction shall be allowed under any other provision of this Act in respect of the expenditure for which the deduction was allowed.

(3) Where a person has been allowed a deduction or deductions under this section amounting to \$100,000, whether for one or more years of assessment, no further deduction shall be allowed to that person under this section.

(4) For the purposes of this section, “approved” means approved by the Minister or such other person as he may appoint.

Deductions
not allowed.
779.

15.—(1) Notwithstanding the provisions of this Act, for the purpose of ascertaining the income of any person, no deduction shall be allowed in respect of —

- (a) domestic or private expenses except as provided by section 14 (1) (f);
- (b) any disbursements or expenses not being money wholly and exclusively laid out or expended for the purpose of acquiring the income;
- (c) any capital withdrawn or any sum employed or intended to be employed as capital except as provided by section 14 (1) (g);
- (d) any capital employed in improvements other than improvements effected in the replanting of a plantation;
- (e) any sum recoverable under an insurance or contract of indemnity;
- (f) rent or cost of repairs to any premises or part of premises not paid or incurred for the purpose of producing the income;
- (g) any amount paid or payable in respect of income tax in Singapore, or in respect of any tax on income (by whatever name called) in any country outside Singapore;
- (h) any payment to any provident, savings, widows' and orphans' or other society or fund, except such payments as are allowed under sections 14 (1) (e) and 39 (2) (e);
- (i) any sum payable by way of interest by any person out of Singapore to another person out of Singapore except where tax has been deducted and accounted for under section 45;
- (j) any outgoings and expenses, whether directly or in the form of reimbursements, and any claim for the cost of renewal incurred on or after 1st April 1979 in respect of a motor car within the meaning of section 14 (4) (whether owned by him or any other person) which is not registered as a business service passenger vehicle for the purposes of the Road Traffic Act and the rules made thereunder except where the motor car is registered outside Singapore and used exclusively outside Singapore; and

779
9/80
(from Y/A
1980).

Cap. 276.

(k) any outgoings and expenses, whether directly or in the form of reimbursements, incurred on or after 1st April 1983 for the use of any private hire car — 15/83.

(i) where the periods of use of that car by that person, together with the periods of use by that person of any other private hire car or cars, during the basis period for any year of assessment, exceed in the aggregate 183 days; or

(ii) which exceed, and only to the extent of the excess, such amount as is in the opinion of the Comptroller reasonable having regard to the periods of use of that car and its requirement by that person during the basis period for any year of assessment.

(2) Subsection (1) (b) and (d) shall not apply to any expenditure which qualifies for deduction under section 14D, 14E, 14F, 14G or 14H. 9/80
(from Y/A
1980).
28/80
1/82
20/91.

(3) For the purposes of subsection (1) (k) (i) — 15/83.

(a) the use of a car for part of a day shall be counted as one day;

(b) where the periods of use by a person of two or more cars overlap, the periods which overlap shall be counted as only one period in determining the aggregate of his periods of use of private hire cars;

(c) the period or periods of use of any private hire car —

(i) by an employer for the purposes of his trade, business, profession or vocation shall, in addition to the periods of use of that car, include the periods of use of any private hire car by any of his employees for those purposes;

(ii) by an employee for the purposes of the trade, business, profession or vocation of his employer shall, in addition to the periods of use of that car, include the

periods of use of any private hire car by his employer and any other employee of his employer for those purposes.

Initial and annual allowances. Industrial buildings and structures.

7/79
(from Y/A 1979).

16.—(1) Where, in or after the basis period for the first year of assessment under this Act, a person incurs capital expenditure on the construction of a building or structure which is to be an industrial building or structure occupied for the purposes of a trade, there shall be made to the person who incurred the expenditure for the year of assessment in the basis period for which the expenditure was incurred an allowance to be known as an “initial allowance” equal to 25% thereof:

Provided that, for the purposes of this subsection —

- (a) where two basis periods overlap, the period common to both shall be deemed to fall in the first basis period only;
- (b) where there is an interval between the end of the basis period for a year of assessment and the commencement of a basis period for the next succeeding year of assessment, then, unless the second mentioned year of assessment is the year of the permanent discontinuance of the trade, the interval shall be deemed to be part of the second basis period; and
- (c) where there is an interval between the end of the basis period for the year of assessment preceding that in which the trade is permanently discontinued and the commencement of the basis period for the year in which it is permanently discontinued, the interval shall be deemed to form part of the first basis period:

Provided further that any capital expenditure incurred for the purposes of a trade by a person about to carry on that trade shall be treated for the purposes of this subsection as if it had been incurred by that person on the first day on which he does carry on that trade.

7/79
(from Y/A 1979).

(2) Where any person is, at the end of the basis period for any year of assessment, entitled to an interest in a building or structure which is an industrial building or structure and where that interest is the relevant interest in relation to the capital expenditure incurred on the construction of that

building or structure, an allowance, to be known as an “annual allowance”, equal to 3% of that expenditure shall be made to him for that year of assessment.

(3) Where at any time in or after the basis period for the first year of assessment under this Act the interest in a building or structure which is the relevant interest in relation to any expenditure is sold while the building or structure is an industrial building or structure, the annual allowance, in the years of assessment the basis periods for which end after the time of that sale, shall be computed by reference to the residue of that expenditure immediately after the sale and shall be —

7/79
(from Y/A
1979).

- (a) the fraction of that residue the numerator of which is one and the denominator of which is the number of years of assessment comprised in the period which begins with the first year of assessment for which the buyer is entitled to an annual allowance or would be so entitled if the building or structure had at all material times continued to be an industrial building or structure, and ends with the fiftieth year after that in which the building or structure was first used; or

- (b) 3% of that residue,

whichever is the greater, and so on for any subsequent sales:

Provided that no annual allowance shall be made to any person for any year of assessment after the end of the fiftieth year after that in which the building or structure was first used.

(3A) For the purposes of application to any industrial building or structure occupied for the purposes of a trade in intensive pig and poultry production and approved by the Minister under section 18 (1), the reference to “3%” in subsections (2) and (3) and in section 18 (5) shall be read as a reference to “5%”.

7/79
(from Y/A
1979).

(3B) For the purposes of application to any industrial building or structure occupied for the purposes of a hotel on the island of Sentosa and approved by the Minister under section 18 (1) —

1/82.

- (a) the reference to “25%” in subsection (1) shall be read as a reference to “20%”;

- (b) the reference to “3%” in subsections (2) and (3) and in section 18 (5) shall be read as a reference to “2%”; and
- (c) the reference to capital expenditure in subsections (1) and (2) shall not include any capital expenditure incurred before 1st January 1982.

1/88
(from Y/A
1987).

(3C) For the purposes of application to any industrial building or structure used for the purposes of a project for the promotion of the tourist industry (other than a hotel) in Singapore and approved by the Minister under section 18 (1) (k) —

- (a) the reference to 25% in subsection (1) shall be read as a reference to 20%;
- (b) the reference to 3% in subsections (2) and (3) and in the sixteenth line of section 18 (5) shall be read as a reference to 2%; and
- (c) the reference to capital expenditure in subsections (1) and (2) shall not include any capital expenditure incurred before 1st January 1986.

1/88
(from Y/A
1987).

(3D) Notwithstanding anything in sections 16 and 17, where a person carrying out a project for the promotion of the tourist industry approved by the Minister under section 18 (1) (k) fails to comply with any condition imposed by the Minister, the Minister may revoke the approval and thereupon the Comptroller may at any time within 12 years from the date of the revocation make such assessment or additional assessment upon the person as may appear necessary in order to recover any tax which ought to have been paid by that person if any allowances under those sections had not been made to him.

(4) Notwithstanding anything in this section, in no case shall the amount of an annual allowance made to a person for any year of assessment in respect of any expenditure exceed what, apart from the writing off falling to be made by reason of the making of that allowance, would be the residue of that expenditure at the end of his basis period for that year of assessment.

7/79
(from Y/A
1979).

(5) For the purposes of subsection (1), where a person has incurred capital expenditure on the purchase of an industrial building or structure (including the purchase of a leasehold interest therein of not less than 25 years) which has not previously been used by any person, he shall be

deemed to have incurred expenditure on the construction of that industrial building or structure equal to the cost of construction of that industrial building or structure or to the net price paid by him for that industrial building or structure or the interest therein, whichever is the less, if —

- (a) the person claiming the initial allowance by virtue of this subsection purchased the industrial building or structure or acquired the leasehold interest therein from the person who constructed that building or structure; and
- (b) no initial allowance has been granted under subsection (1) in respect of that industrial building or structure to the person who constructed that building or structure.

17.—(1) Where any capital expenditure has been incurred on the construction of a building or structure and, in or after the basis period for the first year of assessment under this Act, any of the following events occurs while the building or structure is an industrial building or structure:

Balancing allowances and charges. Industrial buildings and structures.

- (a) the relevant interest in the building or structure is sold;
- (b) that interest, being a leasehold interest, comes to an end otherwise than on the person entitled thereto acquiring the interest which is reversionary thereon; or
- (c) the building or structure is demolished or destroyed or, without being demolished or destroyed, ceases altogether to be used,

an allowance or charge, to be known as a “balancing allowance” or a “balancing charge” shall, in the circumstances mentioned in this section, be made to or, as the case may be, on the person entitled to the relevant interest immediately before that event occurs for the year of assessment in the basis period for which that event occurs:

Provided that no balancing allowance or balancing charge shall be made to or on any person for any year of assessment by reason of any event occurring after the end of the fiftieth year after that in which the building or structure was first used.

(2) Where there are no sale, insurance, salvage or compensation moneys, or where the residue of the expenditure

immediately before the event exceeds those moneys, a balancing allowance shall be made and the amount thereof shall be the amount of the residue or, as the case may be, of the excess thereof over the moneys.

(3) If the sale, insurance, salvage or compensation moneys exceed the residue, if any, of the expenditure immediately before the event, a balancing charge shall be made and the amount on which it is made shall be an amount equal to the excess or, where the residue is nil, to the moneys.

(4) Notwithstanding anything in subsection (3), in no case shall the amount on which a balancing charge is made on a person exceed the aggregate of the following amounts:

- (a) the amount of the initial allowance, if any, made to him in respect of the expenditure in question;
- (b) the amount of the annual allowances, if any, made to him in respect of the expenditure in question.

(5) (*Deleted by Act 29/65*).

Definitions.

18.—(1) Subject to this section, in sections 16 and 17 an “industrial building or structure” means a building or structure in use —

- (a) for the purposes of a trade carried on in a mill, factory or other similar premises;
- (b) for the purposes of a transport, dock, water or electricity undertaking;
- (c) for the purposes of a trade which consists in the manufacture of goods or materials or the subjection of goods or materials to any process;
- (d) for the purposes of a trade which consists in the storage of goods or materials which are to be used in the manufacture of other goods or to be subjected, in the course of a trade, to any process;
- (e) for the purposes of a trade which consists of the storage of goods or materials on their arrival in Singapore;
- (f) for the purposes of a trade which consists in the working of a plantation;

- (g) for the purposes of a trade which consists in the working of a mine or other source of mineral deposits of a wasting nature;
- (h) for the purposes of a trade in intensive pig and poultry production as may be approved by the Minister; 26/73.
- (i) by a research and development organisation in carrying out research and development activities for any manufacturing trade or business; 28/80
(from Y/A
1981)
3/89
(from Y/A
1988).
- (j) for the purposes of a hotel on the island of Sentosa and approved by the Minister (referred to in this section as a Sentosa hotel); 1/82.
- (k) for the purposes of a project for the promotion of the tourist industry (other than a hotel) in Singapore and approved by the Minister subject to such conditions as he may impose; or 1/88.
- (l) for prescribed purposes and where such building or structure has been approved by the Minister or such other person as he may appoint, 3/89
(from Y/A
1988).

and includes any building or structure provided by the person carrying on such a trade or undertaking for the welfare of workers employed in that trade or undertaking and in use for that purpose, but does not include a building or structure in respect of which a deduction is prescribed under section 14 (1) (g):

Provided that a building or structure shall not be deemed, by reason only of its falling or having fallen into temporary disuse, to have thereby ceased altogether to be used for one of the purposes specified in this subsection if, immediately prior to falling into such temporary disuse, it was in use for such a purpose and if, during the period of such temporary disuse, it is constantly maintained in readiness to be brought back into use for such a purpose; but if, in such circumstances, the building or structure at any time during disuse ceases to be ready for use for any of the said purposes, or if at any time, for any reason, the disuse of the building or structure can no longer be reasonably regarded as temporary, then and in any such case, the building or structure shall be deemed to have ceased, on the commencement of the period of disuse, to be used for any of the purposes specified in this subsection.

(2) Subsection (1) shall apply in relation to a part of a trade or undertaking as it applies to a trade or undertaking:

Provided that where part only of a trade or undertaking complies with the conditions set out in that subsection, a building or structure shall not, by virtue of this subsection, be an industrial building or structure unless it is in use for the purposes of that part of that trade or undertaking.

1/82.

(3) Notwithstanding anything in subsection (1) or (2), “industrial building or structure” does not include any building or structure in use as, or as part of, a dwelling-house, retail shop, showroom, hotel (other than a Sentosa hotel) or office or for any purpose ancillary to the purposes of a dwelling-house, retail shop, showroom, hotel (other than a Sentosa hotel) or office:

Provided that this subsection shall not apply to, or to part of, a building or structure which was constructed for occupation by, or for the welfare of, persons employed on, or in connection with the growing and harvesting of the crops on, a plantation, if the building or structure is likely to have little or no value to the person carrying on the trade when the plantation is no longer worked.

(4) Where part of a building or structure is, and part thereof is not, an industrial building or structure, and the capital expenditure which has been incurred on the construction of the second mentioned part is not more than one-tenth of the total capital expenditure which has been incurred on the construction of the whole building or structure, the whole building or structure and every part thereof shall be treated as an industrial building or structure.

(5) In sections 16 and 17 —

(a) “relevant interest” means, in relation to any expenditure incurred on the construction of a building or structure, the interest in that building or structure to which the person who incurred the expenditure was entitled when he incurred it;

(b) “residue of expenditure” shall be the amount of the capital expenditure incurred in the construction of a building or structure reduced by —

(i) the amount of any initial allowance made;

- (ii) any annual allowance made; and
- (iii) any balancing allowances granted,
and increased by any balancing charges made.

For the purpose of computing the residue of expenditure, there shall be written off an amount of 3% of the expenditure in respect of any year in which no initial or annual allowance has been made.

7/79
(from Y/A
1979).

18A.—(1) Subject to this section, where in the basis period for any year of assessment any person engaged in working a plantation in Singapore has incurred capital expenditure upon the plantation, he shall be entitled to an allowance for the year of assessment and each of the succeeding 9 years of assessment equal to one-tenth of the expenditure.

Allowances
for capital
expenditure
on planta-
tions.

(2) No allowance shall be made under this section in respect of any expenditure incurred before the commencement of the basis period for the year of assessment 1956, or in respect of any expenditure for which a claim to relief has been made under any other provision of this Act.

(3) Where any person would, if he continued to be engaged in the working of any plantation in Singapore, be entitled under this section to an allowance in respect of any expenditure, and the whole of his interest in the land comprising the plantation or in any part of such land is transferred, whether by operation of law or otherwise, to some other person, then —

- (a) the amount of the allowance, if any, for the year of assessment in which the transfer takes place shall be apportioned between the person from whom the interest is transferred and the person to whom the interest is transferred;
- (b) the person to whom the interest is transferred shall, to the exclusion of the person from whom the interest is transferred, be entitled, where the interest transferred is in the whole of the land, to the whole of the allowance, if any, for any subsequent year of assessment, and, where the interest transferred is in part only of the land, to so much of the allowance as is properly referable to that part of the land; and

- (c) any sum of money or consideration received by the person from whom such interest is transferred in respect of capital expenditure on which allowances have been made under this section shall be deemed to be income of such person for the year of assessment in the basis period for which it is received, or, in the case of a person who has ceased to derive income from the plantation, for the year of assessment in the basis period for which such cessation occurs:

Provided that —

- (i) the sum of money or consideration deemed to be the income of any person under this paragraph shall not exceed the aggregate of the allowances made to that person under this section in respect of capital expenditure incurred on the plantation or part of the plantation in which such interest has been transferred;
- (ii) any sum of money or consideration received by a person in respect of capital expenditure on which allowances have been made under this section shall be deemed to be income of such person only to the extent that the total of the allowances made to him under this section in respect of the interest transferred, together with any such sum, exceeds the capital expenditure incurred by such person;
- (iii) in the case of the person to whom the interest is transferred, any sum of money or consideration received in respect of capital expenditure on which allowances have been made under this section shall be deemed to be income only to the extent that the total of the allowances made to him under this section in respect of the interest transferred, together with

such sum, exceeds the sum of money or consideration paid by him on the acquisition of the interest in the capital expenditure;

- (iv) any person may elect that any sum of money or consideration deemed to be his income under this paragraph shall be apportioned in equal amounts to the year of assessment for which it would be deemed to be income but for this proviso and to any number of consecutive years of assessment immediately preceding such year, being years in respect of which additional assessments may be made under section 73 (1) and not being in any case earlier than the year in the basis period for which the capital expenditure was incurred.

(4) For the purposes of subsection (3), where an interest in land is a tenancy and that tenancy comes to an end, that interest shall be deemed to have been transferred —

- (a) if an incoming tenant makes any payment to the outgoing tenant in respect of assets representing the expenditure in question — to the incoming tenant; and
- (b) in any other case — to the owner of the interest in immediate reversion on the tenancy.

(5) No allowance shall be made under this section for any year of assessment during the basis period for which the land or the part of the land in question is not used as a plantation.

(6) In this section “capital expenditure” means expenditure on —

- (a) the construction of industrial buildings or structures;
- (b) the clearing of land for planting; or
- (c) planting (other than replanting),

but does not include expenditure on the provision of machinery or plant or on the acquisition of land or anything growing thereon; and “industrial buildings or structures”

has the meaning assigned to it, so far as it is applicable, in section 18.

Initial and annual allowances, machinery or plant.

7/79
(from Y/A 1978).

19.—(1) Where, in or after the basis period for the first year of assessment under this Act, a person carrying on a trade, profession or business incurs capital expenditure on the provision of machinery or plant for the purposes of that trade, profession or business, there shall be made to him, on due claim for the year of assessment in the basis period for which the expenditure is incurred an allowance, to be known as an “initial allowance”, equal to one-fifth of that expenditure or such other allowance as may be prescribed either generally or for any person or class of persons in respect of any machinery or plant or class of machinery or plant:

Provided that, for the purposes of this subsection, in the case of any trade, profession or business —

- (a) where two basis periods overlap, the period common to both shall be deemed to fall in the first basis period only;
- (b) where there is an interval between the end of the basis period for a year of assessment and the commencement of a basis period for the next succeeding year of assessment, then, unless the second mentioned year of assessment is the year of the permanent discontinuance of the trade, the interval shall be deemed to be part of the second basis period; and
- (c) where there is an interval between the end of the basis period for the year of assessment preceding that in which the trade is permanently discontinued and the commencement of the basis period for the year in which it is permanently discontinued, the interval shall be deemed to form part of the first basis period:

And provided further that any capital expenditure incurred for the purposes of a trade by a person about to carry on that trade shall be treated for the purposes of this subsection as if it had been incurred by that person on the first day on which he does carry on that trade.

28/80
(from Y/A 1981).

(2) Where at the end of the basis period for any year of assessment a person has in use machinery or plant for the purpose of his trade, profession or business, there shall be

made to him, on due claim, in respect of that year of assessment an allowance for depreciation by wear and tear of those assets (to be known as an annual allowance) which shall be calculated in accordance with the following provisions:

(a) the annual allowance in respect of any machinery or plant acquired in or after the basis period for the year of assessment 1981 shall —

(i) in the case of an asset, other than an asset acquired under a hire-purchase agreement, be the amount ascertained by dividing the excess of the original cost of the asset over any initial allowance granted under subsection (1) by the number of years of working life of the asset as specified in the Sixth Schedule;

(ii) in the case of an asset acquired under a hire-purchase agreement, be the amount ascertained by dividing the excess of the original cost of the asset over the total amount of initial allowance allowable in respect of the asset under subsection (1) by the number of years of working life of the asset as specified in the Sixth Schedule;

(b) the annual allowance in respect of any machinery or plant acquired before the basis period for the year of assessment 1981 shall be the amount ascertained by the formula $\frac{A}{B}$,

where A is the amount of the capital expenditure still unallowed under this section in respect of that asset as at the end of the basis period for the year of assessment 1980;

B is the number of years of working life of the asset as specified in the Sixth Schedule reduced by the number of whole years the asset has been put into use as at the end of the basis period for the year of assessment 1980, and if the result is less than 1, B shall be deemed to be 1; and

where A or B cannot be ascertained, such amount as the Comptroller may determine;

(c) notwithstanding paragraphs (a) and (b), the annual allowance in respect of any asset for any year of assessment may, at the election of a person to whom a certificate has been issued before 1st January 1981 (or after 1st January 1981 where application for the certificate has been approved before that date) under Part II, IV, VI, VII, XI or XII of the Economic Expansion Incentives (Relief from Income Tax) Act, be ascertained during his tax relief period as determined in accordance with that certificate at the rates applicable immediately before 4th December 1980 and shall be computed on the reducing value of the asset, which shall be the original cost of the asset reduced by any initial allowance and annual allowances granted under this section;

(d) where an election under paragraph (c) has been made by a person with respect to any asset, the annual allowance in respect of the same asset to be made to that person for any year of assessment after his tax relief period shall be computed in accordance with the formula $\frac{C}{D}$,

where C is the amount of the capital expenditure still unallowed under this section in respect of that asset after the end of his tax relief period;

D is the number of years of working life of the asset as specified in the Sixth Schedule reduced by the number of whole years the asset has been put into use as at the end of the basis period in which his tax relief ends and if the result is less than 1, D shall be deemed to be 1;

(e) the annual allowance in respect of any asset for any year of assessment shall not exceed the amount of the capital expenditure of the asset still unallowed under this section as at the beginning of the basis period for that year of assessment;

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28/80.

- (f) for the purposes of the Sixth Schedule, where any question arises as to the classification of an asset under any item of that Schedule, the asset shall be treated as falling under such item as the Comptroller considers proper.

(2A) Notwithstanding subsections (1) and (2) where a motor car to which this subsection applies is acquired after 3rd March 1975 — ^{37/75.}

- (a) the initial allowance to be made under subsection (1) shall be calculated on an amount equal to the capital expenditure incurred in respect of that motor car or \$15,000 whichever is the less;
- (b) the annual allowance to be made under subsection (2) shall be calculated on the basis that the original cost of that motor car is the capital expenditure incurred or \$15,000 whichever is the less; and
- (c) the aggregate of the initial and annual allowances to be made under this subsection for all relevant years of assessment shall not exceed \$15,000:

Provided that, in respect of a motor car acquired — ^{5/83.}

- (i) on or after 1st April 1979 and before 1st April 1982, the reference to “\$15,000” in this subsection shall, wherever it occurs, be read as a reference to “\$25,000”; and
- (ii) on or after 1st April 1982, the reference to “\$15,000” in this subsection shall, wherever it occurs, be read as a reference to “\$35,000”.

(2B) Notwithstanding subsection (2), where the amount of the reducing value of a motor car to which this section applies exceeds \$15,000 at the end of the basis period immediately after 3rd March 1975, the amount in excess of \$15,000 shall be disregarded and the reducing value of that motor car at the end of the basis period shall be deemed to be \$15,000.

(2C) Subsections (2A) and (2B) shall apply to a motor car which is constructed or adapted for the carriage of not more than 7 passengers exclusive of the driver and the weight of which unladen does not exceed 3,000 kilograms except — ^{1/90.}

- (a) a taxi;

- (b) a motor car registered as a private car (school transport);
- (c) a private hire car which is hired to the same person for not more than 6 months in any year; and
- (d) a motor car registered as a business service passenger vehicle for the purposes of the Road Traffic Act which is —
 - (i) used principally for instructional purposes; and
 - (ii) acquired during or after the basis period for the year of assessment 1989 by a person who carries on the business of providing driving instruction and who holds a driving school or driving instructor's licence issued under that Act.

1/90.

Cap. 276.

7/79

(from Y/A

1980)

9/80

(from Y/A

1980).

(2D) No allowance under this section shall be made in respect of a motor car within the meaning of subsection (2C), which is not, at the end of the basis period for any year of assessment, registered as a business service passenger vehicle for the purposes of the Road Traffic Act and the rules made thereunder except where the motor car is registered outside Singapore and used exclusively outside Singapore.

(3) For the purposes of subsection (1), “prescribed” means prescribed by an order made by the Minister.

(4) Every order made under this section shall be presented to Parliament as soon as possible after publication in the *Gazette*.

Allowances
of 3 years
write off for
plant and
machinery,
and 100%
write off for
computer,
prescribed
office
automation
equipment
and robot.

13/84

7/85

(from Y/A

1985).

19A.—(1) Notwithstanding section 19, where a person carrying on a trade, profession or business incurs capital expenditure during or after the basis period for the year of assessment 1985 on the provision of machinery or plant for the purposes of that trade, profession or business, he shall, in lieu of the allowances provided by section 19, be entitled for a period of 3 years to an annual allowance of $33\frac{1}{3}\%$ in respect of the capital expenditure incurred.

(1A) Notwithstanding section 19, where a person proves to the satisfaction of the Comptroller that he has installed a computer or other prescribed automation equipment for the purposes of a trade, business or profession carried on by him, he shall, in lieu of the allowances provided by subsection (1) or section 19, be entitled, if he so elects, to an allowance of 100% in respect of the capital expenditure incurred during or after the basis period for the year of assessment 1985 on the provision of that computer or automation equipment.

15/83
(from Y/A
1984)
13/84
7/85
(from Y/A
1985).

(1B) Notwithstanding section 19, where a person proves to the satisfaction of the Comptroller that he has, for the purposes of a trade, business or profession carried on by him, installed a generator in any office or factory for the supply of electrical power to that office or factory in the event of a disruption in the normal supply of electrical power, he shall, in lieu of the allowances provided by subsection (1) or by section 19, be entitled, if he so elects, to an allowance of 100% in respect of the capital expenditure incurred during or after the basis period for the year of assessment 1990 on the provision of that generator.

15/83
(from Y/A
1984)
13/84
7/85
(from Y/A
1985)
20/91.

