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ACTS SUPPLEMENT

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The following Act was passed by Parliament on 15 October 2024 and assented to by the President on 8 November 2024:—

REPUBLIC OF SINGAPORE

No. 35 of 2024.

I assent.

LS

THARMAN SHANMUGARATNAM,
President.
8 November 2024.

An Act to amend the Income Tax Act 1947.

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

Short title and commencement

1.—(1) This Act is the Income Tax (Amendment) Act 2024.

(2) Sections 23 to 26 are deemed to have come into operation on 1 January 2024.

(3) Section 12(*a*) to (*d*) and (*f*) to (*i*) is deemed to have come into operation on 7 February 2024.

(4) Sections 17, 29 and 33 are deemed to have come into operation on 16 February 2024.

(5) Sections 9(*a*) and (*b*) and 11(*a*), (*b*) and (*d*) are deemed to have come into operation on 17 February 2024.

(6) Sections 10, 11(*f*) and (*j*), 20(*a*) to (*d*) and (*f*) and 31 come into operation on 1 January 2025.

Amendment of section 10

2. In the Income Tax Act 1947 (called in this Act the principal Act), in section 10 —

(*a*) after subsection (14), insert —

"(14A) Subsection (14) applies —

(*a*) for income derived in the basis period for the year of assessment 2027, with the modification that the reference to 10% is to 40%; and

(*b*) for income derived in the basis period for the year of assessment 2028, with the modification that the reference to 10% is to 70%.

(14B) Subsection (14) does not apply to any income mentioned in that subsection that is derived in the basis period for the year of assessment 2029 or any subsequent year of assessment."; and

(*b*) in subsection (15), replace "Subsection (14) does not" with "Subsections (14) and (14A) do not".

Amendment of section 10H

3. In the principal Act, in section 10H —

(*a*) in subsection (5), delete "of dividend or interest";

(*b*) in subsection (8), replace paragraph (*a*) with —

"(*a*) any distribution, the transferor is to be assessed at the tax rate that would have applied to the distribution had it been made directly to the transferor; or";

(*c*) in subsection (9)(*b*)(i), delete "or" at the end;

(*d*) in subsection (9)(*b*)(iii), after "any", insert "distribution of";

(*e*) in subsection (9)(*b*)(iii), replace the comma at the end with "; or";

(*f*) in subsection (9)(*b*), after sub-paragraph (iii), insert —

"(iv) any distribution of any other income that is not exempt from tax,";

(*g*) in subsection (9), replace "distribution of interest or compensatory payment" with "distribution or compensatory payment";

(*h*) after subsection (9), insert —

"(9A) Section 45 applies in the manner set out in section 45G in relation to —

(*a*) any distribution in respect of transferred securities that are units of a real estate investment trust or an approved REIT exchange-traded fund; and

(*b*) any compensatory payment in place of any distribution mentioned in paragraph (*a*),

made under a securities lending or repurchase arrangement by a Singapore-based transferee to a transferor who is not known to the trustee to be resident in Singapore, as section 45 applies in relation

to a distribution by a trustee of a real estate investment trust or by a trustee of an approved REIT exchange-traded fund to another person in accordance with section 45G(1), and for this purpose —

(*c*) any reference in section 45G to a distribution is to the distribution or compensatory payment mentioned in paragraph (*a*) or (*b*);

(*d*) section 45G(4) does not apply in relation to a compensatory payment mentioned in paragraph (*b*); and

(*e*) section 45G(5) is omitted.";

(*i*) in subsection (12), before the definition of "borrowing period", insert —

" "approved REIT exchange-traded fund" and "real estate investment trust" have the meanings given by section 43(10);";

(*j*) in subsection (12), in the definition of "compensatory payment", delete "of interest, dividend";

(*k*) in subsection (12), after the definition of "compensatory payment", insert —

" "distribution", in relation to any transferred securities, includes the distribution of any income paid under the transferred securities to the holder of the transferred securities;";

(*l*) in subsection (12), in the definition of "foreign debt securities", replace "securities, other than stocks and shares," with "debt securities";

(*m*) in subsection (12), replace the definition of "securities" with —

"“securities” includes —

(*a*) units in a collective investment scheme, exchange-traded fund, business trust or depository receipts; and

(*b*) any securities (including units mentioned in paragraph (*a*)) provided as a collateral;"; and

(*n*) in subsection (12), replace the definition of "Singapore-based transferee" with —

"“Singapore-based transferee” means a transferee —

(*a*) who is resident in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore); or

(*b*) who is not resident in Singapore but enters into the securities lending or repurchase arrangement through a permanent establishment in Singapore or for the purpose of a business carried on through a permanent establishment in Singapore;".

Amendment of section 10I

4. In the principal Act, in section 10I —

(*a*) replace subsection (1) with —

"(1) Any distribution by —

(*a*) a bank incorporated in Singapore with a full banking licence; or

(*b*) a designated financial holding company that has a subsidiary that is a bank mentioned in paragraph (*a*),

that is liable to be made in respect of an AT1 instrument in the basis period for the year of assessment 2015 or a subsequent year of assessment is deemed for the purposes of this Act, and for that year of assessment, as interest derived from a debt security.

