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The following Act was passed by Parliament on 18th January 2012 and assented to by the President on 21st February 2012:—

REPUBLIC OF SINGAPORE

No. 1 of 2012.

I assent.

(LS)

TONY TAN KENG YAM,
President.
21st February 2012.

An Act to amend the Economic Expansion Incentives (Relief from Income Tax) Act (Chapter 86 of the 2005 Revised Edition).

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

Short title and commencement

1.—(1) This Act may be cited as the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2012.

(2) Sections 5, 6 and 7 shall be deemed to have come into operation on 1st April 2010.

Amendment of section 3

2. Section 3 of the Economic Expansion Incentives (Relief from Income Tax) Act (referred to in this Act as the principal Act) is amended by inserting, immediately after the definition of “approved royalties, fees or contributions”, the following definition:

“ “certificate” includes a letter or other document issued by the Minister to a company pursuant to an application made by the company under a provision of this Act;”.

Amendment of section 18

3. Section 18 of the principal Act is amended by deleting the words “a period of 5 years or such longer period, not exceeding 15 years” and substituting the words “such period, not exceeding 15 years”.

Amendment of section 19J

4. Section 19J of the principal Act is amended —

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

“(5A) In the case of a development and expansion company that is approved as such on or after the date the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2012 is published in the *Gazette* or which has been granted on or after that date an extension of its tax relief period, the concessionary rate of tax applicable to its expansion income that is derived by it at any time on or after the date of its approval or during the extension period (as the case may be), and

during any of the following parts of its tax relief period (if applicable):

- (a) the beginning of the 11th year of the tax relief period to the end of the 15th year of, or the end of, the tax relief period, whichever is earlier;
- (b) the beginning of the 16th year of the tax relief period to the end of the 20th year of, or the end of, the tax relief period, whichever is earlier,

shall be the rate specified by the Minister to the company, which shall not be less than

$$(0.5 + A)\%$$

where A is the concessionary rate of tax applicable to the company's expansion income that is derived by it immediately before the commencement of that part of the tax relief period.”; and

- (b) by deleting the words “which has been granted a tax relief period of at least 10 years is granted” in subsection (8) and substituting the words “which has been approved as such at any time before the date the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2012 is published in the *Gazette*, and has been granted a tax relief period of at least 10 years, is granted at any time before that date”.

Amendment of section 19K

5. Section 19K of the principal Act is amended by inserting, immediately after subsection (5), the following subsection:

“(6) The Minister shall, in extending the tax relief period of a company to which section 19KA applies, take into account its tax relief period referred to in that section.”.

New section 19KA

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

“International legal services

19KA.—(1) If a company engaged in international legal services is approved under section 19J(1) as a development and expansion company at any time between 1st April 2010 and 31st March 2015 (both dates inclusive), then —

- (a) notwithstanding section 19K(1), (2) and (3), the tax relief period of the company is a non-extendable period of 5 years commencing on its commencement day; and
- (b) notwithstanding section 19J(5), tax at the rate of 10% shall be levied and paid for each year of assessment upon the expansion income derived by the company during its tax relief period from the provision of international legal services.

(2) This section does not apply to a company approved under section 13V(1) of the Income Tax Act (Cap. 134).

(3) In this section —

“expansion income” has the meaning given to that expression in section 19J;

“international legal services” means any qualifying activity comprising legal services that qualify for zero-rating under section 21(3) of the Goods and Services Tax Act (Cap. 117A).”.

Amendment of section 19L

7. Section 19L(9) of the principal Act is amended by inserting, immediately after the words “section 19J” in paragraph (a), the words “or 19KA”.