(1C) Notwithstanding section 19, where a person proves to the satisfaction of the Comptroller that he has installed a robot for the purposes of a trade, business or profession carried on by him, he shall, in lieu of the allowances provided by subsection (1) or section 19, be entitled, if he so elects, to an allowance of 100% in respect of the capital expenditure incurred during or after the basis period for the year of assessment 1985 on the provision of that robot.

13/84
(from Y/A
1985).

(1D) Where at the end of the basis period for the year of assessment 1990 a person has in use any prescribed automation equipment or any generator referred to in subsection (1B) in respect of which capital allowances have been made under subsection (1) or under section 19, there shall be made to him, on due claim, an allowance of an amount equal to the capital expenditure then remaining unallowed under subsection (1) or under section 19 in respect of that equipment or generator.

20/91.

(2) Any claim for allowances under this section shall be made at the time of lodgment of the return of income for the relevant years of assessment or within such further time as the Comptroller, in his discretion, may allow.

(3) Where any allowance has been claimed and allowed under this section for any year of assessment no allowances shall be made in any subsequent year of assessment under section 19 in respect of such expenditure.

(4) For the purposes of this section —

(a) “automation equipment” means any machinery or plant designed for the automation of functions or services in any office or factory;

“computer” means any computer used for automatic data processing and includes any part thereof;

(b) machinery or plant shall be deemed not to include the following motor vehicles within the meaning of the Road Traffic Act:

(i) a motor car;

(ii) a motor cycle;

(iii) a goods vehicle the maximum weight of which laden does not exceed 3,000 kilograms.

(5) Where at the end of the basis period for the year of assessment 1985 a person has in use machinery or plant in respect of which capital allowances have been made under section 19, there shall be made to him, if before the end of that year of assessment he so elects, for a period of 3 years an annual allowance of $33\frac{1}{3}\%$ in respect of the capital expenditure remaining unallowed under section 19 in respect of the machinery or plant as at the end of that basis period:

Provided that in the case of a person to whom a certificate has been issued under Part II, IV, VI, VII, XI or XII of the Economic Expansion Incentives (Relief from Income Tax) Act and who has, at the end of the basis period immediately following the expiry of his tax relief period, in use, machinery or plant in respect of which capital allowances have been made under section 19, the election under this subsection shall be made before the end of the year of assessment which relates to that basis period.

(6) Except as provided in subsection (1D) or (5), where any allowance has been claimed and allowed under section 19 in respect of any expenditure, no allowances shall, except with the approval of the Minister and subject to such

15/83
7/85
(from Y/A
1984).

13/84
(from Y/A
1985).
Cap. 276.

1/90.

13/84
(from Y/A
1985).

Cap. 86.

15/83
(from Y/A
1984)
13/84
(from Y/A
1985)
20/91.

conditions as he may impose, be made in any subsequent year of assessment under this section in respect of the amount of that expenditure remaining unallowed under section 19.

19B.—(1) Subject to this section, where on or after 1st April 1980 a person carrying on a manufacturing trade or business has incurred capital expenditure in acquiring any approved know-how or any approved patent rights for use in that trade or business (referred to in this section as the relevant trade or business), writing-down allowances in respect of that expenditure shall be made to him during a writing-down period of 5 years beginning with the year of assessment relating to the basis period in which that expenditure is incurred.

Writing-down allowances for approved know-how or patent rights. 28/80.

(2) The writing-down allowance to be made to a person under this section for any year of assessment shall be an amount equal to 20% of the expenditure incurred by him on the acquisition of the approved know-how or patent rights, as the case may be.

(3) Any expenditure incurred on the acquisition of any approved know-how or patent rights by a person before the commencement of his trade or business shall be treated for the purpose of this section as if it had been incurred by him on the first day he commences that trade or business.

(4) Where writing-down allowances have been made to any person under this section in respect of any approved patent rights and, before the end of the writing-down period, any of the following events occurs:

- (a) the rights come to an end without being subsequently revived;
- (b) he sells all those rights or so much thereof as he still owns; or
- (c) he sells part of those rights and the net proceeds of the sale (so far as they consist of capital sums) are not less than the amount of the expenditure remaining unallowed,

no writing-down allowance in respect of the approved patent rights shall be made to that person for the year of assessment relating to the basis period in which the event occurs or for any subsequent year of assessment.

(5) Where writing-down allowances have been made to any person under this section in respect of any approved patent rights and, before the end of the writing-down period, either of the following events occurs:

- (a) the rights come to an end without being subsequently revived; or
- (b) he sells all those rights, or so much thereof as he still owns, and the net proceeds of the sale (so far as they consist of capital sums) are less than the amount of the expenditure remaining unallowed,

there shall be made to him for the year of assessment relating to the basis period in which the event occurs a balancing allowance equal, if the event is the rights coming to an end, to the amount of the expenditure remaining unallowed, and, if the event is a sale, to the amount of the expenditure remaining unallowed less the net proceeds of the sale.

(6) Where a person to whom writing-down allowances have been made under this section in respect of any approved patent rights —

- (a) sells all or any part of those rights and the net proceeds of the sale (so far as they consist of capital sums) exceed the amount of the expenditure remaining unallowed, if any, there shall be made on him for the year of assessment relating to the basis period in which the sale occurs a charge (referred to in this section as a balancing charge) on an amount equal to the excess or, where the amount of the expenditure remaining unallowed is nil, to the net proceeds;
- (b) sells a part of those rights and paragraph (a) does not apply, the amount of any writing-down allowance made in respect of the capital expenditure incurred in acquiring the approved patent rights for the year of assessment relating to the basis period in which the sale occurs or any subsequent year of assessment shall be the amount arrived at by —

- (i) subtracting the net proceeds of the sale (so far as they consist of capital sums) from the amount of the expenditure

remaining unallowed at the time of the sale; and

- (ii) dividing the result by the number of complete years of the writing-down period remaining at the beginning of the year of assessment relating to the basis period in which the sale occurs,

and so on for any subsequent sales.

(7) References in subsections (5) and (6) to the amount of any expenditure remaining unallowed shall, in relation to any event, be construed as references to the amount of that expenditure less any writing-down allowances made in respect thereof for the years of assessment before the year of assessment relating to the basis period in which the event occurs, and less also the net proceeds of any previous sale by the person who incurred the expenditure of any part of the rights acquired by the expenditure, so far as those proceeds consist of capital sums.

(8) Notwithstanding anything in subsection (6), the total amount on which a balancing charge is made in respect of any expenditure shall not exceed the total writing-down allowances actually made in respect of that expenditure, less, if a balancing charge has previously been made in respect of that expenditure, the amount on which that charge was made.

(9) Where a person to whom writing-down allowances have been made under this section in respect of any approved know-how disposes of the approved know-how, the amount or value of any consideration received by him for the disposal shall, so far as it is not chargeable to tax as a revenue or income receipt, be treated for all purposes as a trading receipt of the relevant trade or business.

(10) Where a person to whom writing-down allowances have been made under this section ceases to carry on the relevant trade or business, an allowance equal to the amount of the expenditure remaining unallowed in respect of the approved know-how or patent rights, as the case may be, shall be made to him in computing his income for the year of assessment relating to the basis period in which the cessation occurs.

(11) In this section —

“approved” means approved by the Minister or such person as he may appoint;

“know-how” means any industrial information and techniques likely to assist in the manufacture or processing of goods or materials;

“patent rights” means the right to do or authorise the doing of anything which would, but for that right, be an infringement of a patent.

(12) For the purposes of this section —

(a) any reference to the sale of part of patent rights includes a reference to the grant of a licence in respect of the patent in question, and any reference to the acquisition of patent rights includes a reference to the acquisition of a licence in respect of a patent;

(b) any disposal or sale which occurs after the date on which the relevant trade or business permanently ceases, shall be deemed to have occurred immediately before the cessation.

Balancing allowances and charges, machinery or plant.

20.—(1) Except as provided in this section, where at any time after the setting up and on or before the permanent discontinuance of a trade, profession or business, any event occurs whereby machinery or plant in respect of which allowances under section 19 or 19A have been made to a person carrying on a trade, profession or business ceases to belong to that person (whether on a sale of the machinery or plant or in any other circumstances of any description) or, while continuing to belong to that person, permanently ceases to be used for the purpose of a trade, profession or business carried on by him in Singapore (whether by reason of the discontinuance of the trade, profession or business, or discontinuance of use of such machinery or plant in a trade, profession or business which continues to be carried on in Singapore) an allowance or charge, to be known as a balancing allowance or a balancing charge, shall in the circumstances mentioned in this section be made to or, as the case may be, on that person for the year of assessment in the basis period for which that event occurs:

Provided that, where the property in machinery or plant passes at less than the open-market price, then for the

purpose of determining the amount of any balancing allowance or balancing charge the event shall be treated as if it had given rise to sale moneys of an amount equal to the open-market price of the machinery or plant:

And provided that, where machinery or plant continues to belong to that person after the date on which it permanently ceases to be used for the purposes of a trade, profession or business carried on by him in Singapore, it shall be deemed to have been sold on the date of permanent cessation of use at the open-market price on that date.

(2) Where there are no sale, insurance, salvage or compensation moneys or where the amount of the capital expenditure of the person in question on the provision of the plant or machinery still unallowed as at the time of the event exceeds those moneys, a balancing allowance shall be made, and the amount thereof shall be the amount of the expenditure still unallowed as aforesaid or, as the case may be, the excess thereof over those moneys.

(3) If the sale, insurance, salvage or compensation moneys exceed the amount, if any, of the said expenditure still unallowed as at the time of the event, a balancing charge shall be made, and the amount on which it is made shall be an amount equal to the excess or, where the said amount still unallowed is nil, to those moneys.

(4) Notwithstanding anything in subsection (3), in no case shall the amount on which a balancing charge is made on a person exceed —

13/84
(from Y/A
1985).

- (a) the aggregate of the initial allowance, if any, and the annual allowances, if any, made to him under section 19 in respect of the expenditure in question; and
- (b) the special allowances, if any, made to him under section 19A in respect of the expenditure in question.

(5) Notwithstanding anything in this section, where a balancing allowance or charge falls to be made under subsection (1) in respect of —

37/75
9/80.

- (a) a motor car acquired after 3rd March 1975 and before 1st April 1979 to which section 19 (2A)

applies, the sum to be taken in lieu of the open-market price or sale, insurance, salvage or compensation moneys for the purpose of calculating such balancing allowance or charge shall be ascertained in accordance with the formula

$$\frac{15,000A}{B};$$

5/83.

(aa) a motor car acquired —

- (i) on or after 1st April 1979 and before 1st April 1982, paragraph (a) shall apply except that the reference to “15,000” in the formula in that paragraph shall be read as a reference to “25,000”; and
- (ii) on or after 1st April 1982, paragraph (a) shall apply except that the reference to “15,000” in the formula in that paragraph shall be read as a reference to “35,000”; and

(b) a motor car acquired on or before 3rd March 1975 to which section 19 (2B) applies, the sum to be taken in lieu of the open-market price or sale, insurance, salvage or compensation moneys for the purpose of calculating such balancing allowance or charge shall be ascertained in accordance with the formula $\frac{(15,000 + C) A}{B}$,

Where A is the open-market price or sale, insurance, salvage or compensation moneys in respect of the motor car;

B is the capital expenditure incurred in respect of the motor car; and

C is the aggregate of the initial and annual allowances made in respect of the motor car before section 19 (2B) has effect in relation to that motor car.

9/80.

(5A) Notwithstanding anything in this section, no balancing allowance shall be made in respect of a motor car within the meaning of section 19 (2C) which is not, for any basis period after the basis period for the year of assessment 1981, registered as a business service passenger vehicle for the purposes of the Road Traffic Act and the rules made thereunder.

Cap. 276.

(6) In this section, “open-market price”, in relation to any machinery or plant, means the price which the machinery or plant would have fetched if sold in the open market at the time of the event in question:

Provided that, where the Comptroller is satisfied by reason of the special nature of any machinery or plant that it is not practicable to determine an open-market price, he may adopt such other value as appears to him to be reasonable in the circumstances.

21.—(1) Where machinery or plant in the case of which any of the events mentioned in section 20 (1) has occurred is replaced by the owner thereof and a balancing charge falls to be made on him by reason of that event or, but for this section, would have fallen to be made on him by reason thereof, then, if by notice in writing to the Comptroller he so elects, this section shall have effect.

Replacement
of machinery
or plant.

(2) If the amount on which the charge would have been made is greater than the capital expenditure on providing the new machinery or plant —

- (a) the charge shall be made only on an amount equal to the difference;
- (b) no initial allowance, no balancing allowance and no annual allowance shall be made or allowed in respect of the new machinery or plant or the expenditure on the provision thereof; and
- (c) in considering whether any, and if so what, balancing charge falls to be made in respect of the expenditure on the new machinery or plant, there shall be deemed to have been made in respect of that expenditure an initial allowance equal to the full amount of that expenditure.

(3) If the capital expenditure on providing the new machinery or plant is equal to or greater than the amount on which the charge would have been made —

- (a) the charge shall not be made;
- (b) the amount of any initial allowance in respect of the said expenditure shall be calculated as if the expenditure had been reduced by the amount on which the charge would have been made;
- (c) in considering what annual allowance is to be made in respect of the new machinery or plant, there

shall be left out of account a proportion of the machinery or plant equal to the proportion which the amount on which the charge would have been made bears to the amount of the said expenditure; and

- (d) in considering whether any, and if so what, balancing allowance or balancing charge falls to be made in respect of the new machinery or plant, the initial allowance in respect thereof shall be deemed to have been increased by an amount equal to the amount on which the charge would have been made.

13/84
(from Y/A
1985).
Cap. 276.

(4) This section shall not apply to the provision of a new motor car unless it is registered as a business service passenger vehicle for the purposes of the Road Traffic Act and the rules made thereunder; and for the purpose of this section, where the capital expenditure incurred in providing a new motor car exceeds \$35,000 the expenditure incurred shall be deemed to be \$35,000.

Expenditure
on machinery
or plant.

22. Expenditure on the provision of machinery or plant shall include capital expenditure on alterations to an existing building incidental to the installation of that machinery or plant for the purposes of the trade, profession or business.

Carry
forward of
allowances.
28/80.

23.—(1) Where, in any year of assessment, full effect cannot, by reason of an insufficiency of gains or profits chargeable for that year of assessment, be given to any allowance falling to be made under section 16, 17, 18A, 19, 19A, 19B or 20, then, so long as the person entitled thereto continues to carry on the trade, profession or business in respect of the gains or profits of which the allowance falls to be made, the balance of the allowance shall be added to, and be deemed to form part of, the corresponding allowance, if any, for the next succeeding year of assessment, and, if no such corresponding allowance falls to be made for that year, shall be deemed to constitute the corresponding allowance for that year, and so on for subsequent years of assessment.

13/84
(from Y/A
1985).

(1A) Where any person entitled to the allowances under sections 16 and 17 in respect of an industrial building or structure derives income from the letting of that building or

structure, subsection (1) shall, in relation to the allowances under those sections, apply to him so long as he continues to derive such income, whether or not he is carrying on a business in respect of the letting of the building or structure.

(2) No balance shall be added to and be deemed to form part of the corresponding allowance, if any, to be given to a company under subsection (1) unless the Comptroller is satisfied that the shareholders of the company on the last day of the year in which the allowances arose were substantially the same as the shareholders of the company on the first day of the year of assessment in which such allowances would otherwise be available under this section and such a balance shall not be allowed in any subsequent year of assessment. 26/73.

(2A) The Minister may, where there is a substantial change in the shareholders of a company and he is satisfied that such change is not for the purpose of deriving any tax benefit or obtaining any tax advantage, exempt that company from the provisions of subsection (2); and upon such exemption the balance of the allowances referred to in subsection (1) may be added to and be deemed to form part of the corresponding allowance to be given to that company under that subsection but only for deduction against the gains or profits derived from the same trade or business in respect of which the allowances would have been made. 3/89
(from Y/A
1988).

(3) For the purpose of subsection (2) — 26/73.

- (a) the shareholders of a company at any date shall not be deemed to be substantially the same as the shareholders at any other date unless, on both those dates, not less than 50% of the paid-up capital of the company was held by or on behalf of the same persons, nor unless, on both those dates, not less than 50% of the nominal value of the allotted shares in the company were held by or on behalf of the same persons; and
- (b) shares in a company held by or on behalf of another company shall be deemed to be held by the shareholders of the last-mentioned company, and shares held by or on behalf of the trustee of the estate of a deceased shareholder or by or on behalf of the person entitled to those shares as beneficiaries under the will or any

intestacy of a deceased shareholder shall be deemed to be held by that deceased shareholder.

Special provisions as to certain sales.

24.—(1) This section shall have effect in relation to any sale of any property where the buyer is a body of persons over whom the seller has control, or the seller is a body of persons over whom the buyer has control, or both the seller and buyer are bodies of persons and some other person has control over both of them, and the sale is not one to which section 33 applies.

References in this subsection to a body of persons include references to a company or a partnership.

(2) Where the parties to the sale by notice in writing to the Comptroller so elect —

(a) the like consequences shall ensue for the purposes of sections 16 to 21 as would have ensued if the property had been sold —

(i) in the case of an industrial building or structure, for a sum equal to the residue of expenditure on the construction of that building or structure immediately before the sale, computed in accordance with section 17;

(ii) in the case of machinery or plant, for a sum equal to the amount of the expenditure on the provision thereof still unallowed immediately before the sale, computed in accordance with section 20:

Provided that no such election may be made unless before the sale in the case of the seller and after the sale in the case of the buyer the property is used in the production of income chargeable under the provisions of this Act and unless the machinery or plant was not leased by the seller to the buyer before the sale;

(b) notwithstanding anything in section 19, where the sale is a sale of machinery or plant, no initial allowance shall be made to the buyer;

(c) notwithstanding anything in section 19A, where the sale is a sale of machinery or plant, the special allowances provided under that section

13/84
(from Y/A
1985).

shall continue to be available as if no sale had taken place; and

- (d) notwithstanding anything in the preceding provisions of this section or in sections 17 and 20, such balancing charge, if any, shall be made on the buyer on any event occurring after the date of the sale as would have fallen to be made on the seller if the seller had continued to own the property and had done all such things and been allowed all such allowances and deductions in connection therewith as were done by or allowed to the buyer.

25. For the purposes of sections 16 to 24, any allowances in respect of capital expenditure which, but for the provisions of Part XV in force before the year of assessment 1966 would have been claimed and granted under this Act, shall be deemed to have been so claimed and granted in all relevant prior years.

Carry over of capital allowances granted under law in States of Malaya. 7/85.

26.—(1) This section has effect notwithstanding anything to the contrary in this Act.

Profits of insurance companies.

(1A) An insurance company shall maintain separate accounts for the income derived by it from carrying on offshore life business or the business (other than the business of life assurance) of insuring and reinsuring offshore risks.

Separate accounts to be maintained for business of insuring and reinsuring offshore risks. 7/79 9/80 (from Y/A 1980) 20/91 (from Y/A 1991).

(2) In the case of an insurance company whether mutual or proprietary (other than a life insurance company) where the gains or profits accrue in part outside Singapore, the gains or profits on which tax is payable shall be ascertained by taking the gross premiums and interest and other income received or receivable in Singapore (less any premiums returned to the insured and premiums paid on reinsurances), and deducting from the balance so arrived at a reserve for unexpired risks at the percentage adopted by the company in relation to its operations as a whole for such risks at the end of the period for which the gains or profits

Insurance companies, other than life insurance.

are being ascertained, and adding thereto a reserve similarly calculated for unexpired risks outstanding at the commencement of that period, and from the net amount so arrived at, deducting the actual losses (less the amount recovered in respect thereof under reinsurance), the agency expenses in Singapore and a fair proportion of the expenses of the head office of the company:

7/79
9/80
(from Y/A
1980).

Provided that in ascertaining the gains or profits derived by an insurance company from carrying on the business (other than the business of life assurance) of insuring and reinsuring offshore risks for the purposes of any concessionary rate of tax prescribed by regulations made under section 43C —

20/91
(from Y/A
1991).

- (a) no income other than income from premiums or from such dividends and interest as may be specified in those regulations shall be included;
- (b) income in respect of dividends and interest shall be apportioned in such manner as may be prescribed by those regulations; and
- (c) any item of expenditure not directly attributable to that business shall be apportioned in such manner as may be prescribed by those regulations.

Export
credit
insurance
companies.
1/82.

(2A) In the case of an insurance company engaged primarily in the business of export credit insurance, the gains or profits on which tax is payable shall be ascertained by such underwriting accounting method as the Comptroller may approve.

Life
insurance
companies.
26/73.

(3) In the case of a life insurance company, whether mutual or proprietary, the gains or profits on which tax is payable shall be the investment income and the gains or profits realised on the sale of investments less the management expenses, including commission:

13/84
(from Y/A
1985).

Provided that where such a company received premiums outside Singapore, the gains or profits shall be the same proportion of the total investment income of the company and the total gains or profits realised from the sale of its investments as the premiums received in Singapore bore to the total premiums received after deducting from the amount so arrived at the agency expenses in Singapore and a fair proportion of the expenses of the head office of the company.

(3A) In the case of a life insurance company which has income subject to the concessionary rate of tax prescribed by regulations made under section 43C, in ascertaining the income for the purposes of those regulations —

20/91
(from Y/A
1991).

- (a) no income other than such dividends and interest as may be specified in those regulations shall be included;
- (b) income in respect of such dividends and interest shall be apportioned in such manner as may be prescribed by those regulations; and
- (c) any item of expenditure not directly attributable to that business shall be apportioned in such manner as may be prescribed in those regulations.

(4) In the case of an insurance company carrying on life insurance business in conjunction with any other insurance business, the assessment of the gains or profits on which tax is payable shall be made in one sum, but the gains or profits arising from the life insurance business shall be computed in accordance with subsection (3) as if such life insurance business were a separate business from the other insurance business carried on by the company.

Composite
insurance
companies.

(5) For the purposes of this section and section 43C — “offshore life business” means the business of insuring or reinsuring the liability under any of the following life policies:

Definition of
“offshore life
business” and
“offshore
risks”.

- (a) in relation to direct life insurance, a life policy where, at the date of issue of the policy, the policy owner is not resident in Singapore nor a permanent establishment in Singapore and does not have any address in Singapore for communicating with the insurance company about the policy;
- (b) in relation to facultative life reinsurance, a policy issued to reinsure liability under any life policy referred to in paragraph (a); and
- (c) in relation to treaty life reinsurance —
 - (i) a reinsurance policy where the ceding party is a company incorporated outside Singapore and

9/80
(from Y/A
1980)
20/91
(from Y/A
1991).

not resident in Singapore, or is not a permanent establishment in Singapore; or

- (ii) a reinsurance policy where liabilities in respect of policies referred to in paragraph (a) are ceded by a party which is a company incorporated and resident in Singapore or a permanent establishment in Singapore;

“offshore risks” means any risk outside Singapore and—

- (a) in relation to direct general insurance or facultative general reinsurance, the insured is not a person resident in Singapore or a permanent establishment in Singapore; and
- (b) in relation to treaty general reinsurance, not less than 75% of the total risk in terms of gross premiums is outside Singapore, and where any such risk is in transit in Singapore, it shall be deemed to be outside Singapore.

Profits of
non-resident
shipowner
or charterer.

27.—(1) Where a non-resident person carries on the business of shipowner or charterer, the income on which tax is payable shall be ascertained as provided in this section.

(2) Where, for any period, the non-resident person produces a certificate complying with subsection (3) —

- (a) the profits accruing in Singapore from the business for that period shall be deemed to be a sum bearing the same ratio to the sums receivable in respect of the carriage of passengers, mails, livestock and goods shipped in Singapore as the total profits for that period bear to the total sum receivable by him in respect of the carriage of passengers, mails, livestock and goods, as shown by the certificate; and
- (b) the depreciation allowable against such profits shall similarly be deemed to be a sum bearing the same ratio to the sum receivable in respect of the carriage of passengers, mails, livestock and goods shipped in Singapore as the total depreciation for the period bears to the total

sum receivable by him in respect of the carriage of passengers, mails, livestock and goods, as shown by the certificate.

- (3) The certificate referred to in subsection (2) shall —
- (a) be one issued by or on behalf of the income tax authority of the place of residence of the non-resident person;
 - (b) be acceptable for the purposes of this section only where the Comptroller is satisfied that the relevant income tax authority —
 - (i) computes and assesses the full profits of the non-resident person from his shipping business on a basis not materially different from the basis of assessment provided by this Act for the assessment of a resident of Singapore carrying on a similar business; and
 - (ii) accepts any certificate issued by the Comptroller for the purpose of computing the profits derived by a resident of Singapore from carrying on the business of a shipowner or charterer and assesses the income of that resident on the basis of and without making any adjustment to the profits or loss or the allowance for depreciation as stated in the certificate issued by the Comptroller and in the same manner as the income of the non-resident person is assessed under subsection (2);
 - (c) contain, in respect of the relevant accounting period, the following information:
 - (i) the ratio of the profits or, where there are no profits, of the loss, as computed for the purposes of income tax by that authority, without making any allowance by way of depreciation, to the total sum receivable in respect of the carriage of passengers, mails, livestock and goods;
 - (ii) the ratio of the allowance for depreciation as computed by that authority to that

5/83
(from Y/A
1983).

total sum receivable in respect of the carriage of passengers, mails, livestock and goods.

(4) Where, for any period, a non-resident person does not, for any reason, produce a certificate complying with subsection (3), the profits accruing in Singapore shall be deemed to be a sum equal to 5% of the full sum receivable on account of the carriage of passengers, mails, livestock and goods shipped in Singapore:

Provided that, where a non-resident person has been assessed under this subsection because a certificate had not been issued at the time of assessment, he shall be entitled, on the subsequent production of such a certificate to claim at any time within two years after the end of such year of assessment, or such further time as the Comptroller may consider reasonable in the circumstances, that his liability to tax for the year be determined on the basis provided by subsection (2).

(5) Where the Comptroller decides that the call of a ship belonging to a particular non-resident shipowner or charterer at a port in Singapore is casual and that further calls by that ship or others in the same ownership are improbable, this section shall not apply to the profits of that ship and no tax shall be chargeable on them.

37/75.

(6) Notwithstanding anything in subsections (1) to (5), if in computing the profits derived by a resident in Singapore from carrying on the business of a shipowner or charterer, the tax authority of a foreign country determines such profits to be an amount which exceeds 5% of the full sum receivable on account of the carriage of passengers, mails, livestock and goods shipped in that foreign country, the Minister may if he thinks fit direct that, in computing the profits derived in Singapore by a non-resident shipowner or charterer who is resident in that foreign country, the Comptroller shall determine the amount of such profits in such manner as may be substantially similar to that adopted by the tax authority of that foreign country.