(1A) Any distribution by —

(*a*) a local licensed insurer; or

(*b*) a designated financial holding company that has a subsidiary that is a local licensed insurer,

that is liable to be made in respect of an AT1 instrument issued on or after 1 January 2025, is deemed, for the purposes of this Act, as interest derived from a debt security.";

(*b*) in subsection (2), in the definition of "AT1 instrument", in paragraph (*b*), replace sub-paragraph (iii) with —

"(iii) according to MAS Notice FHC-N637 and MAS Notice FHC-N133, may be used to satisfy the capital adequacy requirement of a designated financial holding company;

(iv) according to MAS Notice 133, may be included as Tier 1 Capital of a local licensed insurer for the purpose of section 17 of the Insurance Act 1966;";

(*c*) in subsection (2), after the definition of "AT1 instrument", insert —

""designated financial holding company" means a financial holding company that is designated under section 4 of the Financial Holding Companies Act 2013;";

(*d*) in subsection (2), after the definition of "full banking licence", insert —

""local licensed insurer" means an insurer that is for the time being licensed under section 11 of the Insurance Act 1966, and that is incorporated, formed or established in Singapore;

"MAS Notice FHC-N133" means the notice commonly known as MAS Notice FHC-N133 that is issued by the Monetary Authority of Singapore under section 36(1) of the Financial Holding Companies Act 2013, and includes any notice that replaces it;";

(*e*) in subsection (2), in the definition of "MAS Notice FHC-N637", replace "section 36(1)" with "sections 3(1), 36(1), 37(1), 38(2) and 60(1)";

(*f*) in subsection (2), after the definition of "MAS Notice FHC-N637", insert —

""MAS Notice 133" means the notice commonly known as MAS Notice 133 that is issued by the Monetary Authority of Singapore under sections 17 and 154(4) of the Insurance Act 1966, and includes any notice that replaces it;";

(*g*) in subsection (2), in the definition of "MAS Notice 637", replace the full-stop at the end with a semi-colon; and

(*h*) in subsection (2), after the definition of "MAS Notice 637", insert —

"“subsidiary”, in relation to a designated financial holding company, has the meaning given by section 5 of the Companies Act 1967, except that any reference to “corporation” in that provision is to be construed as if the term did not exclude a co-operative society.”.

Amendment of section 13D

5. In the principal Act, in section 13D —

(*a*) in subsection (1), replace “in Singapore by any fund manager.” with —

“in Singapore —

(*a*) for income derived on or before 31 December 2024 — by any fund manager; or

(*b*) for income derived on or after 1 January 2025 — by a fund manager that satisfies the prescribed requirements.”;

(*b*) in subsection (8), after paragraph (*b*), insert —

“(*ba*) prescribe the requirements to be satisfied by a fund manager under subsection (1)(*b*);”; and

(*c*) in subsection (10)(*a*) and (*b*)(i), replace “2025” with “2030”.

Amendment of section 13F

6. In the principal Act, in section 13F —

(*a*) in subsections (6)(*a*), (*b*), (*c*)(i) and (*d*)(i) and (7), replace “2025” with “2028”; and

(*b*) in subsection (6)(*c*)(ii) and (*d*)(ii), replace “2024” with “2027”.

Amendment of section 13L

7. In the principal Act, in section 13L —

(*a*) in subsections (5)(*a*), (*b*), (*c*)(i) and (*d*)(i), (6) and (8), replace "2025" with "2028"; and

(*b*) in subsection (5)(*c*)(ii) and (*d*)(ii), replace "2024" with "2027".

Amendment of section 13N

8. In the principal Act, in section 13N —

(*a*) in subsection (3), in the definition of "relevant income", in paragraph (*b*), delete "excluding, in respect of a prescribed locally-administered trust, any dividend received by the trust from a prescribed holding company not resident in Singapore, if the dividend is paid out of income that is not the relevant income of the holding company";

(*b*) in subsections (4)(*a*), (*b*), (*c*)(i) and (*d*)(i), (5) and (7), replace "2025" with "2028"; and

(*c*) in subsection (4)(*c*)(ii) and (*d*)(ii), replace "2024" with "2027".

Amendment of section 13O

9. In the principal Act, in section 13O —

(*a*) in subsection (1), replace "or specified in the letter of approval of the company" with ", specified in the letter of approval of the company, or specified from time to time by the Minister or an authorised body and either notified to the company or published in a manner that the Minister or authorised body reasonably believes will bring the conditions to the notice of the company";

(*b*) in subsection (1A), replace "Minister" with "Minister or an authorised body";

(*c*) after subsection (1A), insert —

"(1B) The Minister or authorised body may at any time add, vary or delete a condition of an approval

under subsection (1A), including (to avoid doubt) an approval given before the date of commencement of section 9(*c*) of the Income Tax (Amendment) Act 2024.

(1C) Any addition, variation or deletion of a condition under subsection (1B) must be given to the approved company or published in a manner that the Minister or authorised body reasonably believes will bring the addition, variation or deletion to the attention of the approved company.";

(*d*) in subsection (2), replace "2024" with "2029";

(*e*) in subsection (7)(*c*), delete "and" at the end;

(*f*) in subsection (7), after paragraph (*c*), insert —

"(*ca*) provide for the revocation, or the suspension for a period specified by the Minister or authorised body, of an approval granted under subsection (1) (including one that is granted before the date of commencement of the regulations) for non-compliance with a condition of the approval, and for any revocation to take effect from any date, including (if it is just and reasonable to do so) —

(i) a date before the date of the non-compliance with the condition; or

(ii) if the condition is to be complied with over a period of time, before the date of commencement of that period; and"; and

(*g*) after subsection (7), insert —

"(7A) To avoid doubt, where —

(*a*) an exemption had been allowed under this section on the income of an approved company;

(*b*) the exemption would not have been allowed had the company not been approved under subsection (1) on the date the income accrued to or was derived or received by the company; and

(*c*) the approval is revoked under regulations made under subsection (7)(*ca*) with effect from or before that date,

the Comptroller may make an assessment or additional assessment under section 74 on the company.

(7B) Where the approval of a company under subsection (1) is suspended pursuant to regulations made under subsection (7)(*ca*), the company is treated as not an approved company during the period of suspension.".

New section 13OA

10. In the principal Act, after section 13O, insert —

"**Exemption of income of partners of limited partnership arising from funds managed by fund manager in Singapore**

13OA.—(1) Subject to such conditions as may be —

(*a*) prescribed by regulations;

(*b*) specified in the letter of approval of the limited partnership; or

(*c*) specified from time to time by the Minister or an authorised body and either notified to the limited partnership or published in a manner that the Minister or authorised body reasonably believes will bring the conditions to the notice of the limited partnership,

there is exempt from tax such income as the Minister may by regulations prescribe of a partner of a limited partnership registered under the Limited Partnerships Act 2008, and approved by the Minister or an authorised body (called in this section an approved limited partnership) arising from funds managed —

(*d*) in Singapore by a fund manager; or

(*e*) by a person approved by the Minister or authorised body.

(2) The approval of a limited partnership under subsection (1) is subject to such conditions as the Minister or an authorised body may impose.

(3) The Minister or an authorised body may at any time add, vary or delete a condition of an approval under subsection (2).

(4) Any addition, variation or deletion of a condition under subsection (3) must be given to the approved limited partnership or published in a manner that the Minister or authorised body reasonably believes will bring the addition, variation or deletion to the attention of the approved limited partnership.

(5) No approval may be granted under subsection (1) after 31 December 2029.

(6) Where —

(*a*) income of a partner (*X*) of an approved limited partnership (*Y*) has been exempt from tax under subsection (1) in any year of assessment; and

(*b*) *X*, either alone or together with *X*'s associates, beneficially owns on the relevant day equity interests in *Y* the value of which is more than the prescribed percentage of the total value of all equity interests in *Y* on the relevant day,

then *X* is liable to pay to the Comptroller, in such manner and within such reasonable time as may be determined by the Comptroller, a penalty to be computed in accordance with the formula

$$A \times B \times C,$$

where —

(*c*) A is the percentage which the value of the equity interests in *Y* beneficially owned on the relevant day by *X* bears to the total value of all equity interests in *Y* on the relevant day;

(*d*) B is the amount of *Y*'s income as reflected in its certified statement of accounts for the basis period relating to that year of assessment; and

(*e*) C is the tax rate specified in section 43(1)(*a*) applicable to that year of assessment.

(7) Subsection (6) does not apply to *X* if —

(*a*) the Comptroller permits *X* to take steps to reduce the beneficial ownership of *X* and *X*'s associates of equity interests in *Y* within such period as the Comptroller may specify, being a period of no more than 3 months from the relevant day; and

(*b*) by the end of the specified period, the value of the equity interests beneficially owned by *X* and *X*'s associates is no more than the prescribed percentage of the total value of all equity interests in *Y* on the relevant day.

(8) Despite subsection (6), where —

(*a*) income of a partner (*X*) of an approved limited partnership (*Y*) has been exempt from tax under subsection (1) in any year of assessment;

(*b*) *X*, either alone or together with *X*'s associates, beneficially owns on the relevant day any equity interests in *Y*; and

(*c*) *X* is a non-bona fide entity,

then *X* is not liable to pay the penalty mentioned in subsection (6), but a person (*X1*) that —

(*d*) beneficially owns on the relevant day equity interests in *X*; and

(*e*) is not himself, herself or itself a non-bona fide entity,

is liable to pay to the Comptroller, in such manner and within such reasonable time as may be determined by the Comptroller, a penalty to be computed in accordance with the formula specified in subsection (9), if (and only if) the total of —

(*f*) the value of the equity interests in *Y* beneficially owned by *X1* on the relevant day; and

(*g*) the value of the equity interests in *Y* beneficially owned by the associates of *X1* on the relevant day,

exceeds the prescribed percentage of the total value of all the equity interests in *Y*, on that day.