Profits of
non-resident
air transport
and cable
undertakings.

28. Where a non-resident person carries on the business of air transport or of transmission of messages by cable or by any form of wireless apparatus, he shall be assessable to tax as if he were a non-resident shipowner and section 27 shall

apply mutatis mutandis to the computation of the gains or profits of the business.

29. The income of a person from a dividend paid by a company liable to tax under this Act or Commonwealth income tax within the meaning of section 48 (3), shall, where any such tax has been deducted therefrom, be the gross amount before making such deduction; where no such deduction has been made, the income shall be deemed to be such a gross amount as after deduction of tax at the maximum rate deductible at the date of payment would be equal to the amount received.

Income from certain dividends to include tax thereon.

30. Where it appears to the Comptroller that with a view to the avoidance or reduction of tax a company has not distributed to its shareholders as dividend, profits made in any period ending after the commencement of the basis period for the first year of assessment under this Act, which could be distributed without detriment to the company's business, he may treat any such undistributed profits as distributed, and the persons concerned shall be assessable accordingly.

Certain undistributed profits may be treated as distributed.

31. (*Repealed by Act 29/65*).

32.—(1) In computing for any purpose of this Act the gains or profits of a trade or business which has been discontinued or transferred, any trading stock belonging to the trade or business at the discontinuance or transfer thereof shall be valued as follows:

Valuation of trading stock on discontinuance or transfer of trade or business.

(a) in the case of any such trading stock —

- (i) which is sold or transferred for valuable consideration to a person who carries on or intends to carry on a trade or business in Singapore; and
- (ii) the cost whereof may be deducted by the purchaser as an expense in computing for any such purpose the gains or profits of that trade or business,

the value thereof shall be taken to be the amount realised on the sale or the value of the consideration given for the transfer; and

(b) in the case of any other such trading stock, the value thereof shall be taken to be the amount which it would have realised if it had been sold in the open market at the discontinuance or transfer of the trade or business.

(2) In computing for any purpose of this Act the gains or profits of the purchaser of the trading stock of any trade or business which has been discontinued or transferred, such trading stock shall be valued as provided in subsection (1).

(3) Any question arising under subsection (1) regarding the value attributable to the trading stock belonging to any trade or business which has been discontinued or transferred shall be determined by the Comptroller.

(4) For the purpose of this section, “trading stock”, in relation to any trade or business, means property of any description, whether movable or immovable, being either —

(a) property such as is sold in the ordinary course of trade or business or would be so sold if it were mature or if its manufacture, preparation or construction were complete; or

(b) materials such as are used in the manufacture, preparation or construction of any such property as is referred to in paragraph (a).

Comptroller
may
disregard
certain
transactions
and
dispositions.
1/88.

33.—(1) Where the Comptroller is satisfied that the purpose or effect of any arrangement is directly or indirectly —

(a) to alter the incidence of any tax which is payable by or which would otherwise have been payable by any person;

(b) to relieve any person from any liability to pay tax or to make a return under this Act; or

(c) to reduce or avoid any liability imposed or which would otherwise have been imposed on any person by this Act,

he may, without prejudice to such validity as it may have in any other respect or for any other purpose, disregard or vary the arrangement and make such adjustments as he considers appropriate, including the computation or recomputation of gains or profits, or the imposition of liability to tax, so as to counteract any tax advantage obtained or obtainable by that person from or under that arrangement.

(2) In this section, “arrangement” means any scheme, trust, grant, covenant, agreement, disposition, transaction and includes all steps by which it is carried into effect.

(3) This section shall not apply to —

- (a) any arrangement made or entered into before 29th January 1988; or
- (b) any arrangement carried out for bona fide commercial reasons and had not as one of its main purposes the avoidance or reduction of tax.

33A.—(1) Where under the terms of any settlement and during the life of the settlor any income, or assets representing it, will or may become payable or applicable to or for the benefit of any relative of the settlor and at the commencement of the year of assessment such relative is unmarried and has not attained the age of 21 years, such income or assets shall be deemed to be income of the settlor and not income of any other person. Income arising from settlements.

(2) If and so long as the terms of any settlement are such that —

- (a) any person has or may have power, whether immediately or in the future, and whether with or without the consent of any other person, to revoke or otherwise determine the settlement or any provision thereof; and
- (b) in the event of the exercise of the power, the settlor or the wife or husband of the settlor will or may become beneficially entitled to the whole or any part of the property then comprised in the settlement, or of the income arising from the whole or any part of the property so comprised,

all income arising under the settlement from the property comprised in the settlement shall be deemed to be income of the settlor and, subject to section 51, not income of any other person:

Provided that this subsection shall not apply by reason only that the settlor or the wife or husband of the settlor will or may become beneficially entitled to any income or property relating to the interest of any beneficiary under the settlement in the event that the beneficiary should predecease him.

(3) Where in any year of assessment the settlor or any relative of the settlor or any person under the direct or indirect control of the settlor or of any of his relatives, whether by borrowing or otherwise, makes use of any income arising or of any accumulated income which has arisen under a settlement to which he is not entitled thereunder, then the amount of such income or accumulated income so made use of shall be deemed to be income of the settlor for that year of assessment and not income of any other person.

(4) Where under the terms of any settlement to which this section applies any tax is charged on and paid by the person by whom the settlement is made, that person shall be entitled to recover from any trustee or other person to whom income is paid under the settlement the amount of the tax so paid, and for that purpose to require the Comptroller to furnish a certificate specifying the amount of tax so paid; and any certificate so furnished shall be conclusive evidence of the facts appearing therein.

(5) If any question arises as to the amount of any payment of income or as to any apportionment of income under this section that question shall be decided by the Comptroller, whose decision shall be final.

(6) This section applies to every settlement wheresoever it was made or entered into and whether it was made or entered into before or after the date on which this section came into operation and shall (where there is more than one settlor or more than one person who made the settlement) have effect in relation to each settlor as if he were the only settlor.

(7) In this section —

“relative” means any person who is a wife, grandchild, child, brother, sister, uncle, aunt, nephew, niece or cousin of the settlor, and for the purpose of this section “child” shall include a stepchild, a child who has been de facto adopted by the settlor or by the husband or wife of the settlor, whether or not such adoption has been registered in accordance with the provisions of any written law, and a child of whom the settlor has the custody or whom he maintains wholly or partly at his own expense;

“settlement” includes any disposition, trust, covenant, agreement, whether reciprocal or collateral, arrangement or transfer of assets or income, but does not include —

- (a) a settlement which in the opinion of the Comptroller is made for valuable and adequate consideration;
- (b) a settlement resulting from an order of a court; or
- (c) any agreement made by an employer to pay to an employee or to the widow or any relative or dependant of such employee after his death such remuneration or pension or lump sum as in the opinion of the Comptroller is fair and reasonable;

“settlor”, in relation to a settlement, includes any person by whom the settlement was made or entered into directly or indirectly, and any person who has provided or undertaken to provide funds or credit directly or indirectly for the purpose of the settlement, or has made with any other person a reciprocal arrangement for that other person to make or enter into the settlement.

34. Nothing in section 30, 32 or 33 shall prevent the decision of the Comptroller in the exercise of any discretion given to him by any such section from being questioned in an appeal against an assessment in accordance with Part XII.

Discretion
no bar to
appeal.

PART V

ASCERTAINMENT OF STATUTORY INCOME

35.—(1) Except as provided in this section, the income of any person for each year of assessment (referred to in this Act as the statutory income) shall be the full amount of his income for the year preceding the year of assessment from each source of income.

Basis for
computing
statutory
income.

(2) Where the Comptroller is satisfied that any person usually makes up the accounts of a trade, business, profession or vocation carried on or exercised by him, to some day other than that immediately preceding any year of assessment, he may direct that the statutory income from that

source be computed on the amount of gains or profits of the year ending on that day in the year preceding the year of assessment.

1/90.

(2A) Notwithstanding any other provisions of this Act, where any dividend derived from Singapore by any person is assessed to tax on a basis period ending on a date other than 31st December, any such dividend —

(a) derived during the period from 1st January 1985 to 31st December 1985 shall be treated as his statutory income for the year of assessment 1986 and be charged to tax at the rate applicable to him for that year of assessment;

(b) derived during the period from 1st January 1988 to 31st December 1988 shall be treated as his statutory income for the year of assessment 1989 and be charged to tax at the rate applicable to him for that year of assessment;

20/91.

(c) derived during the period from 1st January 1989 to 31st December 1989 shall be treated as his statutory income for the year of assessment 1990 and be charged to tax at the rate applicable to him for that year of assessment.

(3) Where the statutory income of any person from a trade, business, profession or vocation has been computed by reference to an account made up to a certain day, and such person fails for any reason whatsoever to make up an account to the corresponding day in the year following, the statutory income from the trade, business, profession or vocation both of the year of assessment in which such failure occurs and of the two years of assessment following shall be computed on such basis as the Comptroller in his discretion thinks fit.

(4) Where in the case of any trade, business, profession or vocation it is necessary in order to arrive at the income of any year of assessment or other period, to divide and apportion to specific periods the income of any period for which accounts have been made up, or to aggregate such income or any apportioned parts thereof, it shall be lawful to make such a division, and apportionment or aggregation, and any apportionment under this section shall be made in proportion to the number of days in the respective periods, unless the Comptroller, having regard to any special circumstances, otherwise directs.

(5) The statutory income of an executor of a deceased person for any year of assessment shall be the income of the estate administered by such executor computed in accordance with subsections (1) to (4):

Provided that in the case of an estate administered in Singapore a deduction shall be allowed in respect of any income included in the computation of the statutory income which is received by, distributed to or applied to the benefit of any beneficiary of the estate before 31st March in the year next following the year of assessment.

(6) The statutory income of any beneficiary of such estate shall be the amount so received by, or distributed to him, or applied to his benefit during the year preceding the year of assessment.

(7) The statutory income of a trustee (not being the trustee of an incapacitated person) for any year of assessment shall be computed in accordance with subsections (1) to (4).

(8) The statutory income for any year of assessment of any beneficiary under a trust shall be that share of the statutory income of the trustee for that year of assessment which corresponds to the share of the trust income to which the beneficiary is entitled for the year preceding the year of assessment.

35A.—(1) This section shall only apply to any trade, business, profession, vocation or employment (except subsidiary employment which had not been treated as a new source on commencement) which commenced before 1st January 1969.

Cessation of source of income commenced before 1st January 1969.

(2) Subject to subsection (3), where a person permanently ceases to carry on or exercise any trade, business, profession, vocation or employment to which this section applies, his statutory income therefrom shall be —

- (a) as regards the year of assessment in which the cessation occurs — the amount of the income of that year;
- (b) as regards the year of assessment preceding that in which the cessation occurs — the amount of income as computed in accordance with section 35, or the amount of income of that year, whichever is the greater.

(3) Subsection (2) shall not apply to a company which ceases to carry on any trade or business on or after 15th October 1969 where such trade or business or part thereof is transferred to or carried on by any person as that person's trade or business, whether with or without any alteration.

(4) For the purposes of this section, where a change occurs in a partnership of persons carrying on any trade, business or profession by reason of retirement or death, or the dissolution of the partnership as to one or more of the partners, or the admission of a new partner, every such person who is not a company shall be deemed to cease to carry on that trade, business or profession as from the date the change occurs.

Special provisions in respect of new sources of income in 1968 and 1969.

35B.—(1) Where a person has commenced any source of income in 1969, his statutory income from that source shall not be chargeable to tax for the year of assessment 1969.

(2) Where a person has commenced any trade, business, profession, vocation or employment in 1968 any election made by such person to be assessed for the years of assessment 1969 and 1970 on his actual income for those years shall have no effect in respect of the year of assessment 1970.

Partnership.

36. Where a trade, business, profession or vocation is carried on by two or more persons jointly —

(a) the income of any partner from the partnership for any period shall be deemed to be the share to which he was entitled during that period in the income of the partnership, such income being ascertained in accordance with the provisions of this Act, and shall be included in the return of income to be made by such partner under the provisions of this Act;

(b) the statutory income of any partner from the partnership shall be computed in accordance with section 35 by treating his share of the divisible income of the partnership as though it were income of a trade, business, profession or vocation carried on or exercised by him:

Provided that this section shall not be deemed to apply to any trade, business, profession or vocation carried on by a Hindu joint family.

PART VI

ASCERTAINMENT OF ASSESSABLE INCOME

37.—(1) The assessable income of any person from all sources chargeable with tax under this Act for any year of assessment shall be the remainder of his statutory income for that year after the deductions allowed in this Part have been made.

Assessable
income.
23/69.

(2) There shall be deducted —

(a) the amount of a loss incurred by that person during any year preceding the year of assessment in any trade, business, profession or vocation which, if it had been a profit would have been assessable under this Act, and which has not been allowed against his statutory income of a prior year:

Loss in
trade,
business,
profession
or vocation.

Provided that a deduction under this subsection shall be made as far as possible from the statutory income of the first year of assessment after the year in which such loss was incurred, and, so far as it cannot be so made, then from the statutory income of the next year of assessment, and so on.

(b) an amount equivalent to the value, to be determined by the Minister, of any gift made to the National Museum in the year preceding the year of assessment which has been approved by the Minister;

31/86.
(from Y/A
1987).

(c) an amount in respect of gifts of money made by him in the year preceding the year of assessment to the Government or to any institution of a public character in Singapore approved by the Minister on application by the institution concerned.

Gifts to
approved
institutions
of a public
character.
31/86.
(from Y/A
1987).

For the purposes of this paragraph, an “institution of a public character” means an institution or fund in Singapore which is —

- (i) a hospital not operated or conducted for profit;
- (ii) a public or benevolent institution not operated or conducted for profit;
- (iii) a public authority or society not operated or conducted for profit and which is

engaged in research or other work connected with the causes, prevention or cure of disease in human beings, where the gift is for such activities;

(iv) a university or a public fund for the establishment, maintenance, enlargement or improvement of a university;

(v) an educational institution not operated or conducted for profit, or a public fund for the establishment, maintenance, enlargement or improvement of such an educational institution;

(vi) a public or private fund for the provision, establishment or endowment of a scholarship, exhibition or prize in a university, or an educational institution not operated or conducted for profit;

(vii) a public fund established and maintained for the relief of distress among members of the public;

28/80. (viii) a charitable institution or a body of persons or a trust established for charitable purposes only; or

28/80. (ix) an organisation not operated or conducted primarily for profit which is engaged in or connected with the promotion of culture or the arts or with the promotion of sports;

1/90
(from Y/A
1990). (d) an amount equivalent to the value of any gift of a computer (including computer software and peripherals) approved by the Minister and made by any company in the year preceding the year of assessment to a prescribed educational or research institution in Singapore.

31/86
(from Y/A
1987)
1/90
(from Y/A
1990). (2A) A deduction under this section to any person in respect of any sum allowable under subsection (2) (b), (c) and (d) shall only be allowed to the extent that it is not in excess of the statutory income, if any, remaining after the deduction authorised by subsection (2) (a).

(3) For the purposes of subsection (2), the loss incurred during any year shall be computed, where the Comptroller so decides, by reference to the year ending on a day in such

year which would have been adopted under section 35 (2) for the computation of the statutory income of the following year of assessment if a profit had arisen.

(4) No deduction shall be allowed under this section to any person in respect of any sum which has been allowed as a deduction under this section against the income of his or her spouse chargeable in his or her own name.

(5) Notwithstanding anything in subsection (2), the amount of any loss incurred by a company in any trade or business shall be disregarded unless the Comptroller is satisfied that the shareholders of the company on the last day of the year in which the loss was incurred were substantially the same as the shareholders of the company on the first day of the year of assessment in which such loss would otherwise be deductible under subsection (2).

(6) A loss disregarded under subsection (5) shall not be allowed in any subsequent year of assessment.

(7) For the purposes of subsection (5) —

(a) the shareholders of a company at any date shall not be deemed to be substantially the same as the shareholders at any other date unless, on both those dates, not less than 50% of the paid-up capital of the company was held by or on behalf of the same persons, nor unless, on both those dates, not less than 50% of the nominal value of the allotted shares in the company were held by or on behalf of the same persons; and

(b) shares in a company held by or on behalf of another company shall be deemed to be held by the shareholders of the last-mentioned company, and shares held by or on behalf of the trustee of the estate of a deceased shareholder or by or on behalf of the person entitled to those shares as beneficiaries under the will or any intestacy of a deceased shareholder shall be deemed to be held by that deceased shareholder.

(8) The Minister may, where there is a substantial change in the shareholders of a company and he is satisfied that such change is not for the purpose of deriving any tax benefit or obtaining any tax advantage, exempt that company from the provisions of subsection (5); and upon such

3/89
(from Y/A
1988).

exemption the loss referred to in subsection (2) (a) incurred by that company may be deducted but only against profits from the same trade or business in respect of which that loss was incurred.

Restriction
on deduction
of trading
losses
against
dividends.
7/79
(from Y/A
1980).

37A.—(1) Notwithstanding anything in this Act, in computing the assessable income of any company for any year of assessment, no deduction shall be allowed for any loss incurred by that company (referred to in this Act as the loss company) against any dividends received by it from an associated company:

Provided that the Comptroller may allow such deduction if he is satisfied, having regard to all the circumstances of the case, that the object or one of the main objects of the declaration of dividends by the associated company to the loss company is not for the purpose of receiving any benefit or obtaining any advantage in relation to the application of this Act.

(2) Subsection (1) shall not apply —

- (a) in respect of any loss incurred by the loss company after the end of its accounting period during which the relevant date occurs; and
- (b) in respect of any dividends paid by the associated company out of the profits of the associated company derived after the end of its accounting period during which the relevant date occurs.

(3) For the purposes of this section —

- (a) a company shall be deemed to be an associated company of a loss company if —
 - (i) in the case of a private company at least 25% of its issued capital is beneficially owned directly or indirectly by the loss company;
 - (ii) in the case of a public company at least 50% of its issued capital is beneficially owned directly or indirectly by the loss company;
- (b) “relevant date” means the date when the associated company first became an associated company of the loss company;

- (c) any dividends received by the loss company from an associated company, being dividends which are paid by the associated company out of income representing, wholly or in part, dividends paid by another associated company of the loss company to the first-mentioned associated company shall be deemed to be dividends received by the loss company from the second-mentioned associated company; and this provision shall apply notwithstanding any company or companies interposed between the first-mentioned associated company and the second-mentioned associated company.
- (4) For the purposes of subsection (3) (a) —
- (a) “private company” and “public company” have the same meanings as in the Companies Act; Cap. 50.
- (b) where a loss company beneficially owns directly or indirectly a fraction of the issued capital of a second company which in turn beneficially owns directly or indirectly a fraction of the issued capital of a third company, the loss company shall be deemed to have a beneficial ownership of the issued capital of the third company equal to such fraction as results from the multiplication of those two fractions; and where the third company beneficially owns directly or indirectly a fraction of the issued capital of a fourth company, the loss company shall be deemed to have a beneficial ownership of the issued capital of the fourth company equal to such fraction as results from the multiplication of those 3 fractions, and so on.

PART VII

ASCERTAINMENT OF CHARGEABLE INCOME AND PERSONAL RELIEFS

38. The chargeable income of any person for any year of assessment shall be the remainder of his assessable income for that year after the deductions allowed in this Part have been made. Chargeable income.

Resident individual and Hindu joint family. Personal allowance and earned income relief. 37/75 (from Y/A 1976) 1/82 (from Y/A 1982) 15/83 (from Y/A 1983).

39.—(1) In the case of an individual or Hindu joint family resident in Singapore in the year of assessment, there shall be allowed —

- (a) a deduction of \$2,000; and
- (b) a deduction, in respect of earned income, which shall be —

- (i) in the case of an individual not falling within any other sub-paragraph or a Hindu joint family, the sum of \$1,000 or the amount of the earned income;
- (ii) without prejudice to any deduction allowable under sub-paragraph (iii) or (iv), in the case of an individual who, in the year immediately preceding the year of assessment, was totally blind or suffering from any physical or mental disability which permanently and severely restricted his capacity for work, the sum of \$2,000 or the amount of the earned income;
- (iii) in the case of an individual who, at any time in the year immediately preceding the year of assessment, was above 55 years of age but was not above 60 years of age, the sum of \$3,000 or the amount of the earned income; and
- (iv) in the case of an individual who, at any time in the year immediately preceding the year of assessment, was above 60 years of age, the sum of \$4,000 or the amount of earned income,

whichever is the less.

(2) In the case of an individual resident in Singapore in the year of assessment who, in the year immediately preceding the year of assessment —

- (a) had a wife living with or maintained by him, there shall be allowed a deduction equal to the amount by which the sum of \$1,500 exceeds the amount of income chargeable in the wife's own name;

Deduction for wife. 1/82 (from Y/A 1982) 1/90 (from Y/A 1990).

- (b) paid alimony to a previous wife whose marriage with him has been dissolved by any court of competent jurisdiction, there shall be allowed a deduction of the amount of such alimony or \$1,500 whichever is the less; Deduction for alimony. 1/90 (from Y/A 1990).
- (c) made payments in accordance with an order of court or deed of separation to a wife from whom he was separated by such order or deed, there shall be allowed a deduction of the amount of such payments or \$1,500 whichever is the less: Deductions for payments under order or deed. 1/90 (from Y/A 1990).

Provided that the total deductions allowed to any individual under paragraphs (a), (b) and (c) shall not exceed \$1,500;

- (d) maintained an unmarried child — Deduction for children. 26/73 (from Y/A 1974).
- (i) being under the age of 16 years at any time during the year preceding the year of assessment; (from Y/A 1974).
- (ii) receiving full-time instruction at any university, college, school or other educational institution;
- (iii) serving under articles or indentures with a view to qualifying in a trade or profession; or
- (iv) incapacitated from maintaining himself by reason of physical or mental infirmity, 4/75 (from Y/A 1974).
- there shall be allowed in respect of each such child according to his age among those eligible, a deduction in accordance with the Fifth Schedule:

Provided that in the case of any unmarried child incapacitated from maintaining himself by reason of physical or mental infirmity whose income was not more than \$1,500 in that year and in respect of whom — 1/90 (from Y/A 1990) 20/91 (from Y/A 1991).

- (i) the deduction allowable under the Fifth Schedule is less than \$3,500, the deduction shall be increased to \$3,500;
- (ii) no deduction is allowable under the Fifth Schedule, there shall be allowed a deduction of \$3,500;

1/88
(from Y/A
1989).

- (da) incurred delivery and hospitalisation expenses in respect of a legitimate 4th child born to him on or after 1st January 1988 and maintained by him, there shall be allowed a deduction against his earned income of the amount of such expenses or \$3,000, whichever is the less:

Provided that where more than one individual is entitled to claim such deduction, the deduction shall be apportioned between the individuals in question in such proportion as they agree, or, in the absence of such agreement, in such proportion as appears to the Comptroller to be reasonable;

Deduction
for life
insurance,
approved
pension,
provident
fund or
society.
37/75
(from Y/A
1976)
23/90.

- (e) has made insurance on his life or on the life of his wife with any insurance company or has contributed as an employee to an approved pension or provident fund or society or has made any contribution or suffered any abatement from his salary or pension under any Act for the time being in force in Singapore relating to widows' and orphans' pensions or under any approved scheme within the meaning of any such Act, there shall, subject to subsection (6), be allowed a deduction of the aggregate of all premiums for such insurance and all such contributions and abatements paid, made or suffered by him in that year:

Provided that —

- (i) in the case of any policy securing a capital sum on death (whether in conjunction with any other benefit or not), the amount to be deducted in respect of that policy shall not exceed 7% of that capital sum, exclusive of any additional benefit by way of bonus, profits or otherwise;
- (ii) no deduction shall be allowed in excess of \$5,000 except that where the contributions recoverable under section 7 (2) of the Central Provident Fund Act or the contributions made on or after 1st January 1989 to an approved pension or provident fund exceed

5/83
(from Y/A
1983)
23/90.
Cap. 36.

\$5,000, the excess contributions shall be allowed as a deduction;

- (iii) no such deduction shall include any sum contributed to an approved pension or provident fund or society unless the contribution of such sum thereto was obligatory by reason of any contract of employment or of any provision in the rules or constitution of the fund or society;
 - (iv) no such deduction shall include any sum which has been claimed and allowed to a husband or wife under this paragraph;
 - (v) no such deduction shall be allowed ^{26/73.} unless the insurance company has an office or a branch in Singapore but this sub-paragraph shall not apply to any insurance contract entered into by an individual resident in Singapore prior to the coming into operation of this sub-paragraph;
 - (vi) in the case of an individual who has made contributions on or after 1st January 1989 to an approved pension or provident fund, no such deduction shall exceed the contributions which would have been recoverable under section 7 (2) of the Central Provident Fund Act had contributions been payable in respect of him to the Central Provident Fund; ^{5/83 (from Y/A 1983) 23/90. Cap. 36.}
- (ea) has carried on a trade, business, profession or vocation and has made contributions to the Central Provident Fund on his own account, there shall be allowed a deduction, in respect of such contributions, of an amount not exceeding 15% of his assessable income for that year of assessment derived from such trade, business, profession or vocation or \$10,800 whichever is the less: ^{31/86 (from Y/A 1987) 20/91 (from Y/A 1991).}

Provided that —

- (i) where the contributions to any approved pension or provident fund or society under paragraph (e) and this paragraph do not exceed \$5,000, the total deductions allowable under paragraph (e) and this paragraph shall not exceed \$5,000, and where such contributions exceed \$5,000 no deduction shall be allowed in respect of premiums for life insurance;
- 20/91
(from Y/A
1991).
- (ii) the total deductions allowable under paragraph (e) and this paragraph in respect of contributions to any approved pension or provident fund or society shall not exceed \$10,800 where the deduction allowable under paragraph (e) is less than \$10,800 in respect of such contributions;
- 20/91
(from Y/A
1991).
- (iii) no deduction shall be allowed under this paragraph where a deduction of \$10,800 or more has been allowed under paragraph (e) in respect of contributions to any approved pension or provident fund or society;
- 4/75
(from Y/A
1974).
5/77
(from Y/A
1977).
- (f) maintained any dependant living with him in the same household in Singapore —
- (i) who was his or his spouse's parent, grandparent or great-grandparent;
- (ii) who was not less than 55 years of age or who was otherwise incapacitated from maintaining himself by reason of physical or mental infirmity;
- (iii) whose income was not more than \$1,500 in that year; and
- (iv) in respect of whom no deduction has been claimed by another person under paragraph (a),
- 5/83
(from Y/A
1983).
- there shall be allowed in respect of each such dependant a deduction of \$3,500:
- 5/83
(from Y/A
1983)
1/90
(from Y/A
1990)
20/91
(from Y/A
1991).
- Provided that a deduction under this paragraph in respect of any one dependant shall be

allowed to one person only and no person may obtain a deduction under this paragraph for more than two dependants;

- (g) maintained any dependant living with him in the same household in Singapore —
- (i) who is his or his spouse's brother or sister;
 - (ii) who was incapacitated from maintaining himself by reason of physical or mental infirmity;
 - (iii) whose income was not more than \$1,500 in that year; and
 - (iv) in respect of whom no deduction has been claimed by another person under paragraph (d),
- there shall be allowed in respect of each such dependant a deduction of \$3,500; and where more than one individual is entitled to claim a deduction in respect of the same dependant the deduction shall be apportioned in such manner as appears to the Comptroller to be reasonable;
- (h) had undertaken any course of study for the purpose of gaining an approved academic or professional qualification or such other approved course as is related to his trade, business, profession, vocation or employment, there shall be allowed a deduction of the amount incurred by him in that year on the fees (including examination and tuition fees) for the course, subject to a maximum deduction of \$2,000; but no deduction shall be allowed under this paragraph in respect of any sum which has been allowed under section 14.