(9) The formula for the penalty in subsection (8) is as follows:

$$A \times B \times C,$$

where —

(*a*) A is the percentage which the value of the equity interests in *Y* beneficially owned on the relevant day by *X1* bears to the total value of all equity interests in *Y* on the relevant day;

(*b*) B is the amount of *Y*'s income as reflected in its certified statement of accounts for the basis period relating to that year of assessment; and

(*c*) C is the tax rate applicable to that year of assessment as specified in section 43(1)(*a*).

(10) Subsection (7) applies, with the necessary modifications, to *X1* as it applies to *X* as if the reference to subsection (6) were to subsection (8).

(11) For the purposes of subsections (8)(*d*), (*f*) and (*g*) and (9), if —

(*a*) an entity beneficially owns (including by virtue of one or more applications of this subsection) equity interests of an entity (called in this subsection a first level entity); and

(*b*) the first level entity beneficially owns equity interests of another entity (called in this subsection a second level entity),

then the firstmentioned entity is taken to beneficially own equity interests of the second level entity; and the percentage which the value of those equity interests bears to the total value of all equity interests of the second level entity is computed in accordance with the formula

$$A \times B,$$

where —

(*c*) A is the percentage which the value of equity interests of the first level entity beneficially owned by the firstmentioned entity bears to the total value of all equity interests of the first level entity; and

(*d*) B is the percentage which the value of equity interests of the second level entity beneficially owned by the first level entity bears to the total value of all equity interests of the second level entity.

(12) The Minister or an authorised body may at any time, in the discretion of the Minister or authorised body and subject to such conditions as the Minister or authorised body may impose, remit or refund, wholly or in part, the penalty that is payable or paid by a person under subsection (6) or (8); and section 92(2B) to (2E) applies, with the necessary modifications, to any non-compliance with any such condition as it applies to the non-compliance with a condition imposed under section 92(2).

(13) Regulations made under this section may —

(*a*) provide for the determination of the amount of income of a partner of any approved limited partnership to be exempt from tax;

(*b*) provide for the circumstances under which a person would be considered to be an associate for the purposes of this section;

(*c*) exempt any person or class of persons from subsection (6) or (8);

(*d*) provide for the revocation, or the suspension for a period specified by the Minister or an authorised body, of an approval granted under subsection (1) (including one that is granted before the date of commencement of the regulations) for non-compliance with a condition of the approval, and for any revocation to take effect from any date, including (if it is just and reasonable to do so) —

(i) a date before the date of the non-compliance with the condition; or

(ii) if the condition is to be complied with over a period of time, before the date of commencement of that period; and

(*e*) make provision generally for giving full effect to or for carrying out the purposes of this section.

(14) To avoid doubt, where —

(*a*) an exemption had been allowed under this section on the income of partner of a limited partnership;

(*b*) the exemption would not have been allowed had the limited partnership not been approved under subsection (1) on the date the income accrued to or was derived or received by the partner; and

(*c*) the approval is revoked under regulations made under subsection (13)(*d*) with effect from or before that date,

the Comptroller may make an assessment or additional assessment under section 74 on the partner.

(15) Where the approval of a limited partnership under subsection (1) is suspended pursuant to regulations made under subsection (13)(*d*), the limited partnership is treated as not an approved limited partnership during the period of suspension.

(16) In this section —

"certified statement of accounts", in relation to a limited partnership, means its profit and loss account and balance sheet that are certified as true and correct by its precedent partner;

"equity interest" —

(*a*) in relation to a company — means any issued security of that company;

(*b*) in relation to a partnership or a limited partnership — means a share in the profits of the partnership; or

(*c*) in relation to any other person — means such right or interest as may be prescribed;

"issued security", in relation to a company, means —

(*a*) any issued debenture of, or issued stock or share in, the company;

(*b*) any right, option or derivative in respect of any such debenture, stock or share; or

(*c*) such other security of the company as may be prescribed;

"non-bona fide entity" has the meaning given by section 13O(8);

"relevant day" means —

(*a*) the last day of the basis period of the approved limited partnership for the year of assessment mentioned in subsection (6) or (8), as the case may be; or

(*b*) if within that basis period the approved limited partnership ceases to be so approved, the last day it was so approved;

"value", in relation to equity interests of *X* that is a company, means the net asset value of the equity interests in *X* as at the relevant day.".