(3) For the purposes of subsection (2) (h), "approved" means approved by the Minister or such other person as he may appoint.

(4) In the case of an individual resident in Singapore in the year of assessment who is a citizen or permanent resident in Singapore and who, in the year preceding the year of assessment, has paid money in accordance with section 17A of the Central Provident Fund Act to his or his parent's retirement account, there shall be allowed a deduction of the amount of such payments made on or after 1st April 1987 or \$6,000, whichever is the less:

28/80
(from Y/A
1980).

1/90
(from Y/A
1990).

1/90
(from Y/A
1990)
20/91
(from Y/A
1991).

7/85
(from Y/A
1986).

7/85
(from Y/A
1986).

1/88
(from Y/A
1988).

Cap. 36.

Provided that —

- (a) the total deduction allowed under this subsection in respect of any amount paid by a person to his and his parent's retirement accounts shall not exceed such amount as may be prescribed;
- (b) where more than one person is entitled to claim such deduction in respect of the same parent, the deduction shall be apportioned in such manner as appears to the Comptroller to be reasonable.

1/88
(from Y/A
1988).

(5) For the purposes of subsection (4), a claim for deduction shall only be granted if the claim contains such particulars and is supported by such proof as the Comptroller may require.

23/90.

(6) (a) Where in any year from 1st January 1989 an individual has made contributions to the Central Provident Fund in respect of additional wages paid to him in that year, no such deduction shall include any contributions in respect of that part of the additional wages which exceeds 40% of all ordinary wages paid to him in that year, except —

- (i) where all his ordinary wages paid in that year do not exceed \$72,000 and his total wages paid in the same year do not exceed \$100,000; or
- (ii) where all his ordinary wages paid in that year do not exceed \$72,000 but his total wages paid in the same year exceed \$100,000, the contributions on that part of his total wages up to \$100,000 shall be allowed as a deduction.

(b) Where in any year from 1st January 1989 an individual is employed by two or more employers and the employers are related to each other within the meaning of section 10C (4), paragraph (a) shall apply with the necessary modifications, as if all the ordinary and additional wages from those related employers were paid by one employer.

(c) Paragraphs (a) and (b) shall apply with the necessary modifications to contributions made by an individual to an approved pension or provident fund as if those contributions were contributions made to the Central Provident Fund:

Provided that sub-paragraphs (i) and (ii) of paragraph (a) shall only apply to an approved pension or provident fund designated by the Minister for this purpose.

(d) Where in any year from 1st January 1989 an individual has made contributions to the Central Provident Fund or to a pension or provident fund designated under paragraph (c), in addition to any other approved pension or provident fund, no deduction shall be allowed in respect of the whole of the contributions made to that approved pension or provident fund.

(e) In this subsection —

“additional wages” has the same meaning as in the Central Provident Fund Act;

Cap. 36.

“ordinary wages” has the same meaning as “ordinary wages for the month” in the Central Provident Fund Act;

“total wages”, in relation to any year, means the total of the ordinary and additional wages in that year received by an employee;

“year” means any year from 1st January to 31st December.

(7) In the case of a woman resident in Singapore who, in the year immediately preceding the year of assessment, is — ^{20/91} (from Y/A 1991).

(a) living with her husband and who has elected to be charged in her own name under section 51 (4);

(b) married and her husband is not resident in Singapore; or

(c) married but separated from her husband, a divorcee or a widow and who, in the year immediately preceding the year of assessment, has any unmarried child or children living with her in the same household in Singapore in respect of whom she may be allowed a deduction under subsection (2) (d),

there shall be allowed a deduction against her earned income equal to twice the amount of levy imposed on or after 1st January 1990 under the Employment of Foreign Workers Act or the written law repealed by that Act (excluding any amount paid by way of penalty) and paid in the year immediately preceding the year of assessment in respect of one domestic servant employed by her or her husband. ^{Cap. 91A.}

Relief for
non-resident
citizens and
certain
other non-
residents.
4/75
31/86
3/89.

40.—(1) Any individual who, in any year of assessment is not resident in, but is a citizen of, Singapore shall be allowed such relief, if any, as will reduce the amount of tax payable by him in respect of that year to an amount which bears the same proportion to the amount of tax which would be so payable if he were resident in Singapore in that year, and if the tax were charged on his aggregate income, reduced by any deductions which would be allowable under section 39 other than paragraph 3 of the Fifth Schedule and section 39 (2) (h), as the amount of his assessable income bears to his aggregate income:

7/79
(from Y/A
1978).

Provided that the amount of tax which would be so payable if he were resident in Singapore for the purposes of this section shall be ascertained in accordance with the rates of tax specified in Part B of the Second Schedule.

(2) Any individual who, in any year of assessment, is neither resident in nor a citizen of Singapore shall, if the tax payable by him in respect of that year is attributable in whole or in part to any pension, be entitled to a like relief to that conferred by subsection (1), but as if —

- (a) the reference in that subsection to the amount of tax payable by him in respect of that year were a reference to so much only of that amount as is attributable to the pension; and
- (b) the reference therein to his assessable income were a reference to so much only of that income as is so attributable.

(2A) Any individual who, in any year of assessment, is neither resident in, nor a citizen of, Singapore, but is resident in another country, which pursuant to any arrangements entered into under section 49, affords to individuals who are residents of Singapore the same personal allowances, reliefs and reductions as are afforded to citizens of that country not resident in that country, shall be entitled to a like relief to that conferred by subsection (1).

(3) In this section —

- “aggregate income” means the sum total of all income, whether accruing in, derived from or received in Singapore or elsewhere, computed in accordance with the provisions of this Act other than section 39;
- “pension” means any pension or annuity derived from Singapore and payable either in respect of services

rendered or pursuant to the provisions or rules of an approved pension or provident fund or society.

(4) For the purposes of this section —

- (a) relief under section 48 shall be left out of account in computing the amount of tax payable by an individual; and
- (b) relief under sections 48 and 50 shall be left out of account in computing the amount of tax which would be payable by an individual if he were resident in Singapore, and charged to tax, as mentioned in subsection (1).

40A. (*Repealed by Act 23/69*).

40B.—(1) Any individual who, in any year of assessment, is not resident in Singapore shall, if the tax payable by him in respect of that year is attributable to income derived as a public entertainer, be allowed relief in respect of that year in the following manner:

Relief for non-resident public entertainers.

- (a) where the only source of income in Singapore is such activity as a public entertainer, by reduction of the rate of tax to 15% on every dollar of the chargeable income;
- (b) where such person possesses any other source of income in Singapore and the total assessable income exceeds the statutory income attributable to such activity as a public entertainer, by reduction of the rate of tax to 15% on such part of the chargeable income as bears the same proportion to the total chargeable income as the statutory income attributable to such activity as a public entertainer bears to the total assessable income;
- (c) where such person possesses any other source of income in Singapore and the total assessable income is equal to or less than the statutory income attributable to such activity as a public entertainer, by reduction of the rate of tax to 15% on every dollar of the chargeable income.

(2) Where any person is entitled to relief under this section and is also entitled to relief under section 40 (1) or (2A), he shall be entitled to whichever relief is the greater in respect of the income to which this section relates.

48/70.

(3) In this section —

“public entertainer” means a stage, radio or television artiste, a musician, an athlete or an individual exercising any profession, vocation or employment of a similar nature;

“statutory income attributable to such activity as a public entertainer” means the statutory income derived from such source ascertained in accordance with section 35 (1);

“total assessable income” means the remainder of the statutory income of any person after the deduction allowed under section 37 (2) (a) has been made.

Relief for
non-resident
employees.

40C.—(1) Any person who, in any year of assessment, is not resident in Singapore shall, if the tax payable by him in respect of that year is attributable to income derived from the exercise of an employment in Singapore, be allowed relief in respect of that year in the following manner:

(a) where the only source of income in Singapore is such activity as a non-resident employee, by reduction of the rate of tax to 15% on every dollar of the chargeable income;

(b) where such person possesses any other source of income in Singapore and the total assessable income exceeds the statutory income attributable to such activity as a non-resident employee, by reduction of the rate of tax to 15% on such part of the chargeable income as bears the same proportion to the total chargeable income as the statutory income attributable to such activity as a non-resident employee bears to the total assessable income;

(c) where such person possesses any other source of income in Singapore and the total assessable income is equal to or less than the statutory income attributable to such activity as a non-resident employee, by reduction of the rate of tax to 15% on every dollar of the chargeable income:

Provided that the relief available to any person under paragraph (a), (b) or (c) shall be so limited that the tax payable in respect of such income shall not be less than that

which would be payable by a resident of Singapore in the same circumstances.

(2) Where any person is entitled to relief under this section and is also entitled to relief under section 40 (1) or (2A), he shall be entitled to whichever relief is the greater in respect of the income to which this section relates.

(3) In this section —

26/73.

“non-resident employee” means an individual who has exercised an employment in Singapore for such period of time as not to qualify for the status of a resident and includes an individual who is in receipt of leave pay attributable to a period of employment in Singapore but excludes a director of a company;

“statutory income attributable to such activity as a non-resident employee” means the statutory income derived from such source ascertained in accordance with section 35 (1);

“total assessable income” means the remainder of the statutory income of any person after the deduction allowed under section 37 (2) (a) has been made.

41. Every individual who claims any deduction or relief under this Part shall make his claim on the proper form. Such deduction or relief shall be granted if the claim contains such particulars and is supported by such proof as the Comptroller may require.

Proof of claims for relief.

PART VIII

RATES OF TAX, RIGHTS OF DEDUCTION AND ALLOWANCES FOR TAX CHARGED

Rates of tax

42.—(1) Subject to subsection (2) or (4), there shall be levied and paid for each year of assessment upon the chargeable income of every person (other than a company, a person not resident in Singapore, a trustee who is not the trustee of an incapacitated person, or an executor) tax in accordance with the rates specified in —

Rates of tax upon individuals.
7/79
(from Y/A 1978)
1/88
(from Y/A 1987).

(a) Part A of the Second Schedule in respect of the chargeable income of an individual or Hindu joint family;

(b) Part B of the Second Schedule in respect of the chargeable income of a person other than an individual or Hindu joint family.

31/86
(from Y/A
1987).

(2) Without prejudice to section 50, the rate of tax applicable to the income of an individual or Hindu joint family received in Singapore from outside Singapore shall be determined by reference to that income together with all other income and shall be deemed to be the highest rate applicable to his total income; and where such rate exceeds 33% it shall be reduced to 33%.

31/86.

(3) The tax payable by any individual or Hindu joint family resident in Singapore shall be reduced —

(a) for the year of assessment 1986 by 10% of the tax payable on the first \$10,000 of the chargeable income; and

(b) for the year of assessment 1987 and subsequent years of assessment by 15% of the tax payable on the first \$10,000 of the chargeable income.

1/88
(from Y/A
1987).

(4) Where dividends are received by any institution, authority, person or fund specified in the First Schedule and such dividends are not exempt under section 13 (1) (e), the gross amount of the dividends shall be taxed at the same rate as is applicable to a company.

1/90
(from Y/A
1990)
20/91
(from Y/A
1991).

(5) Notwithstanding Part B of the Second Schedule, in respect of the chargeable income of a person other than an individual, the rate of tax applicable to that person on every dollar of his chargeable income shall be 31% where the effective rate of tax arrived at by dividing the income tax chargeable on his chargeable income by the amount of that income exceeds 31%:

20/91.

Provided that the reference to 31% in this subsection shall —

(a) for the years of assessment 1988 and 1989, be read as a reference to 33%; and

(b) for the year of assessment 1990, be read as a reference to 32%.

Rebate for
second, third
and fourth
child of the
family.
1/90
(from Y/A
1989)
20/91.

42A.—(1) Where an individual resident in Singapore in the year of assessment has a legitimate second child of the family born to him on or after 1st January 1990, there shall, in respect of that child, be allowed for the year of

assessment immediately following the year of birth of that child a rebate of —

- (a) \$20,000 if at the time of birth the mother is below 28 years of age;
- (b) \$15,000 if at the time of birth the mother is below 29 years of age;
- (c) \$10,000 if at the time of birth the mother is below 30 years of age; and
- (d) \$5,000 if at the time of birth the mother is below 31 years of age,

against the tax payable by that individual; but where more than one individual is entitled to claim such rebate in respect of that child, the rebate shall be apportioned between them in such proportion as they may agree, or, in the absence of any agreement, in such manner as appears to the Comptroller to be reasonable.

(2) Where an individual resident in Singapore in the year of assessment has a legitimate third child of the family born to him on or after 1st January 1987 or a legitimate fourth child of the family born to him on or after 1st January 1988, there shall, in respect of each child, be allowed for the year of assessment immediately following the year of birth of each child —

- (a) a rebate of \$20,000 against the tax payable by that individual; but where more than one individual is entitled to claim such rebate in respect of that child, the rebate shall be apportioned between them in such proportion as they may agree, or, in the absence of any agreement, in such manner as appears to the Comptroller to be reasonable;
- (b) a rebate against the tax payable by a married woman, who has elected to be charged in her own name under section 51 (4), of a sum equal to 15% of her earned income assessed for that year of assessment.

(3) For the purposes of subsections (1) and (2) —

- (a) where full effect cannot be given to the rebate in respect of each child by reason of an insufficiency of the tax payable for that year of assessment, the balance of the unabsorbed rebate shall be available for deduction against

the tax payable for the year of assessment immediately following that year of assessment and so on for the next 5 subsequent years of assessment;

- (b) where the third child is born within 7 years of the birth of the second child or the fourth child is born within 7 years of the birth of the third child and full effect cannot be given to the rebate in respect of the third child or fourth child, as the case may be, by reason of an insufficiency of the tax payable for that year of assessment, the rebate or balance, if any, of the unabsorbed rebate shall be available for deduction against the tax payable for up to 7 years of assessment immediately following the last year of assessment in which the rebate in respect of the second or third child, as the case may be, may be allowed under paragraph (a);
- (c) where the third child and the fourth child are born within 7 years of the birth of the second child and full effect cannot be given to the rebate in respect of the third or fourth child by reason of an insufficiency of the tax payable for that year of assessment, the rebate or balance, if any, of the unabsorbed rebate shall be available for deduction in the case of the third child, against the tax payable for up to 7 years of assessment immediately following the last year of assessment in which the rebate in respect of the second child may be allowed under paragraph (a) and in the case of the fourth child, against the tax payable for up to 7 years of assessment immediately following the last year of assessment in which the rebate in respect of the third child may be allowed under this paragraph;
- (d) where the second, third or fourth child in respect of whom a rebate is allowable under this section is adopted by another person within 7 years of his birth, the rebate or balance, if any, of the unabsorbed rebate shall not be available for deduction against the tax payable for any year of assessment following the year in which the child is adopted;

(e) where a person is entitled to a rebate under subsection (1) or (2) and his marriage is dissolved by divorce or annulment within 7 years of the birth of the second, third or fourth child, the rebate or balance, if any, of the unabsorbed rebate shall not be available for deduction against the tax payable for any year of assessment following the year of the order of divorce or annulment.

(4) For the purposes of this section —

“second child of the family” means a child of the family being a citizen of Singapore at the time of his birth or within 12 months thereafter and who has at the time of his birth one other sibling who is a member of the same household and who is a citizen of Singapore at that time or within 12 months thereafter;

“third child of the family” means a child of the family being a citizen of Singapore at the time of his birth or within 12 months thereafter and who has at the time of his birth two other siblings who are members of the same household and who are citizens of Singapore at that time or within 12 months thereafter;

“fourth child of the family” means a child of the family being a citizen of Singapore at the time of his birth or within 12 months thereafter and who has at the time of his birth 3 other siblings who are members of the same household and who are citizens of Singapore at that time or within 12 months thereafter;

“sibling” means a brother or sister and includes a step-brother or step-sister, or a brother or sister adopted in accordance with any written law relating to adoption.

(5) For the purposes of subsection (4), any sibling who is deceased shall be taken into account in determining the number of siblings a child has at the time of his birth.

(6) No rebate shall be allowed under this section in respect of a child who has, at the time of his birth, more than 3 other siblings who are members of the same household.

Rate of
tax upon
companies
and others.
31/86
(from Y/A
1987)
1/90
(from Y/A
1990)
20/91
(from Y/A
1991).

43.—(1) Subject to section 40, there shall be levied and paid for each year of assessment upon the chargeable income of —

- (a) every company, tax at the rate of 31% on every dollar of the chargeable income thereof;
- (b) every person (other than a company) not resident in Singapore, trustee (other than the trustee of an incapacitated person), and executor, tax at the rate of 31% on every dollar of the chargeable income thereof:

Provided that where any trustee proves to the satisfaction of the Comptroller that any beneficiary of the trust is entitled to a share of the trust income, a corresponding share of the statutory income of the trustee may be charged at a lower rate or not charged with any tax, as the Comptroller shall determine.

1/90
20/91.

- (2) The reference in subsection (1) to 31% shall —
 - (a) for the years of assessment 1987 to 1989, be read as a reference to 33%; and
 - (b) for the year of assessment 1990, be read as a reference to 32%.

Conces-
sionary
rate of tax
for Asian
Currency
Unit, Fund
Manager and
securities
company.
1/88.

43A.—(1) Notwithstanding section 43, the Minister may by regulations provide that tax at the rate of 10% or such other concessionary rate be levied and paid for each year of assessment upon such income as the Minister may specify of —

- (a) a financial institution derived by it from the operation of its Asian Currency Unit;
- (b) a Fund Manager;
- (c) a company whose business includes dealing in securities and which is licensed as a dealer under the Securities Industry Act or is exempted from holding a dealer's licence under that Act,

approved by the Minister or such person as he may appoint.

(2) Regulations made under subsection (1) may provide for exemption from tax of any income referred to in that subsection and for deductions otherwise than in accordance with section 37 (2).

43B. Notwithstanding section 43, where the tax authority of a foreign country taxes the profits derived by a person resident in Singapore from carrying on the business of a shipowner or charterer or of air transport at a rate which exceeds the rate prescribed by section 43, the Minister may direct that the profits derived in Singapore from the carrying on of such business by a non-resident person who is resident in that foreign country be charged to tax at a rate similar to that charged by the tax authority of that foreign country.

Special rate of tax for non-resident shipowner or charterer or air transport undertaking. 37/75.

43C. Notwithstanding section 43, the Minister may by regulations provide that tax at the rate of 10% or such other concessionary rate shall be levied and paid for each year of assessment upon the income of an insurance company derived by it from carrying on offshore life business within the meaning of section 26 or the business (other than the business of life assurance) of insuring and reinsuring offshore risks.

Concessionary rate of tax for insurance and re-insurance of risks outside Singapore. 7/79 (from Y/A 1978) 9/80 (from Y/A 1980) 20/91.

43D.—(1) Notwithstanding section 43, the Minister may by regulations provide that tax at the rate of 10% or such other concessionary rate shall be levied and paid for each year of assessment upon such income as the Minister may specify of a member of the Singapore International Monetary Exchange —

Concessionary rate of tax for offshore gold and futures transactions. 13/84 (from Y/A 1985) 1/90.

- (a) derived from transactions in gold bullion or in any commodity or financial futures on any approved exchange or in any approved market with —
- (i) an Asian Currency Unit of a financial institution;
 - (ii) another member of the Exchange;
 - (iii) a person who is neither a resident of nor has a permanent establishment in Singapore; or
 - (iv) a branch office outside Singapore of a company resident in Singapore;
- (b) derived on or after 1st January 1989 from transactions in any petroleum futures on any approved exchange with an oil trading company approved under section 43F,

and those regulations may provide for the deduction of losses otherwise than in accordance with section 37 (2).

(2) In this section, “approved” means approved by the Minister or such person as he may appoint.

Conces-
sionary rate
of tax for
headquarters
company.
31/86
20/91
(from Y/A
1991).

43E.—(1) Notwithstanding section 43, the Minister may by regulations provide that tax at the rate of 10% or such other concessionary rate shall be levied and paid for each year of assessment upon such income as the Minister may specify of an approved headquarters company derived by it on or after 1st September 1986 from the provision of such qualifying services as may be prescribed to its offices, associated companies and other persons where such offices, associated companies and persons are outside Singapore, or derived by it from such qualifying treasury, investment or financial activities as may be prescribed; and those regulations may provide for the deduction of losses otherwise than in accordance with section 37 (2).

(2) The concessionary rate of tax referred to in subsection (1) shall apply to an approved headquarters company —

(a) in respect of any qualifying service only where the qualifying service and the office, associated company or person to whom the service is rendered have been approved in relation to that headquarters company for such concessionary rate;

20/91
(from Y/A
1991).

(b) in respect of any qualifying treasury, investment or financial activity only where the qualifying activity has been approved in relation to that headquarters company for such concessionary rate; and

20/91
(from Y/A
1991).

(c) subject to such conditions as the Minister or person appointed by him may impose.

(3) For the purposes of this section —

“approved” means approved by the Minister or such other person as he may appoint;

“associated company”, in relation to an approved headquarters company, means a company —

(a) the operations of which are or can be controlled, either directly or indirectly, by that headquarters company;

- (b) which controls or can control, either directly or indirectly, the operations of that headquarters company; or
- (c) the operations of which are or can be controlled, either directly or indirectly, by a person or persons who control or can control, either directly or indirectly, the operations of that headquarters company:

Provided that a company shall be deemed to be an associated company in relation to an approved headquarters company if—

- (i) at least 25% of its issued capital is beneficially owned, either directly or indirectly, by the approved headquarters company; or
- (ii) at least 25% of the issued capital of the approved headquarters company is beneficially owned, either directly or indirectly, by the first-mentioned company;

“headquarters company” means a company carrying on the business in Singapore of providing management, technical or other supporting services to its offices outside Singapore or to its associated companies outside Singapore.

43F.—(1) Notwithstanding section 43, the Minister may by regulations provide that tax at the rate of 10% or such other concessionary rate be levied and paid for each year of assessment upon such income as the Minister may specify of an approved oil trading company derived on or after 1st January 1989 from such transactions in petroleum, petroleum products or petroleum futures as may be prescribed, and those regulations may provide for deduction of losses otherwise than in accordance with section 37 (2).

Concessionary rate of tax for oil trading company. 1/90.

(2) For the purposes of this section —

“approved” means approved by the Minister or such person as he may appoint;

“oil trading company” means a company carrying on a business of trading in petroleum, petroleum products or petroleum futures.

Concessionary rate of tax for Finance and Treasury Centre. 20/91 (from Y/A 1991).

43G.—(1) Notwithstanding section 43, the Minister may by regulations provide that tax at the rate of 10% or such other concessionary rate be levied and paid for each year of assessment upon such income as he may specify of a company derived from the operation of its approved Finance and Treasury Centre in respect of such qualifying activities carried out on its own account as may be prescribed or such prescribed qualifying services as may be provided to its offices and associated companies where such offices and associated companies are outside Singapore; and those regulations may provide for the deduction of losses otherwise than in accordance with section 37 (2).

(2) The concessionary rate of tax referred to in subsection (1) shall apply to an approved Finance and Treasury Centre —

- (a) in respect of any qualifying service only where the qualifying service and the office or associated company to whom the service is rendered have been approved in relation to that Centre for such concessionary rate;
- (b) in respect of any qualifying activity only where the qualifying activity has been approved in relation to that Centre for such concessionary rate; and
- (c) subject to such conditions as the Minister or such person appointed by him may impose.

(3) For the purposes of this section —

“approved” means approved by the Minister or such person as he may appoint;

“associated company”, in relation to a company with an approved Finance and Treasury Centre, means a company —

- (a) the operations of which are or can be controlled, directly or indirectly, by the company with the approved Centre;
- (b) which controls or can control, directly or indirectly, the operations of the company with the approved Centre; or
- (c) the operations of which are or can be controlled, directly or indirectly, by a person or persons who control or can control, directly or indirectly, the opera-

tions of the company with the approved Centre:

Provided that a company shall be deemed to be an associated company in relation to a company with an approved Finance and Treasury Centre if —

- (i) at least 25% of its issued capital is beneficially owned, directly or indirectly, by the company with the approved Centre;
- (ii) at least 25% of the issued capital of the company with the approved Centre is beneficially owned, directly or indirectly, by the first-mentioned company;

“Finance and Treasury Centre” means a division or department of a company which provides treasury, investment or financial services in Singapore for its offices outside Singapore or its associated companies outside Singapore.

43H.—(1) Notwithstanding section 43, the Minister may by regulations provide that tax at the rate of 10% or such other concessionary rate shall be levied and paid for each year of assessment upon such income as the Minister may specify of an approved international commodity trading company derived by it from such qualifying transactions in commodities or commodity futures as may be prescribed, and those regulations may provide for the deduction of losses otherwise than in accordance with section 37 (2).

Concessionary rate of tax for international commodity trading company. 20/91 (from Y/A 1991).

(2) For the purposes of this section —

“approved” means approved by the Minister or such person as he may appoint;

“international commodity trading company” means a company carrying on the business of international trading of commodities other than petroleum or petroleum products.

43I.—(1) Notwithstanding section 43, tax at the rate of 10% or such other concessionary rate as the Minister may by order prescribe shall be levied and paid for each year of assessment upon the income of a leasing company accruing in or derived from Singapore in respect of offshore leasing of any machinery or plant.

Concessionary rate of tax for offshore leasing of machinery and plant. 20/91 (from Y/A 1991).

(2) In determining the income of a leasing company from offshore leasing —

- (a) the allowances under section 19, 19A, 20, 21, 22 or 23 shall be taken into account notwithstanding that no claim for such allowances has been made;
- (b) the allowances under section 19, 19A, 20, 21, 22 or 23 shall only be available against that income, and the balance of such allowances shall not be available as a deduction against any other income;
- (c) the Comptroller shall determine the manner and extent to which allowances under section 19, 19A, 20, 21, 22 or 23 and any expenses and donations allowable under this Act are to be deducted.

(3) Where in any year a leasing company incurs a loss in respect of offshore leasing, that loss shall be deducted in accordance with section 37 but only against the income of the leasing company from offshore leasing.

(4) Where a leasing company permanently ceases to carry on its offshore leasing business, the balance of any allowance or loss attributable to that business which remains unabsorbed at the date of such cessation shall be reduced to such proportion of the balance as the concessionary rate of tax referred to in subsection (1) bears to the rate of tax for every company under section 43 (1) (a) applicable for the year of assessment which relates to the basis period in which the cessation occurs; and the amount so reduced shall be available as a deduction against any other income of the leasing company for that year of assessment, and any balance of that amount shall be available as a deduction for any subsequent year of assessment in accordance with section 23 or 37, as the case may be.

(5) For the purposes of this section —

“leasing company” means any company carrying on a business of leasing machinery or plant;

“offshore leasing” means the leasing of any machinery or plant, other than those which have been treated as though they had been sold pursuant to regulations made under section 10D (1), where such

machinery or plant is used outside Singapore, and the payments under the lease —

- (a) are in currencies other than Singapore dollars; and
- (b) are not deductible against any income accruing in or derived from Singapore.

Rights of deduction of tax

44.—(1) Every company which is resident in Singapore, shall be entitled to deduct from the amount of any dividend paid to any shareholder tax at the rate of 31% on every dollar of such dividend.

Deduction of tax from dividends of companies. 31/86 20/91.

(2) Every such company shall upon payment of a dividend, whether tax is deducted therefrom or not, furnish each shareholder with a certificate setting forth the amount of the dividend paid to that shareholder and the amount of tax which the company has deducted or is entitled to deduct in respect of that dividend.

(3) Upon payment of a dividend by a company in any year of assessment —

- (a) where such dividend is the first dividend paid in that year of assessment and where the amount of tax deducted under subsection (1) exceeds the aggregate of the balance, if any, on 1st January of that year of assessment and any tax assessed during the period from 1st January of that year of assessment to the day before the date of payment of the dividend; or
- (b) where such dividend is the second or subsequent dividend paid in that year of assessment and where the amount of tax deducted under subsection (1) exceeds the aggregate of the balance, if any, after the preceding dividend and any tax assessed during the period from the date of the payment of the preceding dividend to the day before the date of payment of the second or subsequent dividend,

a charge equal to the amount of such excess shall be paid to the Comptroller within 14 days from the date of payment of the dividend, and any amount of tax which remains unpaid on that date shall, notwithstanding section 86, be paid immediately to the Comptroller.

- 1/88. (4) Where upon the payment of any dividend the aggregate of the balance, if any, after the date of payment of the preceding dividend and any tax assessed during the period from that date to the day before the date of payment of the first-mentioned dividend exceeds the tax deducted under subsection (1) from the first-mentioned dividend, the excess shall be carried forward as a balance to be set off against the tax deducted from any ensuing dividend.
- 1/88. (5) Where any tax assessed which has been taken into account for the purposes of subsection (3) is subsequently reduced and as a result a charge or additional charge arises under that subsection, the charge or additional charge shall be paid to the Comptroller within 14 days of the notice of the charge or additional charge.
- 1/88. (6) Where no charge under subsection (3) arises but the amount of tax deducted under subsection (1) exceeds the aggregate amount as computed under subsection (3) (a) or (b) less any amount of tax assessed on the company but not paid, a sum equal to such excess shall be paid to the Comptroller immediately on the date of payment of the dividend.
- 1/88. (7) On the payment of any dividend, every company shall render to the Comptroller a statement, in such form as the Comptroller may direct, containing such particulars as may be required for the purpose of determining the balance or charge immediately after the payment of the dividend.
- 1/88
3/89. (8) Without prejudice to subsection (7), within 3 months from the end of each year of assessment, every such company shall render to the Comptroller a statement, in such form as the Comptroller may direct, containing such particulars as may be required for the purpose of determining the balance to be carried forward to the first day of the ensuing year of assessment.
- 1/88. (9) Any charge or additional charge paid by a company to the Comptroller shall be used to set off any tax assessed on it subsequent to the charge or additional charge and the amount of such tax to be taken into account for computing the charge or balance under subsection (3) or (4) shall be reduced by the amount of the set-off.
- 1/88. (10) If any charge or additional charge referred to in subsection (3) or (5) is not paid to the Comptroller within the period prescribed for the payment of the charge, section

88 shall have effect in relation to the charge or additional charge, and the provisions of this Act relating to the collection and recovery of tax shall apply to the collection and recovery of the charge or additional charge and penalties imposed thereon.

(11) Notwithstanding anything in this Act, where tax on any dividend paid in 1989 has been deducted at the rate of 33% —

- (a) the amount of such dividend received by a shareholder shall be deemed to have been paid without deduction of tax and to be a dividend of such a gross amount as after deduction of tax at the rate of 32% would be equal to the net amount paid; and a sum equal to the difference between such gross amount and the net amount paid shall be deemed to have been deducted from the dividend as tax; and
- (b) the difference between the amount of the tax deducted at 33% from such dividend and the amount deemed to have been so deducted under paragraph (a) shall be added to the balance on the 1st day of the year of assessment 1990 and deemed to be a part thereof.

(11A) Notwithstanding anything in this Act, where tax on any dividend paid in 1990 has been deducted at the rate of 32% —

- (a) the amount of such dividend received by a shareholder shall be deemed to have been paid without deduction of tax and to be a dividend of such a gross amount as after deduction of tax at the rate of 31% would be equal to the net amount paid; and a sum equal to the difference between such gross amount and the net amount paid shall be deemed to have been deducted from the dividend as tax; and
- (b) the difference between the amount of the tax deducted at 32% from such dividend and the amount deemed to have been so deducted under paragraph (a) shall be added to the balance on the 1st day of the year of assessment 1991 and deemed to be a part thereof.

(12) For the purposes of this section —

- (a) subject to paragraph (b), where any dividend has been paid without deduction of tax, such dividend or part thereof, from which a company was entitled to deduct tax, shall be deemed to be a dividend of such a gross amount as after deduction of tax at the rate deductible at the date of payment would be equal to the net amount paid; and a sum equal to the difference between such gross amount and the net amount paid shall be deemed to have been deducted from such dividend or part thereof as tax;
- (b) where any dividend has been paid and any amount of the charge referred to in subsection (3) or any amount of tax payable referred to in subsection (3) or (6) is not paid within 14 days from the date of payment of that dividend or by 31st December of the year in which the dividend is paid, whichever is the later, the dividend shall be chargeable to tax on the basis of the net amount received by the shareholder;
- (c) in relation to any company, the balance on 1st January of the year of assessment 1987 shall be the balance on the last day of the year of assessment 1986 computed in accordance with section 44 (3) before 29th January 1988;
- (d) in relation to any company, the balance on 1st January of any year of assessment subsequent to the year of assessment 1987 shall be the aggregate of —
 - (i) the balance carried forward after the payment of the last dividend in the preceding year of assessment as computed in accordance with subsection (4); and
 - (ii) any tax assessed during the period from the date of the payment of that dividend to the end of the preceding year of assessment;
- (e) in determining under subsection (3) or (6) the amount of tax assessed and not paid, any payment made to the Comptroller shall be applied first to the payment of any penalties before the payment of tax;

- (f) tax assessed excludes —
 - (i) tax assessed at the rate of 10% or such other concessionary rate as may be prescribed under section 43A, 43C, 43D, 43E, 43F, 43G, 43H or 43I, or section 19B of the Economic Expansion Incentives (Relief from Income Tax) Act; and
 - (ii) tax in respect of any year of assessment prior to the year of assessment 1987;
- (g) where any assessment in respect of —
 - (i) the year of assessment 1987 or subsequent years of assessment was made before 1st January 1987, it shall be deemed to have been made on that date;
 - (ii) the year of assessment 1986 or prior years of assessment was made on or after 1st January 1987, it shall be dealt with in accordance with section 44 before 29th January 1988;
- (h) any balance or tax assessed which has been taken into account for the purpose of determining the charge or balance under subsection (3) or (4) upon the payment of any dividend shall be regarded as having been utilized for that purpose notwithstanding that no set-off has been allowed in respect of that dividend under section 46 (3).

1/90
20/91.

Cap. 86.

45.—(1) Where a person is liable to pay to another person not known to him to be resident in Singapore any interest which is chargeable to tax under this Act, the person paying the interest shall deduct therefrom tax at the rate of 31% on every dollar of the interest and shall immediately give notice of the deduction of tax in writing and pay to the Comptroller the amount so deducted and every such amount shall be a debt due from him to the Government and shall be recoverable in the manner provided by section 90:

Deduction and payment of tax in respect of interest paid to non-resident persons.
37/75
31/86
1/90
(from Y/A 1990)
20/91
(from Y/A 1991).

Provided that —

- (a) the Comptroller may, as he thinks fit, allow any bank or financial institution to give notice of the

deduction of tax and make payment of the amount so deducted within such other period and subject to such conditions as the Comptroller may determine;

1/90
(from Y/A
1990)
20/91
(from Y/A
1991).

(b) the Comptroller may by notice in writing require any person who pays such interest to deduct and account for tax at a higher or lower rate than 31% on every dollar of such interest or permit such interest to be paid without deduction of tax.

(2) Where a person fails to make a deduction of tax which he is required to make under subsection (1) any amount which he fails to deduct shall be a debt due from him to the Government and shall be recoverable as such.

(3) If the amount of tax which is required to be deducted under subsection (1) is not paid to the Comptroller —

(a) within 7 days after the payment of the interest from which the tax is to be deducted, a sum equal to 5% of such amount of tax shall be payable; and

(b) within 30 days after the payment of the interest from which the tax is to be deducted, an additional penalty of 1% of such amount of tax shall be payable for each completed month that the tax remains unpaid, but the total additional penalty under this paragraph shall not exceed 15% of the amount of tax outstanding.

(4) Without prejudice to any other provision of this Act, if any person after deducting the tax required to be deducted under subsection (1) fails to give notice of such deduction to the Comptroller within 7 days after such deduction, he shall be guilty of an offence and shall on conviction pay a penalty equal to 3 times the amount of tax so deducted and shall also be liable to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 3 years or to both:

Provided that where an individual has been convicted for 3 or more offences under this section the imprisonment he shall be liable to shall be not less than 6 months.

(5) The Comptroller may —

(a) compound an offence under subsection (4) and may before judgment stay or compound any proceedings thereunder; and

(b) for any good cause remit the whole or any part of the penalty payable under subsection (3).

(6) For the purposes of this section —

(a) the manager or principal officer of a company shall be answerable for doing all such acts, matters and things as are required to be done by the company under this section; and

(b) interest shall be deemed to have been paid by a person to another person although it is not actually paid over to the other person but is reinvested, accumulated, capitalised, carried to any reserve or credited to any account however designated, or otherwise dealt with on behalf of the other person.

(7) Notwithstanding subsection (1), tax shall be deducted — 31/86
20/91.

(a) at the rate of 40% on every payment made on or after 1st January 1986 which would be assessable on the person receiving the payment for any year of assessment before the year of assessment 1987;

(b) at the rate of 33% on every payment made on or after 1st January 1989 which would be assessable on the person receiving the payment for the year of assessment 1987, 1988 or 1989;

(c) at the rate of 32% on every payment made on or after 1st January 1990 which would be assessable on the person receiving the payment for the year of assessment 1990.

(8) (*Deleted by Act 20/91*).

45A. Section 45 shall apply in relation to the payment of any income referred to in section 12 (6) or (7) by any person to another person not known to him to be resident in Singapore as those provisions apply to any interest paid by a person to another person not known to him to be resident in Singapore and, for the purpose of such application, any reference in those provisions to interest shall be construed as a reference to the income referred to in section 12 (6) or (7).

Application
of section 45
to royalties,
management
fees, etc.
5/77
1/88.

Application
of section 45
to non-
resident
director's
remunera-
tion.
7/79.

45B. Section 45 shall apply in relation to the payment of any remuneration by a company to any director of the company who is not resident in Singapore as those provisions apply to any interest paid by a person to another person not known to him to be resident in Singapore and, for the purpose of such application, any reference in those provisions to interest shall be construed as a reference to such remuneration.

Application
of section 45
to distribution
by unit trust.
23/90.

45C. Section 45 shall apply in relation to any distribution made by a unit trust and which is deemed to be income under section 10 (11) as that section applies to any interest paid by a person to another person not known to him to be resident in Singapore and, for the purpose of such application, any reference in that section to interest shall be construed as a reference to such distribution.

Allowances for tax charged

Tax deducted
from
dividends,
interests, etc.
7/79
23/90.

46.—(1) Any tax —

- (a) which a person has deducted or is entitled to deduct from any dividend under section 44 or has deducted from any interest or other payment under section 45, 45A or 45C or has deducted from any remuneration under section 45B; or
- (b) applicable to the share to which any person is entitled in the income of a body of persons or trust,

shall, when the income from which the tax has been deducted or when the share referred to in paragraph (b) is included in the chargeable income of any person, be set off for the purpose of collection against the tax charged on that chargeable income.

31/86
3/89
1/90.

(2) Notwithstanding subsection (1), where tax on any dividend paid in 1989 has been deducted at the rate of 33% the tax to be set off under subsection (1) shall be the sum deemed to be the tax deducted from such dividend under section 44 (11).

20/91.

(2A) Notwithstanding subsection (1), where tax on any dividend paid in 1990 has been deducted at the rate of 32%, the tax to be set off under subsection (1) shall be the sum deemed to be the tax deducted from such dividend under section 44 (11A).

(3) Notwithstanding subsection (1), if any amount of the charge referred to in section 44 (3) or any amount of tax payable referred to in section 44 (3) or (6) is not paid within 14 days from the date of payment of any dividend to which the charge or tax relates or by 31st December of the year in which the dividend is paid, whichever is the later, no set-off against tax under subsection (1) shall be allowed in respect of the whole of the dividend.

46A.—(1) A person who on or after 1st January 1969 receives as trading receipts interest on any bonds, securities, stock or fund specified in the Fourth Schedule shall be entitled to a credit of one-half of the tax chargeable on the gross amount of such interest:

Special allowance for interest received as trading receipts.

Provided that the credit shall not exceed the total amount of tax payable by him for that year of assessment on the gross amount of such interest which has been brought to charge.

(2) The Minister may, by order published in the *Gazette*, add to or amend the Fourth Schedule.

Relief in cases of double taxation

47. (Repealed by Act 29/65).

48.—(1) If any person resident in Singapore who has paid, by deduction or otherwise, or is liable to pay, tax under this Act for any year of assessment on any part of his income, proves to the satisfaction of the Comptroller that he has paid, by deduction or otherwise, or is liable to pay, Commonwealth income tax for that year in respect of the same part of his income, he shall be entitled to relief from tax in Singapore paid or payable by him on that part of his income at a rate thereon to be determined as follows:

Relief in respect of Commonwealth income tax.

- (a) if the rate of Commonwealth tax does not exceed one-half of the rate of tax appropriate to his case under this Act in Singapore, the rate at which relief is to be given shall be the rate of Commonwealth tax;
- (b) in any other case the rate at which relief is to be given shall be half the rate of tax appropriate to his case under this Act.

(2) If any person not resident in Singapore who has paid, by deduction or otherwise, or is liable to pay, tax under this Act for any year of assessment on any part of his income proves to the satisfaction of the Comptroller that he has paid, by deduction or otherwise, or is liable to pay, Commonwealth income tax for that year of assessment in respect of the same part of his income, he shall be entitled to relief from tax paid or payable by him under this Act on that part of his income at a rate to be determined as follows:

- (a) if the rate of Commonwealth tax appropriate to his case does not exceed the rate of tax appropriate to his case under this Act, the rate at which relief is to be given shall be one-half of the rate of Commonwealth tax;
- (b) if the rate of Commonwealth tax appropriate to his case exceeds the rate of tax appropriate to his case under this Act, the rate at which relief is to be given shall be equal to the amount by which the rate of tax appropriate to his case under this Act exceeds one-half of the rate of Commonwealth tax.

Definition of "Commonwealth income tax".

(3) For the purposes of this section, "Commonwealth income tax" means any income tax charged under any law in force in any part of the Commonwealth other than Singapore:

Provided that the legislature of that part or place has provided for relief in respect of tax charged on income both in that part or place and Singapore in a manner which appears to the Comptroller to correspond to the relief granted by this section.

Definition of "rate of tax".

(4) For the purposes of this section, "rate of tax", when applied to tax paid or payable under this Act, means the rate determined by dividing the amount of the tax paid or payable for the year (before the deduction of the relief granted under this section) by the amount of the income in respect of which the tax paid or payable under this Act has been charged for that year except that, where the income which is the subject of a claim to relief under this section is computed by reference to the provisions of this Act on an amount other than the ascertained amount of the actual profits, the rate of tax shall be determined by the Comptroller; and the rate of Commonwealth income tax shall be computed in a similar manner.

(5) Where a person is for any year of assessment resident both in Singapore and in a place or territory in which Commonwealth income tax is charged, he shall for the purposes of this section be deemed to be resident where during that year he resides for the longer period.

49.—(1) If the Minister by order declares that arrangements specified in the order have been made with the Government of any country outside Singapore with a view to affording relief from double taxation in relation to tax under this Act and any tax of a similar character imposed by the laws of that country, and that it is expedient that those arrangements should have effect, the arrangements shall have effect notwithstanding anything in any written law.

Double
taxation
arrange-
ments.

(2) Any arrangements made with the Government of another country —

- (a) may provide for liability to tax by one country and for exemption from tax by the other country;
- (b) may provide for exemption, wholly or partly and with or without conditions, from tax in either or both countries and for any income so exempted to be taken into account in determining the effective rate of tax to be applicable to other income;
- (c) may deem the source of income to be wholly or partly in either or both of such countries; and
- (d) may provide for the charge to tax by the country in which the source is deemed to be situated, of any income derived from such source.

(2A) In subsection (2) (b), “effective rate of tax” means the rate of tax as ascertained in accordance with the formula $\frac{A}{B + C}$,

where A is the tax payable before allowance of credit under any arrangements having effect under this section on B + C computed in accordance with the provisions of this Act;

B is the exempt income; and

C is the other income.

(3) While any such arrangements are in force with any country within the Commonwealth, section 48 shall cease to

have effect as respects that country except in so far as the arrangements otherwise provide.

(4) Any order made under this section may be revoked by a subsequent order.

(5) Where any arrangements have effect by virtue of this section, the obligation as to secrecy imposed by section 6 shall not prevent the disclosure to any authorised officer of the Government with which the arrangements are made of such information as is required to be disclosed under the arrangements.

(6) The Minister may make rules for carrying out the provisions of any arrangements having effect under this section.

Tax credits.

50.—(1) This section shall have effect where, under arrangements having effect under section 49, tax payable in respect of any income in the territory with the Government of which the arrangements are made is to be allowed as a credit against tax payable in respect of that income in Singapore; and in this section “foreign tax” means any tax payable in that territory which under the arrangements is to be so allowed and “income tax” means tax chargeable under this Act.

(2) The amount of the income tax chargeable in respect of the income shall be reduced by the amount of the credit:

Provided that credit shall not be allowed against income tax for any year of assessment unless the person entitled to the income is resident in Singapore during that year.

(3) The credit shall not exceed the amount which would be produced by computing the amount of the income in accordance with the provisions of this Act and then charging it to income tax at a rate ascertained by dividing the income tax chargeable (before allowance of credit under any arrangements having effect under section 49) on the assessable income of the person entitled to the income by the amount of his assessable income; and in any case where the rate exceeds 33% it shall be regarded as 33%.

(4) Without prejudice to subsection (3), the total credit to be allowed to a person for any year of assessment for foreign tax under all arrangements having effect under section 49 shall not exceed the total income tax payable by

7/79
(from Y/A
1978)
31/86
(from Y/A
1987).

him for that year of assessment, excluding any tax payable by him under section 45.

(5) In computing the amount of the income —

- (a) no deduction shall be allowed in respect of foreign tax (whether in respect of the same or any other income);
- (b) where the income tax chargeable depends on the amount received in Singapore, that amount shall be increased by the appropriate amount of the foreign tax in respect of the income;
- (c) where the income includes a dividend and under the arrangements foreign tax not chargeable directly or by deduction in respect of the dividend is to be taken into account in considering whether any, and if so what, credit is to be given against income tax in respect of the dividend, the amount of the income shall be increased by the amount of the foreign tax not so chargeable which falls to be taken into account in computing the amount of the credit; but notwithstanding anything in the preceding provisions of this subsection a deduction shall be allowed of any amount by which the foreign tax in respect of the income exceeds the credit therefor.

(6) Subsection (5) (other than paragraph (c) thereof) shall apply to the computation of assessable income for the purposes of determining the rate mentioned in subsection (3), and shall apply thereto in relation to all income in the case of which credit falls to be given for foreign tax under arrangements for the time being in force under section 49.

(7) Where —

- (a) the arrangements provide, in relation to dividends of some classes, but not in relation to dividends of other classes, that foreign tax not chargeable directly or by deduction in respect of dividends is to be taken into account in considering whether any, and if so what, credit is to be given against income tax in respect of the dividends; and
- (b) a dividend is paid which is not of a class in relation to which the arrangements so provide,

then, if the dividend is paid to a company which controls, directly or indirectly, not less than one-half of the voting power in the company paying the dividend, credit shall be allowed as if the dividend were a dividend of a class in relation to which the arrangements so provide.

(8) Credit shall not be allowed under the arrangements against income tax chargeable in respect of the income of any person for any year of assessment if he elects that credit shall not be allowed in the case of his income for that year.

(9) Any claim for an allowance by way of credit shall be made not later than two years after the end of the year of assessment, and in the event of any dispute as to the amount allowable the claim shall be subject to objection and appeal in like manner as an assessment.

(10) Where the amount of any credit given under the arrangements is rendered excessive or insufficient by reason of any adjustment of the amount of any tax payable either in Singapore or elsewhere, nothing in this Act limiting the time for the making of assessments or claims for relief shall apply to any assessment or claim to which the adjustment gives rise, being an assessment or claim made not later than two years from the time when all such assessments, adjustments and other determinations have been made, whether in Singapore or elsewhere, as are material in determining whether any, and if so what, credit falls to be given.

(11) Nothing in this section shall authorise the reduction of any tax payable on income accruing in or derived from Singapore by virtue of the allowance of any credit under this section.

5/77
(from Y/A
1977).

Unilateral
tax credits.
7/85
(from Y/A
1986).

50A.—(1) To such extent as the Minister may by regulations prescribe, tax credit under section 50 shall, subject to those regulations, be given to any person resident in Singapore for tax payable under the law of any territory outside Singapore in respect of any income (including income from employment) derived by him from such professional, consultancy and other services as may be so prescribed notwithstanding that there are no arrangements for the time being in force under section 49 with the government of that territory.

(2) The Minister may in any regulations under subsection (1) specify the territories in respect of which those regula-

tions shall have effect; and section 50 shall, with the necessary modifications and subject to those regulations, apply for the purposes of that subsection as if any territory to which those regulations have effect were a territory with which arrangements have been made under section 49.

PART IX

PERSONS CHARGEABLE, ETC.

Husband and wife

51.—(1) Save as provided in subsection (4), the income of a married woman living with her husband shall, for the purposes of this Act, be deemed to be the income of the husband, and shall be charged in the name of the husband and not in her name nor in that of her trustee: Wife's income.

Provided that that part of the total amount of tax charged upon the husband which bears the same proportion to that total amount as the amount of the assessable income of the wife bore to the amount of the assessable income of the husband and wife may, if necessary, be collected from the wife, notwithstanding that no assessment has been made upon her.

(2) (a) When a married woman is not living with her husband each spouse shall for all purposes of this Act be treated as if he or she were unmarried.

(b) Any amount payable by way of alimony or allowance under any judicial order or written agreement of separation or under any decree of divorce shall be returned as the separate income of the person to whom it is paid.

(3) For the purposes of this Act, a married woman shall be treated as living with her husband unless —

- (a) they are separated under an order of court of competent jurisdiction or by deed of separation;
- (b) they are in fact separated in such circumstances that the separation is likely to be permanent; or
- (c) she is, and her husband is not, resident in Singapore.

(4) A married woman living with her husband may elect to be chargeable in her own name on her earned income and on her investment income (that is to say, income other than earned income) if the Comptroller is satisfied that such 1/82
(from Y/A
1982).

investment income is attributable to assets and investments acquired by her from her earned income.

(5) For the purposes of subsection (4), the earned income of a married woman shall include all income earned by her from any trade, business, profession or vocation carried on by her separately from her husband and also all income earned by her in the exercise of her profession as a duly qualified accountant, advocate and solicitor, architect, dentist, engineer, medical practitioner or pharmacist, and any other profession as may be approved by the Minister and notified in the *Gazette*, whether as an employee or partner of her husband, but save as so provided shall not include any income derived by a married woman, whether as an employee or not, from any trade, business, profession or vocation carried on by her husband either on his own account or as a partner.

Trustees, agents and curators

Chargeability
of trustees,
etc.

52. A receiver appointed by the court, a trustee, guardian, curator or committee, having the direction, control or management of any property or concern on behalf of any incapacitated person shall be chargeable to tax in like manner and to the like amount as such person would be chargeable if he were not an incapacitated person:

Provided that this section shall not be construed to make any person chargeable to tax in respect of an incapacitated person, liable in such respect, for a greater amount of tax than that for which the incapacitated person would have been liable had no receiver, trustee, guardian, curator or committee been appointed.

Chargeability
of agent
of person
residing out
of Singapore.