Amendment of section 13U

11. In the principal Act, in section 13U —

(*a*) in subsection (1), replace "prescribed by regulations" with "prescribed by regulations,";

(*b*) in subsection (1), after "or master fund-SPV structure,", insert "or specified from time to time by the Minister or an authorised body and either notified to the holder of the letter of approval or published in a manner that the Minister or authorised body reasonably believes will bring the conditions to the notice of the holder of the letter of approval,";

(*c*) in subsections (2), (2A), (2B), (2C) and (2E), replace "2024" with "2029";

(*d*) after subsection (2E), insert —

"(2F) An approval under subsection (1) is subject to such conditions as the Minister or an authorised body may impose.";

(*e*) after subsection (2F) (as inserted by paragraph (*d*)), insert —

"(2G) The Minister or an authorised body may at any time add, vary or delete a condition of an approval under subsection (2F), including (to avoid doubt) an approval given before the date of commencement of section 11(*e*) of the Income Tax (Amendment) Act 2024.

(2H) Any addition, variation or deletion of a condition under subsection (2G) must be given to the holder of the letter of approval or published in a manner that the Minister or authorised body reasonably believes will bring the addition, variation or deletion to the attention of the holder of the approval.";

(*f*) in subsection (3), replace "and 13O" with ", 13O and 13OA";

(*g*) in subsection (4)(*cb*), delete "and" at the end;

(*h*) in subsection (4), after paragraph (*cb*), insert —

"(*cc*) provide for the revocation, or the suspension for a period specified by the Minister or an authorised body, of an approval granted under subsection (1) (including one that is granted before the date of commencement of the regulations) for non-compliance with a condition of the approval, and for any revocation to take effect from any date, including (if it is just and reasonable to do so) —

(i) a date before the date of the non-compliance with the condition; or

(ii) if the condition is to be complied with over a period of time, before the date of commencement of that period; and";

(*i*) after subsection (4), insert —

"(4A) To avoid doubt, where —

(*a*) an exemption had been allowed under this section on the income of any approved person or person (including a company), trustee, partner, taxable entity, 1st tier SPV, 2nd tier SPV or eligible SPV (each called *X*);

(*b*) the exemption would not have been allowed had a person, fund or structure not been approved under subsection (1) on the date the income accrued to or was derived or received by *X*; and

(*c*) the approval is revoked under regulations made under subsection (4)(*cc*) with effect from or before that date,

the Comptroller may make an assessment or additional assessment under section 74 on *X*.

(4B) Where the approval of a person, fund or structure under subsection (1) is suspended pursuant to regulations made under subsection (4)(*cc*), the person, fund or structure is treated as not approved under subsection (1) during the period of the suspension."; and

(*j*) in subsection (5), in the definition of "eligible SPV", after paragraph (*b*), insert —

"(*ba*) an approved limited partnership under section 13OA;".

Amendment of section 13V

12. In the principal Act, in section 13V —

(*a*) in the section heading, replace "**and approved foreign government-owned entity**" with "**, approved foreign government-owned entity, and prescribed or approved international organisation**";

(*b*) in subsection (1)(*a*), delete "and" at the end;

(*c*) in subsection (1)(*b*), replace the full-stop at the end with a semi-colon;

(*d*) in subsection (1), after paragraph (*b*), insert —

"(*c*) a prescribed sovereign fund entity or a prescribed international organisation arising on or after 7 February 2024 from its funds that are managed in Singapore by an approved foreign government-owned entity or an approved international organisation; and

(*d*) an approved foreign government-owned entity or an approved international organisation arising on or after 7 February 2024 from —

(i) its funds that are managed in Singapore; and

(ii) managing in Singapore on or after that date the funds of, or providing in Singapore on or after that date any investment advisory service to, a prescribed sovereign fund entity or a prescribed international organisation.";

(*e*) in subsection (2), replace "2024" with "2029";

(*f*) in subsection (2), after "foreign government-owned entity", insert "or an international organisation";

(*g*) in subsection (3)(*a*), after "foreign government-owned entity", insert "or international organisation";

(*h*) in subsection (3)(*b*) and (*c*), replace "or an approved foreign government-owned entity" with ", an approved foreign government-owned entity, a prescribed international organisation or an approved international organisation"; and

(*i*) replace subsection (4) with —

"(4) In this section —

(*a*) "foreign government-owned entity", in relation to income derived before 7 February 2024, means —

(i) an entity wholly and beneficially owned (whether directly or indirectly) by the government or other public authority of a foreign country;

(ii) an entity that is incorporated, formed or established by the government or other public authority of a foreign country either directly or indirectly through one or more intermediate entities;

(iii) an entity that is incorporated, formed or established by the law of a foreign country and that is not a public authority of that foreign country; or

(iv) an entity that is incorporated, formed or established by an entity mentioned in sub-paragraph (iii) either directly or indirectly through one or more intermediate entities,

and whose principal activity is to manage the entity's own funds or the funds of a

prescribed sovereign fund entity as defined in subsection (5)(*a*); and

(*b*) "foreign government-owned entity", in relation to income derived on or after 7 February 2024, means —

(i) an entity wholly and beneficially owned (whether directly or indirectly) by the government or other public authority of one or more foreign countries;

(ii) an entity that is incorporated, formed or established by the government or other public authority of one or more foreign countries, either directly or indirectly through one or more intermediate entities;

(iii) an entity that is incorporated, formed or established by the law of a foreign country and that is not a public authority of that foreign country;

(iv) an entity that is incorporated, formed or established by an entity mentioned in sub-paragraph (iii) either directly or indirectly through one or more intermediate entities; or

(v) an entity in which the government or other public authority of one or more foreign countries beneficially owns (directly or indirectly) a percentage of the issued securities of the entity,

and whose principal activity is to manage the entity's own funds or the funds of a prescribed sovereign fund entity (as defined in subsection (5)(*b*)) or a prescribed international organisation.