53.—(1) (a) A person not resident in Singapore (referred to in this section as a non-resident person) shall be assessable and chargeable to tax either directly or in the name of his trustee, guardian, or committee, or of any attorney, factor, agent, receiver, branch or manager, whether such attorney, factor, agent, receiver, branch or manager has the receipt of the income or not, in like manner and to the like amount as such non-resident person would be assessed and charged if he were resident in Singapore and in the actual receipt of such income:

Provided that in the case of any individual who is not resident in Singapore, no deduction shall be allowed

under section 39 except in such manner as is provided by section 40.

(b) A non-resident person shall be assessable and chargeable in respect of any income arising, whether directly or indirectly, through or from any attorneyship, factorship, agency, receivership, branch or management, and shall be so assessable and chargeable in the name of the attorney, factor, agent, receiver, branch or manager.

(c) A non-resident beneficiary of the estate of a deceased person shall, where the estate is being administered in Singapore, be assessable and chargeable in respect of the income received by or distributed to him or applied to his benefit in the name of the executor of the estate as if the executor were an agent of the non-resident beneficiary.

(2) Where a non-resident person carries on business with a resident person and it appears to the Comptroller that owing to the close connection between the resident person and the non-resident person and to the substantial control exercised by the non-resident person over the resident person the course of business between those persons can be so arranged and is so arranged that the business done by the resident person in pursuance of his connection with the non-resident person produces to the resident person either no profits or less than the ordinary profits which might be expected to arise from that business, the non-resident person shall be assessable and chargeable to tax in the name of the resident person as if the resident person were an agent of the non-resident person.

(3) Where the true amount of the gains or profits of any non-resident person chargeable with tax in the name of a resident person cannot in any case be readily ascertained the Comptroller may, if he thinks fit, assess and charge the non-resident person on a fair and reasonable percentage of the turnover of the business done by the non-resident person through or with the resident person in whose name he is chargeable as aforesaid, and in such case the provisions of this Act relating to the delivery of returns or particulars by persons acting on behalf of others shall extend so as to require returns or particulars to be furnished by the resident person of the business so done by the non-resident person through or with the resident person in the same manner as returns or particulars are to be delivered by persons acting

for incapacitated or non-resident persons of income to be charged:

Provided that the amount of the percentage shall in each case be determined with regard to the nature of the business and shall, when determined by the Comptroller, be subject to appeal in accordance with the provisions of Part XII.

(4) Nothing in this section shall render a non-resident person chargeable in the name of a broker or general commission agent or other agent where such broker, general commission agent or agent is not an authorised person carrying on the regular agency of the non-resident person, or person chargeable as if he were an agent in pursuance of subsections (2) and (3), in respect of gains or profits arising from sales or transactions carried out through such a broker or agent.

(5) The fact that a non-resident person executes sales or carries out transactions with other non-resident persons in circumstances which would make him chargeable in pursuance of subsections (2) and (3) in the name of a resident person shall not of itself make him chargeable in respect of gains or profits arising from those sales or transactions.

(6) Where a non-resident person is chargeable to tax in the name of any attorney, factor, agent, receiver or manager, in respect of any gains or profits arising from the sale of goods or produce manufactured or produced outside Singapore by the non-resident person, the person in whose name the non-resident person is so chargeable may, if he thinks fit, apply to the Comptroller to have the assessment to tax in respect of those gains or profits made or amended on the basis of the profits which might reasonably be expected to have been earned by a merchant or, where the goods are retailed by or on behalf of the manufacturer or producer, by a retailer of the goods sold, who had bought from the manufacturer or producer direct, and on proof to the satisfaction of the Comptroller of the amount of the profits on the basis aforesaid, the assessment shall be made or amended accordingly.

(7) The master of any ship and the captain of any aircraft owned or chartered by a non-resident person who is chargeable under section 12 (2) shall (though not to the exclusion of any other agent) be deemed the agent of such non-resident person for all the purposes of this Act.

(8) The income of any non-resident partner or partners from a partnership shall be assessable in the name of the partnership or of any resident partner or of any agent of the partnership in Singapore, and the tax charged thereon shall be recoverable by all means provided in this Act out of the assets of the partnership or from any partner or from any such agent.

54. The person who is chargeable in respect of an incapacitated person, or in whose name a non-resident person is chargeable, shall be answerable for all matters required to be done by virtue of this Act for the assessment of the income of any person for whom he acts and for paying the tax chargeable thereon.

Acts to be done by trustees and certain others.

55. The manager or principal officer in Singapore of every company or body of persons shall be answerable for doing all such acts, matters and things as are required to be done by virtue of this Act for the assessment of the company or body and payment of tax.

Managers of companies or bodies of persons.

56. Every person answerable under this Act for the payment of tax on behalf of another person may retain out of any money coming to his hands on behalf of the other person so much thereof as shall be sufficient to pay the tax; and shall be and is hereby indemnified against any person whatsoever for all payments made by him in pursuance and by virtue of this Act.

Indemnification of representative.

57.—(1) The Comptroller may by notice in writing, if he thinks it necessary, declare any person to be the agent of any other person, and the person so declared the agent shall be the agent of such other person for the purposes of this Act and may be required to pay any tax due from any moneys, including pensions, salary, wages or any other remuneration, which may be held by him for or due by him to the person whose agent he has been declared to be, and in default of such payment the tax shall be recoverable from him in the manner provided by section 90.

Power to appoint agent.

(2) For the purposes of this section, the Comptroller may require any person to give him information as to any moneys, funds or other assets which may be held by him for, or of any moneys due by him to, any other person.

Power to require information.

(3) Where any person declared by the Comptroller to be the agent of any other person under subsection (1) is aggrieved by such declaration he may, by notice in writing to the Comptroller within 14 days, or within such further time as the Comptroller in his discretion may allow, object to the declaration.

(4) The Comptroller shall examine the objection and may cancel, vary or confirm the declaration.

(5) Where the objector is aggrieved by the Comptroller's decision upon his objection, he may appeal against such decision to the Board of Review and the provisions of Part XII shall apply *mutatis mutandis*.

58. Where an individual dies, then as respects income Deceased persons. arising before his death all rights and duties which would have attached to him, and any liability to be charged with or to pay tax to which he would have been subject under this Act if he had not died, shall pass to his executor, and the amount of any tax payable by the executor under this section shall be a debt due from and payable out of the estate of the deceased:

Provided that —

- (a) any assessment or additional assessment on any such income shall not be made later than the end of the third year of assessment following that in which the individual died;
- (b) where, by reason of the death of the individual, a trade, business, profession, vocation or employment ceases to be carried on or exercised by him or the income from any other source ceases, and section 35 applies, the executor of the individual shall be liable for the tax for which the individual would have been liable if he had not died but, except in the case of dividends, a cessation had taken place at the date of his death;
- (c) in the case of an individual dying during the year preceding the year of assessment, if his executor distributes the estate before the commencement of the year of assessment, such executor shall pay any tax for that year of assessment at the rate or rates in force at the date of distribution of the estate, if the rate of tax for that year of assessment has not been varied at that date.

59. Where a company is being wound up, the liquidator of the company shall not distribute any of the assets of the company to the shareholders thereof unless he has made provision for the payment in full of any tax which may be found payable by the company. Company wound up.

60. Where two or more persons act in the capacity of trustees of a trust they may be charged jointly or severally with the tax with which they are chargeable in that capacity and shall be jointly and severally liable for payment of the same. Joint trustees.

61. The income of a Hindu joint family shall for the purposes of this Act be assessed and charged on the manager or "karta" of such Hindu joint family and he shall be liable for payment of the tax accordingly. Hindu joint families.

62. (*Repealed by Act 2/86*).

PART X

RETURNS

63.—(1) The Comptroller may, by notice in writing, require any person to furnish him within a reasonable time with a return of income and such particulars as may be required for the purpose of ascertaining the income, if any, for which such person is chargeable under this Act, and in the case of a married woman for which her husband is chargeable under this Act. Notice of chargeability and returns. 26/73.

(1A) For the purposes of subsection (1), the Comptroller may require a married woman who has not furnished a separate return of her income to verify the return furnished by her husband in so far as it relates to her income and to sign such return. 4/75.

(2) Every person chargeable with tax for any year of assessment who has not been required within 3 months after the commencement of such year of assessment to make a return of his income for that year as provided in subsection (1) shall within 14 days after the expiration of that period give notice to the Comptroller that he is so chargeable:

Provided that any individual who arrives in Singapore during any year of assessment shall give such notice within one month of the date of his arrival.

4/75.

(2A) Subsection (2) shall apply to a married woman in respect of any income derived by her for which her husband is chargeable.

(3) Any person who fails or neglects without reasonable excuse to give such notice of chargeability or to furnish such return or particulars shall be guilty of an offence.

Furnishing of estimate where accounting year ends on or before 30th September. 5/77.

63A.—(1) Where the accounting period in respect of any trade, business, profession or vocation ends on or before 30th September in any year, the person carrying on such trade, business, profession or vocation shall, within 3 months after the end of the accounting period, furnish to the Comptroller an estimate of his chargeable income.

(2) Any person who fails or neglects without reasonable excuse to furnish the estimate of his chargeable income as required under subsection (1) shall be guilty of an offence.

Comptroller may call for further returns.

64. The Comptroller may give notice in writing to any person when and as often as he thinks necessary requiring him to furnish within a reasonable time limited by such notice fuller or further returns respecting any matter as to which a return is required by or under this Act.

Power to call for returns, books, etc.

65. For the purpose of obtaining full information in respect of any person's income, the Comptroller may give notice to such person requiring him within the time limited by such notice, which time shall not be less than 30 days from the date of service of such notice, to complete and deliver to the Comptroller any return specified in such notice and in addition or alternatively requiring him to attend personally before him and to produce for examination any books, documents, accounts and returns which the Comptroller may deem necessary.

Statement of bank accounts, assets, etc.

65A. The Comptroller may give notice in writing to any person requiring him to furnish within the time limited by such notice, not being less than 30 days from the date of service of such notice, a statement containing particulars of —

- (a) all banking accounts, whether current or deposit, business or private, in his own name or in the name or names of his wife or wives, or in any other name, in which he is or has been

interested, or on which he has or has had power to operate, jointly or solely, and which are in existence or which have existed at any time during the period stated in the notice;

- (b) all savings and loan accounts, deposits, building society and co-operative society accounts, in regard to which he has, or has had, any interest or power to operate jointly or solely during the periods aforesaid;
- (c) all assets, other than those referred to in paragraph (a) or (b) which he and his wife or wives possess, or have possessed, during the period aforesaid;
- (d) all sources of income not referred to in paragraph (a), (b) or (c) and the income derived therefrom; and
- (e) all facts bearing upon his liability to income tax to which he is, or has been, liable:

Provided that no such notice may be given in respect of any period commencing before 1st January 1947.

65B.—(1) The Comptroller or any officer authorised by him in that behalf shall at all times have full and free access to all buildings, places, books, documents and other papers for any of the purposes of this Act, and may, without fee or reward, inspect, copy or make extracts from any such books, documents or papers.

Power of
Comptroller
to obtain
information.

(1A) The Comptroller may take possession of any such books, documents or papers where in his opinion —

- (a) the inspection, copying or extraction thereof cannot reasonably be performed without taking possession;
- (b) the books, documents or papers may be interfered with or destroyed unless possession is taken; or
- (c) the books, documents or papers may be required as evidence in proceedings for an offence under this Act or in proceedings for the recovery of tax or penalty, or in proceedings by way of an appeal against an assessment.

(2) The Comptroller may require any person to give orally or in writing, as may be required, all such information concerning his or any other person's income or assets or

liabilities as may be demanded of him by the Comptroller for the purposes of this Act:

Provided that no person shall by virtue of this section be obliged to disclose any particulars as to which he is under any statutory obligation to observe secrecy.

Failure to comply with notices issued by Comptroller. 4/75.

65C. Any person who fails or neglects without reasonable excuse to comply with any notice issued by the Comptroller under section 64, 65, 65A or 65B shall be guilty of an offence.

Returns to be deemed to be furnished by due authority.

66. A return, statement or form purporting to be furnished under this Act by or on behalf of any person shall for all purposes be deemed to have been furnished by that person or by his authority, as the case may be, unless the contrary is proved, and any person signing any such return, statement or form shall be deemed to be cognizant of all matters therein.

Keeping of books of account and giving of receipts.

67.—(1) Subject to subsection (2), every person carrying on or exercising any trade, business, profession or vocation —

(a) shall keep and retain in safe custody sufficient records to enable his income and allowable deductions under this Act to be readily ascertained by the Comptroller or any officer authorised in that behalf by the Comptroller;

(b) shall, if the gross receipts from such trade, business, profession or vocation in the preceding calendar year exceeded \$18,000 from the sale of goods, or \$12,000 from the performance of services, issue a printed receipt serially numbered for every sum received in respect of goods sold or services performed in the course of or in connection with such trade, business, profession or vocation, and shall retain a duplicate of every such receipt:

Provided that where a machine is used for recording sales a receipt may be dispensed with if the Comptroller is satisfied that —

(i) such machine automatically records all sales made; and

- (ii) the total of all sales made in each day is transferred at the end of the day to a record of sales.

(2) The Comptroller may by notice in writing to any person carrying on or exercising any trade, business, profession or vocation, or by a notice in the *Gazette* in respect of any class or description of any such person, prescribe —

- (a) the form of the records to be kept under subsection (1) (a), and the manner in which such records shall be kept and retained; and
- (b) the form of the receipts to be issued and the duplicates to be retained under subsection (1) (b), and the manner in which such receipts shall be issued and such duplicates shall be retained,

and every such person shall be bound to comply with such notice.

(3) The Comptroller may waive all or any of the provisions of subsection (1) in respect of any person or records or any class or description of persons or records.

(4) For the purposes of this section “records” includes —

- (a) books of account recording receipts or payments or income or expenditure;
- (b) invoices, vouchers, receipts, and such other documents as in the opinion of the Comptroller are necessary to verify the entries in any books of account; and
- (c) any records relating to any trade, business, profession or vocation carried on or exercised on or after 1st January 1947.

68.—(1) The Comptroller may require any officer in the employment of the Government or of any public authority or body corporate constituted by statute to supply such particulars as may be required for the purposes of this Act and which may be in the possession of the officer:

Official information and official secrecy.

Provided that no such officer shall by virtue of this section be obliged to disclose any particulars as to which he is under any statutory obligation to observe secrecy.

Returns to
be made by
employer.

(2) The Comptroller may, by notice published in the *Gazette*, require every employer to prepare and deliver, for any year specified in the notice and within the time limited thereby, a return in the prescribed form containing —

- (a) the names and places of residence of such classes of persons employed by him as may be specified in the notice; and
- (b) the full amount of remuneration, whether in cash or otherwise, paid or payable to those persons in respect of such employment,

and every employer shall be bound to comply with any such notice within the time for compliance limited thereby:

Provided that it shall not be necessary to deliver nil returns.

(3) Where the employer is a company or a body of persons, the manager or principal officer shall be deemed to be the employer for the purposes of this section, and any director of a company, or person engaged in the management of a company, shall be deemed to be a person employed.

(4) Where an employer commences to employ in Singapore an individual who is or is likely to be chargeable to tax under section 10 (1) (b), he shall give notice thereof in writing to the Comptroller not later than 3 months after the date of commencement of such employment, stating the full name and address of the individual, the date of commencement and the terms of employment.

28/80.

(5) Where an employer ceases or is about to cease to employ in Singapore an individual who is not a citizen of Singapore and who is or is likely to be chargeable to tax under section 10 (1) (b), he shall give notice thereof in writing to the Comptroller not later than one month before such individual ceases to be employed in Singapore, stating the name and address of the individual and the expected date of cessation:

Provided that the Comptroller may accept such shorter notice as he may consider reasonable.

28/80.

(6) The employer of any individual who is chargeable to tax under section 10 (1) (b) and who is to the knowledge of such employer about to leave or intending to leave Singapore for any period exceeding 3 months shall give notice in

writing to the Comptroller of the expected date of departure of such individual. Such notice shall be given not later than one month before the expected date of departure:

Provided that the Comptroller may accept such shorter notice as he may consider reasonable:

And provided further that this subsection shall not apply in the case of an individual who is required in the course of his employment to leave Singapore at frequent intervals or who is a citizen of Singapore.

(7) Where an employer has in his possession any moneys whatsoever which are or may be payable to or for the benefit of an employee who has ceased or is about to cease to be employed by him in Singapore he shall not, without the permission of the Comptroller, pay any part of such moneys to or for the benefit of such employee until the expiry of 30 days after the receipt by the Comptroller of such notice as is required to be given under subsection (5).

(8) Where any person ceases or is about to cease being a partner, and such person is likely to be chargeable to tax in Singapore, the partners present in Singapore shall, unless it is impracticable to do so, give one month's notice in writing to the Comptroller before such person ceases to be a partner, stating the name and address of such person and the expected date of such person ceasing to be a partner:

Provided that the Comptroller may accept such shorter notice as he may consider reasonable.

(9) Where any partner is leaving or intending to leave Singapore for any period exceeding 3 months and is likely to be chargeable to tax in Singapore, the partners present in Singapore shall, unless it is impracticable to do so, give one month's notice in writing to the Comptroller of the expected date of departure of such partner:

Provided that the Comptroller may accept such shorter notice as he may consider reasonable:

And provided further that this subsection shall not apply in the case of a partner who is required in the course of his business to leave Singapore at frequent intervals.

(10) Where any person who has ceased or is about to cease being a partner in Singapore has moneys due or payable to him from the partnership, the partners present in

Singapore shall not, without the written permission of the Comptroller, pay such moneys or any part thereof to that person.

Lists to be prepared by representative or agent.

69. Every person who, in whatever capacity, is in receipt of any money or value being income arising from any of the sources mentioned in this Act of or belonging to any other person who is chargeable in respect thereof, or who would be so chargeable if he were resident in Singapore and not an incapacitated person, shall whenever required to do so by any notice from the Comptroller, prepare and deliver within the period mentioned in the notice a return signed by him, containing —

- (a) a true and correct statement of all such income; and
- (b) the name and address of every person to whom the income belongs.

Occupiers to furnish return of rent payable.

70. The Comptroller may give notice in writing to any person who is the occupier of any land or premises requiring him to furnish within the time limited by such notice, not being less than 30 days from the date of service of such notice, a return containing —

- (a) the name and address of the owner of such land or premises or the name and address of the person to whom he pays rent therefor; and
- (b) a true and correct statement of the rent payable and any other consideration passing in respect of such occupation.

Return to be made by a partnership.

71.—(1) Where a trade, business, profession or vocation is carried on by two or more persons jointly, the precedent partner, that is to say, the partner who, of the partners personally present in Singapore —

- (a) is first named in the agreement of partnership;
- (b) if there is no agreement, is specified by name or initial singly or with precedence to the other partners in the usual name of the firm; or
- (c) is the precedent acting partner if the partner named with precedence is not an acting partner,

shall, when required by the Comptroller, make and deliver a return of the income of the partnership for any year, such income being ascertained in accordance with the provisions

of this Act, and declare therein the names and addresses of the other partners in the firm together with the amount of the share of the income to which each partner was entitled for that year.

(2) Where no partner is personally present in Singapore, the return shall be made and delivered by the attorney, agent, manager or factor of the firm in Singapore.

PART XI

ASSESSMENTS

72.—(1) The Comptroller shall proceed to assess every person chargeable with tax as soon as may be after the expiration of the time allowed to such person for the delivery of the return provided for in section 63. Comptroller to make assessments.

(2) Where a person has delivered a return, the Comptroller may —

- (a) accept the return and make an assessment accordingly; or
- (b) refuse to accept the return and, to the best of his judgment, determine the amount of the chargeable income of the person and make an assessment accordingly.

(3) Where a person has not delivered a return and the Comptroller is of the opinion that such person is liable to pay tax, he may, according to the best of his judgment, determine the amount of the chargeable income of such person and make an assessment accordingly, but such assessment shall not affect any liability otherwise incurred by such person by reason of his failure or neglect to deliver a return.

72A.—(1) Notwithstanding section 72, where —

- (a) in any year of assessment a person ceases to carry on a trade, business, profession, vocation or employment; or
- (b) the Comptroller is of the opinion that any person possessing a source of income is about to leave Singapore and is likely to cease to possess that source in the year of assessment in which he leaves Singapore or in the following two years,

Advance assessments.

the Comptroller may make such assessment or additional assessments as may be necessary to bring to charge the full amount of the income from all sources derived or to be derived by such person up to the year in which the source of income ceases or is likely to cease.

(2) Where the income of a person is ascertained under section 27, the Comptroller may make an assessment in respect of any income of such person within the year in which the income is deemed to accrue.

(3) Where the statutory income of any person has been computed under section 35 (2), the Comptroller may, if he thinks fit, as soon as may be after the end of such accounting period make an assessment in respect of the income of that person for the year of assessment following that in which such accounting period ends.

5/77.

(3A) In making an assessment under subsection (3), the Comptroller may have regard to the estimate of chargeable income furnished under section 63A or he may make an assessment according to the best of his judgment where such estimate of chargeable income has not been furnished or has been rejected by him.

(4) Where the Comptroller has exercised his powers to make an advance assessment under this section, such assessment shall be made on the assumption that —

- (a) the provisions of this Act in force during the year of assessment in which such assessment is made will continue in force for the year of assessment for which such assessment is made; and
- (b) if such person so assessed is an individual, the personal circumstances of that person will be the same in the year of assessment as they were when such assessment is in fact made:

Provided, however, that if it appears to the Comptroller that by reason of such assumption an advance assessment so made has become less favourable to that person than it would have been if made under section 35 (1), he shall amend such assessment as to him seems reasonable:

And provided further that nothing in this section shall affect the Comptroller's right to make any additional assessment due to any change of circumstances and without prejudice to the generality of section 73.

73.—(1) Where it appears to the Comptroller that any person liable to tax has not been assessed or has been assessed at a less amount than that which ought to have been charged, the Comptroller may within the year of assessment or within 12 years after the expiration thereof, assess that person at such amount or additional amount as according to his judgment ought to have been charged: Additional assessments.

Provided that where, in the opinion of the Comptroller, any form of fraud or wilful default has been committed by or on behalf of any person in connection with or in relation to tax, the Comptroller may, for the purpose of making good any loss of tax attributable to fraud or wilful default, assess that person at any time.

(2) The provisions of this Act as to notice of assessment, appeal and other proceedings under this Act shall apply to any assessment or additional assessment made under subsection (1) and to tax charged thereunder.

73A. Where it appears to the Comptroller that the amount of any tax or additional tax to which any person is liable does not exceed \$5 he may waive the assessment of such tax. Waiver of small assessments.

74. *(Repealed by Act 7/79).*

75. *(Repealed by Act 29/65).*

76.—(1) The Comptroller shall cause to be served personally on or sent by registered post to each person assessed to tax a notice stating the amount of his chargeable income, the tax payable by him, the place at which such payment should be made, and informing him of his rights under subsection (2). Service of notices of assessment. 28/80.

(2) If any person disputes the assessment, he may apply to the Comptroller, by notice of objection in writing, to review and to revise the assessment made upon him. Such application shall state precisely the grounds of his objections to the assessment and shall be made within 30 days from the date of the service of the notice of assessment: Revision of assessment in case of objection.

Provided that the Comptroller, upon being satisfied that owing to absence, sickness or other reasonable cause, the person disputing the assessment was prevented from making

the application within such period, shall extend the period as may be reasonable in the circumstances.

(3) On receipt of the notice of objection referred to in subsection (2), the Comptroller may require the person giving the notice of objection to furnish such particulars as the Comptroller may consider necessary with respect to the income of the person assessed and to produce all books or other documents in his custody or under his control relating to such income, and may summon any person who he thinks is able to give evidence respecting the assessment to attend before him and may examine that person on oath or otherwise.

(4) In the event of any person who has objected to an assessment made upon him —

- (a) agreeing with the Comptroller as to the amount at which he is liable to be assessed, the assessment shall be amended accordingly, and notice of the tax payable shall be served upon that person; or
- (b) failing to agree with the Comptroller as to the amount at which he is liable to be assessed, the Comptroller shall give him notice of refusal to amend the assessment as desired by that person and may revise the assessment to such amount as the Comptroller may determine, according to the best of his judgment, and the Comptroller shall give him notice of the revised assessment and of the tax payable together with notice of refusal to amend the revised assessment; and, wherever requisite, any reference in this Act to an assessment or an additional assessment shall be construed as including a reference to an assessment or additional assessment as revised under this paragraph.

Errors and defects in assessment and notice.

77.—(1) No assessment, warrant or other proceeding purporting to be made in accordance with the provisions of this Act shall be quashed, or deemed to be void or voidable, for want of form, or be affected by reason of a mistake, defect or omission therein, if it is in substance and effect in conformity with or according to the intent and meaning of this Act, and if the person assessed or intended to be assessed or affected thereby is designated therein according to common intent and understanding.

- (2) An assessment shall not be impeached or affected —
- (a) by reason of a mistake therein as to —
- (i) the name or surname of a person liable;
 - (ii) the description of any income; or
 - (iii) the amount of tax charged;
- (b) by reason of any variance between the assessment and the notice thereof:

Provided that in cases of assessment the notice thereof shall be duly served on the person intended to be charged and such notice shall contain in substance and effect the particulars on which the assessment is made.

PART XII

APPEALS

78.—(1) For the purpose of hearing appeals in the manner hereinafter provided, there shall be a Board of Review (referred to in this Part as the Board) consisting of not more than 30 members appointed from time to time by the Minister. Members of the Board shall hold office for such period as may be determined by the Minister and shall be eligible for reappointment:

Constitution
of Board
of Review.
1/90.

Provided that —

- (a) the Minister may at any time remove any member of the Board from office without assigning any reason therefor;
- (b) a member may resign his office by notice in writing to the Minister.

(2) (a) The Minister shall appoint to be Chairman of the Board a person who is either qualified to be a District Judge or is an accountant. The Chairman shall, when present, preside at every meeting of the Board, and in his absence such member of the Board as may be chosen by the members present shall preside.

(b) The Minister may appoint a clerk or clerks to the Board and such other officers and employees of the Board as may be necessary.

(3) All the powers, functions and duties of the Board may be exercised, discharged and performed by any committee of the Board consisting of not less than 3 members of

the Board. Any act, finding or decision of any such committee shall be deemed to be the act, finding or decision of the Board.

(4) The clerk shall, from time to time, summon such members of the Board as may be nominated by the Minister, or by any officer of the Government authorised in that behalf by the Minister, to constitute a committee of the Board for the purposes of giving effect to the provisions of this Part, and it shall be the duty of such members to attend at the times and places specified in the summons.

7/79.

(5) All matters coming before a committee of the Board at any sitting thereof shall be decided by a majority of votes of those members present, and, in the event of an equality of votes, the Chairman of the Board or any other member presiding shall have a second or casting vote.

(6) Members of the Board shall be entitled to receive such remuneration and such travelling and subsistence allowances as the Minister may determine.

(7) The Minister may make regulations —

- (a) prescribing the manner in which appeals shall be made to the Board;
- (b) prescribing the procedure to be adopted by the Board in hearing appeals and the records to be kept by the Board;
- (c) prescribing the places where and the times at which appeals shall be heard by the Board;
- (d) prescribing the fees to be paid in respect of any appeal under this Part;
- (e) prescribing a scale of costs in respect of appeals to the Board; and
- (f) generally for the better carrying out of the provisions of this Part.

Right of
appeal.

79.—(1) Any person who, being aggrieved by an assessment made upon him, has failed to agree with the Comptroller in the manner provided in section 76 (4) may appeal to the Board by —

- (a) lodging with the clerk, within 7 days from the date of the refusal of the Comptroller to amend the assessment as desired, a written notice of appeal in duplicate; and

- (b) lodging with the clerk, within 30 days of the date on which such notice of appeal was lodged, a petition of appeal in quadruplicate containing a statement of the grounds of appeal.

(2) A notice of appeal shall contain an address for service and a list of the names of any members of the Board to whom the appellant objects: ^{7/79} (from Y/A 1978).

Provided that an appellant shall not be entitled to object to the Chairman of the Board and to more than one-third of the total number of members of the Board.

(3) On receipt of a notice of appeal, the clerk shall forthwith forward one copy thereof to the Comptroller who may, within 3 days of the receipt of such copy, lodge with the clerk a list of any members of the Board to whom he objects: ^{7/79} (from Y/A 1978).

Provided that the Comptroller shall not be entitled to object to the Chairman of the Board and the number of members of the Board objected to by the Comptroller shall not, when added to the number objected to by the appellant, exceed one-half of the total number of members of the Board.

(4) No member of the Board to whom the appellant or the Comptroller has objected as provided in subsections (2) and (3) shall attend the hearing of the appeal of such appellant.

(5) The Board may, in its discretion and on such terms as it may see fit, permit any person to proceed with an appeal notwithstanding that the notice of appeal or petition of appeal was not lodged within the time limited therefor by this section, if it is shown to the satisfaction of the Board that the person was prevented from lodging the notice or petition in due time owing to absence, sickness or other reasonable cause and that there has been no unreasonable delay on his part.

(6) Except with the consent of the Board and on such terms as the Board may determine, an appellant may not at the hearing of his appeal rely on any grounds of appeal other than the grounds stated in his petition of appeal.

80.—(1) On receipt of a petition of appeal the clerk shall forthwith forward one copy thereof to the Comptroller and shall, as soon as may be thereafter, fix a time and place for ^{Hearing and disposal of appeals.}

the hearing of the appeal and shall give 14 days' notice thereof both to the appellant and to the Comptroller.

(2) The appellant and the Comptroller shall attend, either in person or by an advocate and solicitor or accountant, at such times and places as may be fixed for the hearing of the appeal:

Provided that if it is proved to the satisfaction of the Board that, owing to absence, sickness or other reasonable cause, any person is prevented from so attending, the Board may postpone the hearing of the appeal for such reasonable time as it thinks necessary.

(3) The onus of proving that the assessment is excessive shall be on the appellant.

(4) (*Deleted by Act 5/77*).

(5) The Board shall have the following powers:

- (a) to summon to attend at the hearing of an appeal any person whom it may consider able to give evidence respecting the appeal, to examine such person as a witness either on oath or otherwise and to require such person to produce such books, papers or documents as the Board may think necessary for the purposes of the appeal;
- (b) to allow any person so attending any reasonable expenses necessarily incurred by him in so attending; such expenses shall form part of the costs of the appeal and, pending and subject to any order by the Board as to such costs, shall be paid by the appellant or the Comptroller, as the Board may direct;
- (c) all the powers of a District Court with regard to the enforcement of attendance of witnesses, hearing evidence on oath and punishment for contempt;
- (d) subject to section 79 (6), to admit or reject any evidence adduced, whether oral or documentary and whether admissible or inadmissible under the provisions of any written law for the time being in force relating to the admissibility of evidence.

(6) Every person examined as a witness by or before the Board, whether on oath or otherwise, shall be legally bound

to state the truth and to produce such books, papers or documents as the Board may require.

(7) The costs of an appeal shall be in the discretion of the Board and shall either be fixed by the Board or, on the order of the Board, taxed by the Registrar or an Assistant Registrar of the Supreme Court in accordance with the scale prescribed by regulations made under section 78 (7).

(8) Where the Comptroller is awarded costs of an appeal, he shall be entitled to his full costs of the appeal, including a fee for any counsel appearing on his behalf in the appeal, and the amount of such costs shall be added to the tax charged and be recoverable therewith.

(9) Notwithstanding anything in section 86, the Board may, on the application of the Comptroller made at any time after notice of appeal has been given, require the appellant to furnish security, in such sum and within such time as may be specified, for payment of tax, and if security is not furnished in the sum and within the time specified, the tax assessed by the Comptroller shall become payable and recoverable forthwith.

(10) The Board may, after hearing an appeal, confirm, reduce, increase or annul the assessment or make such order thereon as it thinks fit.

(11) Where, under subsection (10), the Board does not reduce or annul the assessment, the Board may, if in its opinion the appeal was vexatious or frivolous, order the appellant to pay, as costs of the Board and in addition to any costs awarded to the Comptroller, a sum not exceeding \$250, which sum shall be added to the tax charged and be recoverable therewith.

(12) Every member of the Board, when and so long as he is acting as such, shall be deemed to be a public servant within the meaning of the Penal Code and shall enjoy the same judicial immunity as is enjoyed by a District Judge; and all proceedings in appeals to the Board under this Act shall be deemed to be judicial proceedings within the meaning of the Penal Code. Cap. 224.

(13) Notice of the amount of tax payable under the assessment as determined by the Board shall be served by the Comptroller either personally or by registered post upon the appellant.

Appeals to
High Court.

81.—(1) Except as provided in this section, the decision of the Board shall be final.

(2) In any case in which the amount of tax payable, as determined by the Board (excluding the amount of any costs awarded) exceeds \$200, the appellant or the Comptroller may appeal to the High Court from the decision of the Board upon any question of law or of mixed law and fact.

(3) The procedure governing such appeals to the High Court shall be the same as for appeals to the High Court from decisions of District Courts in civil matters.

(4) The High Court shall hear and determine any such appeal and may confirm, reduce, increase or annul the assessment determined by the Board and make such further or other order on such appeal, whether as to costs or otherwise, as to the Court may seem fit.

(5) There shall be such further right of appeal from decisions of the High Court under this section as exists in the case of decisions made by that Court in the exercise of its original civil jurisdiction.

Cap. 322.

(6) The Rules Committee constituted and appointed under section 80 of the Supreme Court of Judicature Act may make rules regulating all matters relating to the costs of proceedings in appeals to the High Court or to the Court of Appeal under this section.

Cases stated
for High
Court.

82.—(1) The Board may at any time and in regard to any appeal, with or without proceeding to the determination of the appeal, state a case on a question of law for the opinion of the High Court.

(2) A stated case shall set forth the facts and any finding of fact by the Board, the decision, if any, of the Board, and the question for the opinion of the Court, and shall be signed by the officiating chairman or, in his absence, by any other member attending the sitting at which the appeal was heard.

(3) The clerk shall transmit the case, when stated and signed as aforesaid, to the High Court, and shall forward a copy thereof to the appellant and to the Comptroller.

(4) The High Court may cause a stated case to be sent back for amendment and thereupon the case shall be amended accordingly.

(5) In considering any stated case, the High Court shall afford opportunity for argument thereon to be put forward by or on behalf of the appellant and the Comptroller.

(6) The High Court shall hear and determine any question of law arising on a stated case and may in accordance with its decision thereon confirm, reduce, increase or annul any assessment determined by the Board in the appeal, or may remit the case to the Board with the opinion of the Court thereon. Where a case is so remitted by the High Court, the Board shall be bound by the opinion of the Court and shall give effect thereto by its decision in the appeal or, as the case may be, by revising any previous decision made by it in the appeal to the extent, if any, to which that previous decision does not accord with the opinion of the Court.

83.—(1) Subject to subsections (2) and (3), all proceedings before the Board of Review and in appeals to, or in cases stated for the opinion of, the High Court under the provisions of this Part, and in appeals from decisions of the High Court under section 81 (5) shall be heard in camera.

Proceedings
before Board
of Review
and High
Court.
5/77.

(2) Where the Comptroller or the taxpayer applies to the Board or the Court, as the case may be, that the proceedings be heard by way of a hearing open to the public, the Board or the Court may direct that the proceedings be so heard, notwithstanding any objection from the other party to the proceedings.

(3) Where in the opinion of the Board or the Court any proceedings heard in camera ought to be reported, the Board or the Court may publish or authorise the publication of the facts of the case, the arguments and the decision relating to these proceedings without disclosing the name of the taxpayer concerned.

84. Except as expressly provided in this Act, where no valid notice of appeal has been lodged within the time limited by this Part against an assessment, or where an assessment has been determined on appeal, the assessment as made or agreed to under section 76 (4), or determined on appeal, as the case may be, shall be final and conclusive for the purposes of this Act:

Assessments
to be
final and
conclusive.

Provided that nothing in this section shall prevent the Comptroller from making any assessment or additional

assessment under section 73 which does not involve reopening any matter which has been determined on appeal.

PART XIII

COLLECTION, RECOVERY AND REPAYMENT OF TAX

85. (*Repealed by Ord. 36/60*).

Time within which payment is to be made.
1/88.

86. Subject to section 91, tax for any year of assessment levied in accordance with the provisions of this Act shall, notwithstanding any objection or appeal against the assessment on which the tax is levied, be payable at the place stated in the notice given under section 76 within one month after the service of the notice:

Provided that the Comptroller may in his discretion extend the time limit within which payment is to be made.

Recovery of tax from persons leaving Singapore.

87.—(1) Where the Comptroller is of the opinion that any person is about or likely to leave Singapore without paying all tax assessed upon him, he may issue a certificate containing particulars of such tax and a direction to the Commissioner of Police or the Controller of Immigration, or both, that such person be prevented from leaving Singapore without paying the tax or furnishing security to the satisfaction of the Comptroller for payment thereof.

(2) Subject to the provisions of any order issued or made under any law for the time being in force relating to banishment or immigration, the Commissioner of Police or the Controller of Immigration, or both, as the case may be, shall thereupon take, or cause to be taken by any police officer or immigration officer, such measures as may be necessary to prevent the person named in the direction from leaving Singapore until payment of the tax has been made or secured as aforesaid, including the use of such force as may be necessary and, if appropriate, the detention of any passport, certificate of identity or travel document and any exit permit or other document authorising such person to leave Singapore.

(3) At the time of issue of the certificate, the Comptroller shall issue to such person a notification thereof by personal service or registered post; but the non-receipt thereof shall not invalidate any proceedings under this section.

(4) Payment of the tax to an officer in charge of a police station or to an immigration officer or production of a certificate signed by the Comptroller, a Deputy Comptroller or an Assistant Comptroller stating that the tax has been paid or secured as aforesaid shall be sufficient authority for allowing such person to leave Singapore.

(5) Any person who, knowing that a direction has been issued under this section for the prevention of his departure from Singapore, voluntarily leaves or attempts to leave Singapore without paying all tax assessed upon him or furnishing security to the satisfaction of the Comptroller for payment thereof shall be guilty of an offence and may be arrested, without warrant, by any police officer or immigration officer.

(6) No civil or criminal proceedings shall be instituted or maintained against the Government, the Commissioner of Police, the Controller of Immigration or any other police officer or immigration officer, in respect of anything lawfully done under the authority of this section.

88.—(1) Subject to subsection (2), if any tax is not paid within the periods prescribed in section 86 —

Penalty for non-payment of tax; and enforcement of payment.

(a) a sum equal to 5% of the amount of tax payable shall be added thereto, and the provisions of this Act relating to the collection and recovery of tax shall apply to the collection and recovery of such sum;

(b) the Comptroller shall serve a demand note upon the person assessed; and if payment is not made within one month from the date of the service of such demand note, the Comptroller may proceed to enforce payment as hereinafter provided;

(c) notwithstanding the preceding provisions of this subsection if the amount of tax outstanding is not paid within 60 days of the imposition of the penalty as provided by paragraph (a), an additional penalty of 1% of the tax outstanding shall be payable for each completed month that the tax remains unpaid, but the total additional penalty shall not exceed 12% of the amount of tax outstanding, and the provisions of this Act relating to the collection and recovery of tax

26/73
1/88.

shall apply to the collection and recovery of such additional penalty;

(d) penalties imposed under the preceding paragraphs shall not be deemed to be part of the tax paid for the purpose of claiming relief under any of the provisions of this Act.

(2) The Comptroller may for any good cause shown remit the whole or any part of the penalty due under subsection (1).

Change of
address.

89.—(1) Every person liable to pay income tax under the provisions of this Act shall inform the Comptroller in writing of any change in his address.

(2) Any notice or process given or served upon any person by posting the same or a copy thereof by registered post to him at his last known address shall, notwithstanding section 8 (3), be deemed to have been duly given or served and shall be conclusive evidence of the fact of service.

Suit for
tax by
Comptroller.

90.—(1) Notwithstanding the provisions of any other written law, tax and any penalty imposed under this Act and any sum due to the Government under sections 44 and 45, may be sued for by way of a specially endorsed writ of summons. The Comptroller may, in his own name, sue for any such tax, penalty or other sum due and shall be entitled to all costs allowed by law against the person liable thereto.

(2) The Comptroller may appear personally or by counsel in any suit instituted under this section.

(3) In any suit under subsection (1) the production of a certificate signed by the Comptroller giving the name and address of the defendant and the amount of tax due by him shall be sufficient evidence of the amount so due and sufficient authority for the court to give judgment for that amount.

Refusal of
clearance
where tax is
in arrear.

(4) In addition to any other powers of collection and recovery provided in this Act, the Comptroller may, with the approval of the Minister and, where the tax charged on the income of any person who carries on the business of shipowner or charterer or of air transport has been in default for more than 3 months, whether the person is assessed directly or in the name of some other person, issue to the Director-General of Customs and Excise, or other

authority by whom clearance may be granted, a certificate containing the name or names of the person and particulars of the tax in default. On receipt of such a certificate, the Director-General of Customs and Excise or other authority is hereby empowered and required to refuse clearance from any port, aerodrome or airport in Singapore to any ship or aircraft owned wholly or partly or chartered by that person until the tax has been paid.

(5) No civil or criminal proceedings shall be instituted or maintained against the Government, the Director-General of Customs and Excise or other authority in respect of a refusal of clearance under this section, nor shall the fact that a ship or aircraft is detained under this section affect the liability of the owner, charterer, or agent to pay harbour or other dues and charges for the period of detention.

90A.—(1) In any civil or criminal proceedings under this Act, every statement purporting to be under the hand of the Comptroller contained in the information, complaint, declaration or claim shall be prima facie evidence of the matter stated therein. Statement of Comptroller sufficient.

(2) This section shall apply to any matter so stated although —

- (a) evidence in support or rebuttal of the matter stated or of any other matter is given; or
- (b) the matter stated is a mixed question of law and fact, but in such case the statement shall be prima facie evidence of the fact only.

(3) This section shall not apply to —

- (a) a statement of the intent of the defendant; or
- (b) proceedings for an offence punishable by imprisonment.

91.—(1) Where any income chargeable under section 10 (1) (b) or (e) is payable to any individual, deductions on account of tax which is or will be payable by him for any year of assessment shall, if the Comptroller so directs, be made out of the income or any arrears thereof. Deduction of tax from emoluments and pensions.

(2) Subject to any rules made under section 7, deductions authorised by this section shall be made at such times and in

such amounts as the Comptroller shall direct whether or not the tax has been assessed:

Provided that —

- (a) if on the assessment becoming final and conclusive it appears that the deductions made exceed the tax payable, the tax overpaid by means of the previous deductions shall be repaid; and
- (b) where any deduction has been made from the income so chargeable of any individual, he shall have the same right of objection or appeal against the deduction as he has against an assessment made upon him.

5177.

(2A) Any amount deducted pursuant to any direction given by the Comptroller under this section shall be paid by the employer to the Comptroller within 10 days after the date of the deduction, and if any such amount is not paid —

- (a) within that period of 10 days, a penalty equal to 5% of that amount shall be payable by the employer to the Comptroller;
- (b) within one month after the date of the deduction, an additional penalty equal to 1% of that amount shall be payable by the employer to the Comptroller for each completed month that the amount remains unpaid, but the total additional penalty shall not exceed 12% of the amount outstanding.

5177.

(2B) The Comptroller may for any good cause shown remit the whole or any part of the penalty due under subsection (2A).

(3) If and so far as any such income is paid without deduction of tax as aforesaid, the tax may be collected and payment thereof enforced in accordance with sections 86, 87 and 88:

Provided that for the purpose of section 86 the Comptroller shall determine the period within which the tax shall be payable.

(4) An employer who fails to comply with section 68 (7) shall be liable to pay the full amount of the tax which by reason of such failure cannot be recovered from such employee:

Provided that —

- (a) the Comptroller shall apply any amounts so recovered by or paid to him in or towards payment of the tax payable by the employee; and
- (b) the employer may recover from the employee any amount which he has paid to the Comptroller or which has been recovered from him by the Comptroller in pursuance of this subsection.

(5) Any partner who fails to comply with section 68 (10) shall be liable to pay the amount of the tax which by reason of such failure cannot be recovered from the person who has ceased to be a partner:

Provided that the liability of a remaining partner under this subsection shall not exceed the amount paid by that partner in contravention of section 68 (10).

(6) Nothing in subsection (5) shall preclude a partner who pays any amount of tax under that subsection from recovering such amount from the person who has ceased to be a partner.

92.*—(1) The Comptroller may remit, wholly or in part, the tax payable by any person on the ground of poverty. Remission of tax.

(2) The Minister may, in his discretion, remit, wholly or in part, the tax payable by any person if he is satisfied that it is just and equitable to do so.

93.—(1) If it is proved to the satisfaction of the Comptroller that any person for any year of assessment has paid tax, by deduction or otherwise, in excess of the amount payable under the provisions of this Act, such person shall be entitled to have the amount so paid in excess refunded: Repayment of tax. 4/75.

Provided that —

- (a) every claim for repayment under this section shall be made within 6 years from the end of the year of assessment to which the claim relates;
- (b) nothing in this section shall operate to extend any time limit for appeal or validate any objection or

*25% of tax payable for Y/A 1986 by an individual or Hindu joint family resident in Singapore remitted, and amount of such remission to be determined by Comptroller — vide section 19 of Act 31/86.

appeal which is otherwise invalid or authorise the revision of any assessment or other matter which has become final and conclusive;

1/88.

(c) any refund to be made under this section shall be reduced by the amount of charge or additional charge which has not been utilized for set off under section 44 (9) on the date the refund arises, and where the amount of such charge or additional charge exceeds the amount to be refunded no refund shall be made under this section.

(2) Where through death, incapacity, bankruptcy, liquidation, or other cause a person who would, but for such cause, have been entitled to make a claim under subsection (1) is unable to do so, his executor, trustee or receiver, as the case may be, shall be entitled to have refunded to him for the benefit of such person or his estate any tax paid in excess within the meaning of subsection (1):

Provided that where any such repayment relates to the income of a married woman chargeable in the name of her husband, such married woman shall be entitled, on application, to have refunded to her any tax paid by her, by deduction or otherwise, in excess within the meaning of subsection (1), where the Comptroller is satisfied that repayment to such married woman is reasonable.

(3) The Comptroller shall certify any amount repayable under this section and shall cause repayment to be made forthwith.

(4) Where an order or decision by the Board of Review or by any court gives rise to any claim for a refund of tax, the Comptroller may, where he has given written notice of his intention to appeal against such order or decision, withhold the refund until such time as the appeal is finally determined.

(5) Where a refund is withheld under subsection (4), the Comptroller shall pay interest at the rate of 5% per annum with effect from the date of the order or decision appealed against on the amount of refund ultimately determined to be due as a result of any appeal.

93A.—(1) If any person who has paid tax for any year of assessment alleges that an assessment is excessive by reason of some error or mistake in the return or statement made by him for the purposes of the assessment he may, at any time not later than 6 years after the end of the year of assessment within which the assessment was made, make an application in writing to the Comptroller for relief.

Relief in respect of error or mistake.

(2) On receiving any such application the Comptroller shall inquire into the matter and shall, subject to this section, give by way of repayment of tax such relief in respect of the error or mistake as appears to him to be reasonable and just:

Provided that no relief shall be given under this section in respect of an error or mistake as to the basis on which the liability of the applicant ought to have been computed when the return or statement was in fact made on the basis of or in accordance with the practice of the Comptroller generally prevailing at the time when the return or statement was made.

(3) In determining any application under this section, the Comptroller shall have regard to all the relevant circumstances of the case, and in particular shall consider whether the granting of relief would result in the exclusion from charge to tax of income of the applicant, and for this purpose the Comptroller may take into consideration the liability of the applicant and assessments made upon him in respect of other years.

(4) Section 79 shall apply in respect of an appeal against a determination of the Comptroller under this section save that no such appeal shall be entertained until the sum of \$250 has been deposited with the clerk to the Board of Review:

Provided that such sum shall be refunded in the event of the appeal being allowed:

And provided further that the Board may, if in its opinion the appeal was vexatious or frivolous, order that the whole or any part of the aforesaid sum shall be forfeited and awarded to the Comptroller as costs.

PART XIV

OFFENCES AND PENALTIES

Penalties.

94.—(1) Any person who contravenes or fails to comply with any of the provisions of this Act or of any rules or regulations made thereunder shall be guilty of an offence.

(2) Any person guilty of an offence under this Act for which no other penalty is provided shall be liable on conviction to a fine not exceeding \$1,000 and in default of payment to imprisonment for a term not exceeding 6 months:

Provided that, except in the case of a notice published in the *Gazette* under section 68 (2), no person shall be liable to prosecution for an offence under this Act in respect of failure to comply with the terms of any notice issued under the provisions of this Act or of any rules made thereunder unless the notice has been served on him personally or by registered post.

4/75
1/88
3/89.

(2A) Where any person has been convicted of an offence for failing to comply with section 44 (7), 44 (8), 63, 65C or 71 and such conviction is a second or subsequent conviction for the same year of assessment, he shall be liable to a further penalty of \$50 for every day during which the offence is continued after such conviction.

(3) The Comptroller may compound any offence punishable under this section, and may before judgment stay or compound any proceedings thereunder.

Penalty for
incorrect
return.

4/75.

95.—(1) Subject to the provisions of Part XII, every person who —

(a) makes an incorrect return by omitting or understating any income of which he is required by this Act to make a return; or

(b) gives any incorrect information in relation to any matter affecting his own liability to tax or the liability of any other person or of a partnership,

shall be guilty of an offence for which, on conviction, he shall pay a penalty equal to the amount of tax which has been undercharged in consequence of such incorrect return or information, or which would have been so undercharged if the return or information had been accepted as correct.

(2) Every person who without reasonable excuse or through negligence —

- (a) makes an incorrect return by omitting or understating any income of which he is required by this Act to make a return; or
- (b) gives any incorrect information in relation to any matter affecting his own liability to tax or the liability of any other person or of a partnership,

shall be guilty of an offence for which, on conviction, he shall pay a penalty equal to double the amount of tax which has been undercharged in consequence of such incorrect return or information, or which would have been so undercharged if the return or information had been accepted as correct, and shall also be liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 3 years or to both.

(3) The Comptroller may compound any offence punishable under subsection (1) or (2), and may before judgment stay or compound any proceedings thereunder.

96.—(1) Any person who wilfully with intent to evade or to assist any other person to evade tax —

- (a) omits from a return made under this Act any income which should be included;
- (b) makes any false statement or entry in any return made under this Act;
- (c) gives any false answer, whether verbally or in writing, to any question or request for information asked or made in accordance with the provisions of this Act;
- (d) prepares or maintains or authorises the preparation or maintenance of any false books of account or other records or falsifies or authorises the falsification of any books of account or records; or
- (e) makes use of any fraud, art or contrivance whatsoever or authorises the use of any such fraud, art or contrivance,

shall be guilty of an offence, and on conviction shall pay a penalty of treble the amount of tax which has been undercharged in consequence of the offence or which would have been undercharged if the offence had not been detected,

Penal provisions relating to fraud, etc. 4/75.

and shall also be liable to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 3 years or to both:

Provided that where an individual has been convicted for three or more offences under this section the imprisonment he shall be liable to shall not be less than 6 months.

(2) Whenever in any proceedings under this section it is proved that any false statement or entry is made in any return furnished under this Act by or on behalf of any person or in any books of account or other records maintained by or on behalf of any person, that person shall be presumed, until the contrary is proved, to have made that false statement or entry with intent to evade tax.

(3) The Comptroller may compound any offence under this section and may before judgment stay or compound any proceedings thereunder.

Penalties for offences by authorised and unauthorised persons.

97. Any person who —

(a) being a person appointed for the due administration of this Act or any assistant employed in connection with the assessment and collection of tax —

- (i) demands from any person an amount in excess of the authorised assessment or tax;
- (ii) withholds for his own use or otherwise any portion of the amount of tax collected;
- (iii) renders a false return, whether verbal or in writing, of the amounts of tax collected or received by him;
- (iv) defrauds any persons, embezzles any money or otherwise uses his position so as to deal wrongfully either with the Comptroller or any other individual; or

(b) not being authorised under this Act to do so, collects or attempts to collect tax under this Act, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 3 years or to both.

Penalty for obstructing officers.

97A. Any person who obstructs or hinders any officer acting in the discharge of his duty under this Act or any rules or regulations made thereunder shall be guilty of an offence.

98. The institution of proceedings for, or the imposition of, a penalty, fine or term of imprisonment under this Act shall not relieve any person from liability to payment of any tax for which he is or may be liable.

Tax to be payable notwithstanding any proceedings for penalties.

98A. Any penalty imposed under this Act shall not be deemed to be part of the tax paid for the purposes of claiming relief under any of the provisions of this Act.

Penalty not to be part of tax for purposes of claiming relief.

99.—(1) No prosecution shall be commenced in respect of an offence under section 45 (4), 94, 95 or 96 except at the instance, or with the sanction, of the Comptroller or the Attorney-General.