(5) In this section —

(*a*) "sovereign fund entity", in relation to income derived before 7 February 2024, means —

(i) the government or other public authority of a foreign country;

(ii) an entity wholly and beneficially owned by the government or other public authority of a foreign country;

(iii) an entity that is incorporated, formed or established by the government or other public authority of a foreign country either directly or indirectly through one or more intermediate entities;

(iv) an entity that is incorporated, formed or established by the law of a foreign country and that is not a public authority of that foreign country; or

(v) an entity that is incorporated, formed or established by an entity mentioned in sub-paragraph (iv) either directly or indirectly through one or more intermediate entities,

and whose funds (which may include the reserves of the government and any pension or provident fund of that country) are managed by an approved foreign government-owned entity as defined by subsection (4)(*a*);

(*b*) "sovereign fund entity", in relation to income derived on or after 7 February 2024, means —

(i) the government or other public authority of a foreign country;

(ii) an entity wholly and beneficially owned by the government or other public authority of one or more foreign countries;

(iii) an entity that is incorporated, formed or established by the government or other public authority of one or more foreign countries either directly or indirectly through one or more intermediate entities;

(iv) an entity that is incorporated, formed or established by the law of a foreign country and that is not a public authority of that foreign country; or

(v) an entity that is incorporated, formed or established by an entity mentioned in sub-paragraph (iv) either directly or indirectly through one or more intermediate entities,

and whose funds (which may include the reserves of the government and any pension or provident fund of that country or those countries) are managed by an approved foreign government-owned entity as defined in subsection (4)(*b*) or an approved international organisation; and

(*c*) "prescribed sovereign fund entity" means a sovereign fund entity that satisfies such conditions as may be prescribed.

(6) In this section —

(*a*) "international organisation" means an organisation —

(i) of which 2 or more countries, or the governments of 2 or more countries, are members; or

(ii) that is constituted by persons representing 2 or more countries, or the governments of 2 or more countries,

and includes —

(iii) an entity that is incorporated, formed or established by an international organisation (as defined in sub-paragraph (i) or (ii)), either directly or indirectly through one or more intermediate entities; and

(iv) an entity in which an international organisation (as defined in sub-paragraph (i) or (ii)) beneficially owns (directly or indirectly) a percentage of the issued securities of the entity; and

(*b*) "prescribed international organisation" means an international organisation that satisfies such conditions as may be prescribed.".

Amendment of section 14N

13.—(1) In the principal Act, in section 14N —

(*a*) in subsection (3A), replace "or 2024" with ", 2024 or any subsequent year of assessment";

(*b*) replace subsection (8) with —

"(8) In subsection (7)(*f*), "specified period" means —

(*a*) a period that is —

(i) a period of 3 consecutive basis periods beginning with the basis period for the year of assessment in which a deduction is first allowed to the person under this section; or

(ii) any successive period of 3 consecutive basis periods,

except that —

(iii) if any of the basis periods in the period in sub-paragraph (i) or (ii) is the basis period for the year of assessment 2024, then that period (called period *X*) ends at the end of that basis period; and

(iv) sub-paragraph (ii) excludes any period that succeeds period *X*; and

(*b*) a period of 3 consecutive basis periods beginning with the basis period for the year of assessment 2025, or any successive period of 3 consecutive basis periods.";

(*c*) in subsection (8A), replace paragraph (*b*) with —

"(*b*) references in those provisions to a specified period were to —

(i) a period that is —

(A) a period of 3 consecutive basis periods beginning with the basis period for the year of assessment in which a deduction is first allowed to any partner of the partnership under this section for the renovation or refurbishment

expenditure incurred by the partnership; or

(B) any successive period of 3 consecutive basis periods,

except that —

(C) if any of the basis periods in the period in sub-paragraph (A) or (B) is the basis period for the year of assessment 2024, then that period (called period *X*) ends at the end of that basis period; and

(D) sub-paragraph (B) excludes any period that succeeds period *X*; and

(ii) a period of 3 consecutive basis periods beginning with the basis period for the year of assessment 2025, or any successive period of 3 consecutive basis periods.”; and

(*d*) in subsection (9)(*b*), after “professional fees”, insert “incurred in the basis period for the year of assessment 2024 or an earlier year of assessment, or any designer or professional fees related to the works mentioned in paragraph (*a*) incurred in the basis period for the year of assessment 2025 or a subsequent year of assessment”.

(2) Subsection (1) has effect for the year of assessment 2025 and each subsequent year of assessment.