Sanction for prosecution. 37/75.

(2) The Comptroller may authorise either generally or specifically an officer to sanction or compound any offence under sections 45, 94, 95 and 96.

26/73
37/75.

(3) No prosecution shall be commenced in respect of an offence under section 6, 97 or 97A except at the instance, or with the sanction, of the Attorney-General.

37/75.

100. The provisions of this Act shall not affect any criminal proceedings under any other written law.

Saving for criminal proceedings.

100A.—(1) Statements made or documents produced by or on behalf of any person shall not be inadmissible in evidence against him in any proceedings to which this section applies by reason only that he was or may have been induced to make the statements or produce the documents by any inducement or promise lawfully given or made by a person having any official duty under, or being employed in the administration of, this Act.

Proceedings as to evidence in legal proceedings.

(2) This section applies to any proceedings against the person in question —

(a) under section 95 or 96; or

(b) for the recovery of any sum due from him, whether by way of tax or penalty.

101. Notwithstanding anything to the contrary in the Criminal Procedure Code, a District Court or a Magistrate's Court shall have jurisdiction to try any offence under this Act and to impose the full penalty or punishment in respect of any such offence.

Jurisdiction of District and Magistrate's Courts. Cap. 68. 4/75.

PART XV

102–105. (*Repealed by Act 29/65*).

PART XVI

MISCELLANEOUS

Powers of
Parliament.

106.—(1) Parliament may, by resolution, add to, vary or revoke the whole or any part of any Schedule.

(2) Parliament may, by resolution, exempt any person or class of persons from all or any of the provisions of this Act.

4/75
28/80.

(3) The Minister may, by order published in the *Gazette*, amend, add to or revoke the whole or any part of the First, Third, Fourth and Sixth Schedules.

FIRST SCHEDULE

EXEMPTIONS

A. Public authorities, boards or funds constituted by statute in Singapore:

Section
13 (1) (e).
S 148/76
S 38/77
S 217/80
S 41/82
S 158/82
S 183/83
S 137/84
S 138/84
S 217/84
S 26/85
S 79/88
S 379/89
S 380/89
S 381/90
S 382/90
S 383/90
S 317/91
S 562/91.

1.	Bankruptcy Estates Account	Cap. 20.
2.	Board of Architects	Cap. 12.
3.	Board of Commissioners of Currency, Singapore	Cap. 69.
4.	Board of Legal Education	Cap. 161.
5.	Central Provident Fund	Cap. 36.
6.	Central Sikh Gurdwara Board	Cap. 357.
7.	Civil Aviation Authority of Singapore	Cap. 41.
8.	Commercial and Industrial Security Corporation	Cap. 47.
9.	Common Fund	Cap. 260.
10.	Dental Board	Cap. 76.
10A.	Dependants' Protection Insurance Fund	Cap. 36.
11.	Economic Development Board	Cap. 85.
12.	Education Finance Board	Cap. 87.
13.	Hindu Endowments Board	Cap. 364.
13A.	Home Protection Fund	Cap. 36.
14.	Hotels Licensing Board	Cap. 127.
15.	Housing and Development Board	Cap. 129.
15A.	Institute of Certified Public Accountants of Singapore	Cap. 2A.
16.	Jurong Town Corporation	Cap. 150.

FIRST SCHEDULE — *continued*

17.	Land Surveyors Board	Cap. 156.
18.	Law Society of Singapore	Cap. 161.
19.	Majlis Ugama Islam, Singapura	Cap. 3.
20.	Malayan Pineapple Industry Board and any marketing corporation established by the Board	Cap. 231.
21.	Mass Rapid Transit Corporation	Cap. 172.
22.	Medical Council of Singapore	Cap. 174.
22A.	Medishield Fund	Cap. 36.
23.	Monetary Authority of Singapore	Cap. 186.
24.	Minister for Finance	Cap. 183.
25.	National Computer Board	Cap. 195.
26.	National Maritime Board	Cap. 198.
27.	National Productivity Board	Cap. 200.
28.	National Theatre Trust	Cap. 203.
29.	People's Association	Cap. 227.
30.	Pharmacy Board	Cap. 230.
31.	Port of Singapore Authority	Cap. 236.
32.	Post Office Savings Bank of Singapore	Cap. 237.
33.	Preservation of Monuments Board	Cap. 239.
34.	Professional Engineers Board	Cap. 253.
34A.	Public Transport Council	Cap. 259B.
35.	Public Utilities Board	Cap. 261.
36.	Rubber Association of Singapore	Cap. 278.
37.	Science Centre Board	Cap. 286.
38.	Sentosa Development Corporation	Cap. 291.
39.	Singapore Broadcasting Corporation	Cap. 297.
40.	Singapore Corporation of Rehabilitative Enterprises	Cap. 298.
41.	Singapore Council of Social Service	Cap. 299.
42.	Singapore Family Planning and Population Board	Cap. 300.
43.	Singapore Institute of Standards and Industrial Research	Cap. 301.
44.	Singapore Nursing Board	Cap. 209.
45.	<i>(Deleted by S 562/91).</i>	
46.	Singapore Sports Council	Cap. 305.
46A.	Singapore Totalisator Board	Cap. 305A.

FIRST SCHEDULE — *continued*

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| 47. | Singapore Tourist Promotion Board | Cap. 328. |
| 48. | Telecommunication Authority of Singapore | Cap. 323. |
| 49. | Trade Development Board | Cap. 330. |
| 50. | Urban Redevelopment Authority | Cap. 340. |
| 51. | Vocational and Industrial Training Board | Cap. 345. |
| B. Clubs, corporations and institutions in Singapore: | | |
| 1. | Catholic Young Men's Association | |
| 2. | Kwong-Wai-Shiu Free Hospital | Cap. 366. |
| 2A. | Lee Kuan Yew Exchange Fellowship | G.N. No. S 317/91. |
| 3. | Metropolitan Young Men's Christian Association | |
| 4. | National Crime Prevention Council of Singapore | G.N. No. S 158/82. |
| 5. | Po Leung Kuk Fund, Singapore (administered by the Board of Visitors) | G.N. No. S 198/74. |
| 6. | Singapore Armed Forces Reservists' Association | G.N. No. S 137/84. |
| 7. | Titular Anglican Bishop of Singapore | Cap. 355. |
| 8. | Titular Roman Catholic Archbishop of Singapore | Cap. 375. |
| 9. | Young Men's Christian Association | |
| 10. | Young Women's Christian Association | |
| C. Authorities not incorporated in Singapore: | | |
| | Board of Commissioners of Currency, Malaya and British Borneo. | |

SECOND SCHEDULE

Section 42.

RATES OF INCOME TAX*

PART A

RATES OF INCOME TAX ON CHARGEABLE INCOME OF
AN INDIVIDUAL OR A HINDU JOINT FAMILY31/86
(from Y/A
1987).

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	5,000	3.5%
For every dollar of the next	2,500	6.0%
For every dollar of the next	7,500	8.0%
For every dollar of the next	5,000	9.0%
For every dollar of the next	5,000	12.0%
For every dollar of the next	10,000	14.0%
For every dollar of the next	15,000	17.0%
For every dollar of the next	25,000	21.0%
For every dollar of the next	25,000	24.0%
For every dollar of the next	50,000	26.0%
For every dollar of the next	50,000	28.0%
For every dollar of the next	200,000	31.0%
For every dollar exceeding	400,000	33.0%

PART B

RATES OF TAX ON CHARGEABLE INCOME OF A PERSON
OTHER THAN AN INDIVIDUAL OR HINDU JOINT FAMILY7/79
(from Y/A
1978).

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	2,500	6%
For every dollar of the next	2,500	9%
For every dollar of the next	2,500	12%
For every dollar of the next	2,500	15%
For every dollar of the next	5,000	20%
For every dollar of the next	5,000	23%
For every dollar of the next	5,000	25%
For every dollar of the next	10,000	30%
For every dollar of the next	15,000	40%
For every dollar of the next	50,000	50%
For every dollar exceeding	100,000	55%

*For rates before Y/A 1987 see pages 180 to 183.

SECOND SCHEDULE — *continued*

* Rates before Y/A 1987 were:

(a) for years of assessment 1948 to 1956 (inclusive):

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	500	3%
For every dollar of the next	500	4%
For every dollar of the next	500	5%
For every dollar of the next	500	6%
For every dollar of the next	1,000	7%
For every dollar of the next	2,000	8%
For every dollar of the next	2,000	10%
For every dollar of the next	3,000	12%
For every dollar of the next	5,000	15%
For every dollar of the next	35,000	20%
For every dollar exceeding	50,000	30%

(b) for years of assessment 1957 and 1958, as substituted by G.N. No. S 348/56:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	1,500	5%
For every dollar of the next	500	6%
For every dollar of the next	1,000	7%
For every dollar of the next	2,000	8%
For every dollar of the next	2,000	10%
For every dollar of the next	3,000	12%
For every dollar of the next	5,000	15%
For every dollar of the next	20,000	20%
For every dollar of the next	10,000	25%
For every dollar of the next	5,000	30%
For every dollar of the next	5,000	35%
For every dollar exceeding	55,000	40%

(c) for years of assessment 1959 and 1960, as substituted by G.N. No. S 12/59:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	1,500	5%
For every dollar of the next	500	6%
For every dollar of the next	1,000	7%
For every dollar of the next	1,000	8%
For every dollar of the next	1,000	10%
For every dollar of the next	2,000	12%
For every dollar of the next	3,000	15%
For every dollar of the next	5,000	18%
For every dollar of the next	10,000	25%
For every dollar of the next	10,000	30%
For every dollar of the next	15,000	40%
For every dollar exceeding	50,000	50%

SECOND SCHEDULE — *continued*

(d) for years of assessment 1961 to 1964 (inclusive), as substituted by G.N. S 30/61:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	1,500	5%
For every dollar of the next	500	6%
For every dollar of the next	1,000	7%
For every dollar of the next	1,000	8%
For every dollar of the next	1,000	10%
For every dollar of the next	2,000	12%
For every dollar of the next	3,000	15%
For every dollar of the next	5,000	18%
For every dollar of the next	10,000	25%
For every dollar of the next	10,000	30%
For every dollar of the next	15,000	40%
For every dollar of the next	50,000	50%
For every dollar exceeding	100,000	55%

(e) for year of assessment 1965, as substituted by M. Act 2/65:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	2,500	6%
For every dollar of the next	2,500	9%
For every dollar of the next	2,500	12%
For every dollar of the next	2,500	15%
For every dollar of the next	5,000	20%
For every dollar of the next	5,000	23%
For every dollar of the next	5,000	25%
For every dollar of the next	10,000	30%
For every dollar of the next	15,000	40%
For every dollar exceeding	50,000	50%

(f) for years of assessment 1966 to 1977 (inclusive), as substituted by Act 29/65:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	2,500	6%
For every dollar of the next	2,500	9%
For every dollar of the next	2,500	12%
For every dollar of the next	2,500	15%
For every dollar of the next	5,000	20%
For every dollar of the next	5,000	23%
For every dollar of the next	5,000	25%
For every dollar of the next	10,000	30%
For every dollar of the next	15,000	40%
For every dollar of the next	50,000	50%
For every dollar exceeding	100,000	55%

SECOND SCHEDULE — *continued*

(g) for years of assessment 1978 and 1979, as substituted by Act 7/79:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	2,500	5%
For every dollar of the next	2,500	8%
For every dollar of the next	2,500	10%
For every dollar of the next	2,500	12%
For every dollar of the next	5,000	15%
For every dollar of the next	5,000	20%
For every dollar of the next	5,000	25%
For every dollar of the next	10,000	30%
For every dollar of the next	15,000	35%
For every dollar of the next	50,000	40%
For every dollar of the next	100,000	45%
For every dollar of the next	200,000	50%
For every dollar exceeding	400,000	55%

(h) for years of assessment 1980 and 1981 (inclusive), as substituted by Act 28/80:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	2,500	4%
For every dollar of the next	2,500	7%
For every dollar of the next	2,500	9%
For every dollar of the next	2,500	11%
For every dollar of the next	5,000	14%
For every dollar of the next	5,000	17%
For every dollar of the next	5,000	21%
For every dollar of the next	10,000	26%
For every dollar of the next	15,000	32%
For every dollar of the next	25,000	34%
For every dollar of the next	25,000	36%
For every dollar of the next	100,000	40%
For every dollar of the next	200,000	45%
For every dollar of the next	200,000	50%
For every dollar exceeding	600,000	55%

(i) for years of assessment 1982 to 1984 (inclusive), as substituted by Act 1/82:

<i>Chargeable Income</i>	\$	<i>Rate of Tax</i>
For every dollar of the first	5,000	4%
For every dollar of the next	2,500	7%
For every dollar of the next	2,500	9%
For every dollar of the next	5,000	12%
For every dollar of the next	5,000	14%
For every dollar of the next	5,000	17%
For every dollar of the next	10,000	21%
For every dollar of the next	15,000	25%
For every dollar of the next	25,000	30%
For every dollar of the next	25,000	32%
For every dollar of the next	100,000	35%
For every dollar of the next	200,000	40%
For every dollar of the next	350,000	43%
For every dollar exceeding	750,000	45%

(j) for years of assessment 1985 and 1986 (inclusive), as substituted by Act 13/84:

<i>Chargeable Income</i>	<i>\$</i>	<i>Rate of Tax</i>
For every dollar of the first	5,000	4%
For every dollar of the next	2,500	7%
For every dollar of the next	2,500	9%
For every dollar of the next	5,000	10%
For every dollar of the next	5,000	12%
For every dollar of the next	5,000	15%
For every dollar of the next	10,000	18%
For every dollar of the next	15,000	22%
For every dollar of the next	25,000	26%
For every dollar of the next	25,000	29%
For every dollar of the next	50,000	31%
For every dollar of the next	50,000	34%
For every dollar of the next	200,000	37%
For every dollar of the next	350,000	39%
For every dollar exceeding	750,000	40%

THIRD SCHEDULE

(Repealed by Act 2/86)

FOURTH SCHEDULE

NAME OF BOND, SECURITIES, STOCK OR FUND

5% Tax Free Registered Stock 1968.	S 169/71
5 $\frac{3}{4}$ % Tax Free Registered Stock 1968.	S 84/72
5 $\frac{1}{4}$ % Tax Free Bearer Bonds 1968.	S 85/72
5% Tax Free Registered Stock 1969.	S 168/72
5 $\frac{3}{4}$ % Tax Free Registered Stock 1969.	S 239/72
4 $\frac{3}{4}$ % Tax Free Registered Stock 1970.	S 22/73
5% Tax Free Registered Stock 1970.	S 176/73
5 $\frac{3}{4}$ % Tax Free Registered Stock 1970.	S 340/73
Singapore Government Tax Free 4 $\frac{3}{4}$ % Registered Stock 1971	S 238/74
(1973) Loan No. 1.	S 171/75
Singapore Government Tax Free 5% Registered Stock 1971	S 238/75
(1976) Loan No. 1.	S 4/76
Singapore Government Tax Free 5 $\frac{3}{4}$ % Registered Stock 1971	S 101/76
(1986/89) Loan No. 1.	S 159/76
Singapore Government Tax Free 4 $\frac{3}{4}$ % Registered Stock 1971	S 226/76
(1973) Loan No. 2.	S 87/77
Singapore Government Tax Free 5% Registered Stock 1971	S 257/77
(1976) Loan No. 2.	S 258/77
Singapore Government Tax Free 5 $\frac{3}{4}$ % Registered Stock 1971	S 113/78
(1986/89) Loan No. 1.	S 185/78
Singapore Government Tax Free 4 $\frac{3}{4}$ % Registered Stock 1971	S 275/78
(1973) Loan No. 2.	S 63/79
Singapore Government Tax Free 5% Registered Stock 1971	S 148/79
(1976) Loan No. 2.	S 234/79
Singapore Government Tax Free 5 $\frac{3}{4}$ % Registered Stock 1971	S 103/80
(1986/89) Loan No. 2.	S 251/80
Singapore Government Tax Free 4 $\frac{3}{4}$ % Registered Stock 1972	S 336/80
(1974) Loan No. 1.	S 129/82
Singapore Government Tax Free 5% Registered Stock 1972	S 168/83.
(1977) Loan No. 1.	
Singapore Government Tax Free 5 $\frac{3}{4}$ % Registered Stock 1972	
(1987/90) Loan No. 1.	
Singapore Government Tax Free 4 $\frac{3}{4}$ % Registered Stock 1972	
(1974) Loan No. 2.	

FOURTH SCHEDULE — *continued*

- Singapore Government Tax Free 5% Registered Stock 1972
(1977) Loan No. 2.
- Singapore Government Tax Free 5 $\frac{3}{8}$ % Registered Stock 1972
(1982) Loan No. 2.
- Singapore Government Tax Free 5 $\frac{3}{4}$ % Registered Stock 1972
(1987) Loan No. 2.
- Singapore Government 5% Tax Free Bearer Bonds 1972
(Maturing 15-11-1978)
- Singapore Government Tax Free 4 $\frac{3}{4}$ % Registered Stock 1973
(1975) Loan No. 1.
- Singapore Government Tax Free 5% Registered Stock 1973
(1978) Loan No. 1.
- Singapore Government Tax Free 5 $\frac{3}{8}$ % Registered Stock 1973
(1983) Loan No. 1.
- Singapore Government Tax Free 5 $\frac{3}{4}$ % Registered Stock 1973
(1988) Loan No. 1.
- Singapore Government Tax Free 5 $\frac{3}{4}$ % Registered Stock 1973
(1988) Loan No. 2.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1974
(1989) Loan No. 1.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1975
(1990) Loan No. 1.
- Singapore Government 5% Tax Free Bearer Bonds 1975
(Maturing 15-8-1981).
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1975
(1990) Loan No. 2.
- Singapore Government Tax Free 5% Registered Stock 1976
(1981) Loan No. 1.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1976
(1991) Loan No. 1.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1976
(1991) Loan No. 2.
- Singapore Government Tax Free 5% Registered Stock 1976
(1981) Loan No. 3.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1976
(1993) Loan No. 3.
- Singapore Government 5% Tax Free Bearer Bonds 1977
(Maturing 15-3-1983).
- Singapore Government Tax Free 5% Registered Stock 1977
(1983) Loan No. 1.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1977
(1997) Loan No. 1.
- Singapore Government Tax Free 5 $\frac{1}{2}$ % Registered Stock 1977
(1987) Loan No. 2.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1977
(1995/97) Loan No. 2.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1978
(1998) Loan No. 1.
- Singapore Government Tax Free 6 $\frac{1}{4}$ % Registered Stock 1978
(1998) Loan No. 2.

FOURTH SCHEDULE — *continued*

- Singapore Government 5% Tax Free Bearer Bonds 1978
(Maturing 13-11-1984).
- Singapore Government Tax Free 6¼% Registered Stock
(Maturing 1-3-1999).
- Singapore Government Tax Free 6¼% Registered Stock
(Maturing 15-6-1999).
- Singapore Government Tax Free 6¼% Registered Stock
(Maturing 15-10-1999).
- Singapore Government Tax Free 6¼% Registered Stock 1980
(Maturing 1-3-2000) Loan No. 1.
- Singapore Government Tax Free 6¼% Registered Stocks 1980
(Maturing 15-7-2000) Loan No. 2.
- Singapore Government Tax Free 6¼% Registered Stocks 1980
(Maturing 15-11-2000) Loan No. 3.
- Singapore Government Tax Free 6¼% Registered Stocks 1982
(Maturing 15-4-2002) Loan No. 1.
- Singapore Government Tax Free 6¼% Registered Stocks 1983
(Maturing 15-5-2003) Loan No. 1.

FIFTH SCHEDULE

- | | | |
|---|----------|----------------------------------|
| | | Section
39 (2) (d). |
| 1. Subject to the provisions of this Schedule, the allowable deduction to an individual in respect of each of his eligible children shall be as follows: | | 26/73
(from Y/A 1974) |
| | | 1/88
(from Y/A 1988). |
| (a) For the 1st, 2nd and 3rd child | \$1,500 | 1/90
(from Y/A 1990). |
| (b) For the 4th and 5th child if born before 1st August 1973 | \$300 | |
| (c) For the 4th child if born on or after 1st January 1988 | \$1,500. | 1/90
(from Y/A 1989). |
| 2. Subject to paragraphs 1 (c), 7 (d) and 7 (e), no deduction shall be granted under any paragraph of this Schedule in respect of a child born on or after 1st August 1973 if that child is the fourth or subsequent child. | | 1/88
(from Y/A 1988)
1/90. |
| 3. Where the Comptroller is satisfied that — | | 4/75
1/88 |
| (a) any unmarried child — | | (from Y/A 1988). |
| (i) was receiving full-time instruction in a university or equivalent institution outside Singapore after being unable to gain admission to a similar institution in Singapore; or | | |
| (ii) was pursuing a course of study not available on a full-time basis in Singapore; and | | |

FIFTH SCHEDULE — *continued*

(b) a sum exceeding the appropriate deduction was, during the year preceding the year of assessment, expended by an individual directly on the maintenance or education of such child,

the allowable deduction shall be a sum equal to the total amount so expended but not exceeding double the amount of the appropriate deduction as provided for under paragraph 1.

1/88
(from Y/A
1988).

4. No deduction shall be allowed in respect of any child —

(a) whose income (excluding income to which the child is entitled as the holder of a scholarship, bursary or similar educational endowment) for the year preceding the year of assessment exceeded the appropriate deduction otherwise allowable under this Schedule; or

(b) who was engaged in any employment, other than under articles or indentures, or carried on or exercised a trade, business, profession or vocation, during the year preceding the year of assessment.

1/88
(from Y/A
1988).

5. Where more than one individual is entitled to claim a deduction in respect of the same child, the deduction shall be apportioned in such manner as appears to the Comptroller to be reasonable.

1/88
(from Y/A
1988).

6. Where a married woman has elected to be charged in her own name under section 51 (4), the deduction to be apportioned under paragraph 5 shall not exceed the deduction which would have been allowed to her husband if he had wholly maintained the child during the year preceding the year of assessment and she had not elected for separate assessment.

13/84
(from Y/A
1985)
1/88
(from Y/A
1988)
1/90
(from Y/A
1990).

7. Where a married woman who has elected to be charged in her own name under section 51 (4) has passed at one sitting the examination for the General Certificate of Education with at least 3 subjects at ordinary level or has equivalent or higher educational qualification, the following deductions shall be allowable to her only:

	<i>Under the age of 12 years on the first day of the year preceding the year of assessment</i>	<i>Of the age of 12 years or above on the first day of the year preceding the year of assessment</i>
(a) First eligible child	5% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$15,000	5% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$10,000;

FIFTH SCHEDULE — *continued*

(b) Second eligible child	15% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$15,000	10% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$10,000;
(c) Third eligible child	20% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$15,000	15% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$10,000;
(d) Fourth child (other than an adopted child) of the family who is born in 1987	\$1,500 and 25% of her earned income, subject to a maximum of \$15,000	\$1,500 and 15% of her earned income, subject to a maximum of \$10,000;*
(e) Fourth child (other than an adopted child) of the family who is born on or after 1st January 1988	25% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$15,000	15% of her earned income, in addition to the appropriate deduction allowable under paragraph 1, subject to a maximum of \$10,000.

8. The deduction allowable under paragraph 7 shall also be granted to a divorcee, a widow or a married woman living separately from her husband if she possesses the qualification specified in paragraph 7. 13/84
(from Y/A 1985)
1/88
(from Y/A 1988).

9. For the purposes of this Schedule — 13/84
(from Y/A 1985)
- (a) “child”, in relation to an individual claiming a deduction, means a legitimate child, stepchild or child adopted in accordance with any written law relating to the adoption of children; 1/88
(from Y/A 1988).
 - (b) where any question arises as to whether any qualification is equivalent to or higher than that specified in paragraph 7 it shall be determined by the Minister whose decision shall be final; 13/84
(from Y/A 1985)
1/88
(from Y/A 1988).
 - (c) where any question arises as to the ranking of any child for the purpose of any deduction to be granted under this Schedule, it shall be determined by the Comptroller whose decision shall be final. 1/88
(from Y/A 1988).

SIXTH SCHEDULE

Section
19 (2).
28/80
(from Y/A
1981).

<i>Item</i>	<i>Number of years of working life of asset</i>
1. Aircraft	... 5
2. Bank vaults	... 16
3. Building and construction equipment (including assets such as rollers, mixers, piling and drilling plants, loaders, dumpers, excavators, bull-dozers and support structure)	... 6
4. Cable cars and equipment	... 12
5. Cables and related assets	... 16
6. Containers used for the carriage of goods by any mode of transportation	... 10
7. Electric, gas, water and steam, utility plant (including tanks and generators)	... 16
8. Electrical equipment (including assets such as electrical and industrial apparatus, domestic and commercial appliances, air- conditioning and ventilating equipment)	... 8
9. Electronic equipment (including assets such as electronic detection, guidance, control, radiation, computation, test and navigation equipment)	... 8
10. Equipment used in personal and profes- sional services (including assets used in the provision of personal and professional services which are not elsewhere classi- fied)	... 10
11. Farming equipment	... 8
12. Fire safety device	... 10
13. Floating and dry docks	... 16
14. Gas cylinders	... 16
15. Manufacturing and industrial processing plant and machinery	... 6
16. Materials and passenger handling equip- ment (including assets such as lifts, esca- lators, weighing machines, conveyor belts, forklifts, lifting gears, trolleys and cranes)	... 6
17. Motion picture films	... 5
18. Musical instruments and other related assets	... 10

SIXTH SCHEDULE — *continued*

<i>Item</i>	<i>Number of years of working life of asset</i>
19. Office equipment:	
furniture and fixtures (including furniture and fixtures which are not a structural component of a building) ...	10
data handling equipment (including typewriters, calculators, adding and accounting machines, copiers and duplicating equipment) ...	8
Telecommunication equipment ...	10
20. Plant for recreation and amusement purposes (including assets used in the provision of entertainment services on payment of a fee or admission charge, as in the operation of bowling alleys, billiard and pool establishments, theatres, cinemas, concert halls, amusement parks and miniature golf courses) ...	10
21. Railway wagons, lines and related equipment ...	16
22. Transport equipment:	
buses ...	6
business service passenger vehicles ...	6
taxis ...	5
trucks, lorries, trailers and vans ...	6
motorcycles and bicycles ...	8
23. Vessels, barges, tugs and similar water transportation equipment ...	16
24. Wholesale and retail trade service assets (including assets used in such activities as the operation of restaurants and cafes) ...	8.