Amendment of section 14ZG

14. In the principal Act, in section 14ZG(5), in the definition of “eligible course”, in paragraph (*b*), after “specified on”, insert “, or specified on an Internet website that is accessible from,”.

New section 14ZI

15. In the principal Act, after section 14ZH —

"**Deduction for real estate investment trust units held by managers of real estate investment trusts**

14ZI.—(1) This section applies for the purpose of ascertaining, for the basis period for the year of assessment 2026 or a subsequent year of assessment, the income of a REIT manager.

(2) Despite any other provision in this Part, where a REIT manager transfers any REIT units to an employee as remuneration, the amount deductible under section 14(1) for the REIT manager in respect of such remuneration is to be computed in accordance with subsections (3) to (6).

(3) Subject to subsection (4), the amount deductible is the value at receipt of the REIT units transferred to the employee, less any amount payable by the employee for the REIT units.

(4) Where any amount of profit, loss or expense of the REIT manager (as a qualifying person under section 34AA) in respect of the REIT units transferred to the employee had been previously brought into account for the purposes of sections 10, 14 and 37 in accordance with section 34AA, the amount deductible is to be adjusted by —

(*a*) adding the total amount of profit in respect of those REIT units which had been brought to tax under this Act by virtue of section 34AA; and

(*b*) subtracting the total amount of loss in respect of those REIT units which had been allowed as a deduction under this Act by virtue of section 34AA.

(5) For the purpose of subsection (3), the value at receipt of the REIT units transferred to the employee is to be determined in accordance with one of the following methods:

(*a*) on the basis that the REIT units acquired by the REIT manager at an earlier point in time are deemed to be transferred first;

(*b*) on the basis of the formula

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

where —

(i) A is the number of REIT units transferred;

(ii) B is the total number of REIT units held by the REIT manager immediately before the transfer; and

(iii) C is the aggregate of the value at receipt of each of the REIT units in B;

(*c*) on the basis that the aggregate value at receipt of all REIT units transferred to employees within a basis period, or a regular interval in a basis period, is ascertained by the formula

$$\frac{D}{(E + F)} \times (G + H),$$

where —

(i) D is the number of REIT units so transferred within that basis period or interval;

(ii) E is the total number of REIT units held by the REIT manager at the end of the preceding basis period, or at the end of the period equal in length to the regular interval immediately preceding that interval, as the case may be;

(iii) F is the total number of REIT units acquired by the REIT manager within the firstmentioned basis period or interval;

(iv) G is the aggregate of the value at receipt of each of the REIT units in E; and

(v) H is the aggregate of the value at receipt of each of the REIT units in F;

(*d*) on any other basis that the Comptroller considers to be reasonable, taking into account all the circumstances of the case.

(6) Where a method in subsection (5) has been applied to determine the value at receipt of the REIT units transferred to the employee, that same method must be used to determine the amount of profit, loss or expense of the REIT manager in respect of those REIT units under subsection (4), and for this purpose —

(*a*) C in subsection (5)(*b*) is the aggregate amount of the profit, loss or expense of the REIT manager in respect of each of the REIT units in B in that provision;

(*b*) G in subsection (5)(*c*) is the aggregate amount of the profit, loss or expense of the REIT manager in respect of each of the REIT units in E in that provision; and

(*c*) H in subsection (5)(*c*) is the aggregate amount of the profit, loss or expense of the REIT manager in respect of each of the REIT units in F in that provision.

(7) Where a method in subsection (5) has been applied to determine the value at receipt of the transferred REIT units for the basis period of any year of assessment, the same method must be applied for that purpose for the basis period of any subsequent year of assessment unless the Comptroller agrees otherwise.

(8) In this section —

"market value", in relation to a REIT unit, means the amount that would be realised if the REIT unit had been sold on the open market or such other value as appears to the Comptroller to be reasonable in the circumstances;

"regular interval", in relation to a basis period, means one of a number of equal periods within the basis period —

(*a*) where the aggregate of all of those equal periods is equal to the basis period; and

(*b*) where the duration of each equal period —

(i) in a case where the REIT manager has previously been allowed a deduction under this section, is the one previously adopted by the REIT manager for the purpose of this section; or

(ii) in any other case, is any duration adopted by the REIT manager for the purpose of this section;

"REIT" or "real estate investment trust" has the meaning given by section 43(10);

"REIT manager", in relation to a real estate investment trust, means an entity which has been appointed to manage the property of, or operate, the real estate investment trust;

"REIT unit" means a unit in a REIT that a REIT manager has received from the trustee of that REIT as consideration for the services performed by the REIT manager in respect of that REIT;

"value at receipt", in relation to a REIT unit, means the market value of the REIT unit when it was received by the REIT manager from the trustee of the REIT.".

New section 34K

16. In the principal Act, after section 34J, insert —

"**Net tonnage basis of taxation**

34K.—(1) Despite any other provision of this Act, an MSI recipient may elect for all of its qualifying income derived during its incentive period for the year of assessment 2024 or any subsequent year of assessment to be taxed in accordance with this section.

(2) Where an election is made by an MSI recipient for a year of assessment that falls within its incentive period —

(*a*) its qualifying income for that year of assessment is not exempt from tax under section 13A, 13E or 13P (whichever is applicable) and is also not included in its statutory income for that year of assessment; and

(*b*) instead, an amount based on the net tonnage of qualifying ships used by the MSI recipient to derive qualifying income in the basis period, as determined by the Twelfth Schedule (called in this section the deemed income), is added to and treated as part of the assessable income of the MSI recipient for that year of assessment.

(3) However, no deduction may be made under section 37B or 37D against an amount treated as part of the assessable income of an MSI recipient under subsection (2)(*b*).

(4) Despite section 43(6), (6B), (6C) and (6D), tax is levied at the rate prescribed in section 43(1)(*a*) on every dollar of the deemed income, and (accordingly) the deemed income does not form part of the chargeable income of the MSI recipient in section 43(6B) and (6D).

(5) Despite subsection (2)(*a*), expenses mentioned in section 13A(2A) of an MSI recipient that is a shipping enterprise that would otherwise be allocated in accordance with section 13A(2A) in ascertaining its qualifying income, are treated as having been so allocated; and the balance of those expenses is to be applied towards ascertaining any other income of the MSI recipient for the purposes of this Act.

(6) An MSI recipient may make an election to adopt the tax treatment under this section by providing a written notice to one or more authorities prescribed by regulations made under subsection (13) (each called an authority), in the form and manner specified by the authority —

(*a*) at or before the time it is required to lodge its return of income for any year of assessment (called in this section YA1); or

(*b*) within such further time as the authority may allow.

(7) An election, once made, is for all of the MSI recipient's qualifying income derived in its incentive period, and is irrevocable.

(8) An MSI recipient may, upon the expiry of its incentive period, make another election for all of its qualifying income within another incentive period to be taxed in accordance with this section, and subsections (6) and (7) apply accordingly.

(9) In subsections (7) and (8), "incentive period" means —

(*a*) if the MSI recipient is a shipping enterprise and is not an approved international shipping enterprise or approved shipping investment enterprise — the continuous period (not exceeding 10 years) that it owns or operates a qualifying ship, starting on the first day of the basis period for YA1 (day *X*) or, if it first owns or operates a qualifying ship on any day (day *Y*) after day *X*, starting on day *Y*;

(*b*) if the MSI recipient is an approved international shipping enterprise whether or not it also earns any income falling within the meaning of paragraph (*a*) of the definition of "qualifying income" in subsection (14) during the same period —

(i) the period of its exemption in section 13E(2) starting on the first day of the basis period for YA1 (day *X*) or, if the period of exemption starts on any day (day *Y*) after day *X*, starting on day *Y*, but excluding in both cases any period of extension of such period of exemption; or

(ii) any period of extension of the period of its exemption in section 13E(2) starting on the first day of the basis period for YA1 (day *X*) or, if the period of extension starts on any day (day *Y*) after day *X*, starting on day *Y*; or

(*c*) if the MSI recipient is an approved shipping investment enterprise whether or not it also earns any income falling within the meaning of

paragraph (*a*) of the definition of "qualifying income" in subsection (14) during the same period —

(i) the period of its approval mentioned in section 13P(3) starting on the first day of the basis period for YA1 (day *X*) or, if the period of approval starts on any day (day *Y*) after day *X*, starting on day *Y*, but in both cases —

(A) excluding any period of extension of the approval; and

(B) including any period after the period of approval where section 13P(1) continues to apply to its income as described in section 13P(1A) or (1B) after it ceases to be so approved; or

(ii) any period of extension of its approval under section 13P(3) starting on the first day of the basis period for YA1 (day *X*) or, if the period of extension starts on any day (day *Y*) after day *X*, starting on day *Y*, and including any period after the period of extension where section 13P(1) continues to apply to its income as described in section 13P(1A) or (1B) after it ceases to be so approved.

(10) However, if —

(*a*) at the time an MSI recipient that is a shipping enterprise makes an election under subsection (7) or (8), it is not an approved international shipping enterprise or approved shipping investment enterprise; and

(*b*) at any time during its incentive period as defined in subsection (9)(*a*), the MSI recipient becomes an approved international shipping enterprise or approved shipping investment enterprise (as the case may be),

the end date (but not the start date) of the incentive period of the MSI recipient is to be determined in accordance with subsection (9)(*b*) or (*c*), as the case may be.

(11) Where the incentive period of an MSI recipient covered by an election under this section lapses during a basis period for a year of assessment (called in this section the last YA), the capital allowances that are to be taken into account in determining its income that is exempt from tax under section 13A, 13E or 13P (as the case may be) for the last YA, or that is available as a deduction against any of its income for the last YA, are —

(*a*) to be computed on the residue of the capital expenditure or reducing value of the asset concerned (as the case may be) after deducting all such allowances (including initial and annual allowances) that have or would (but for subsection (2)(*a*)) have been taken into account in determining its exempt income under section 13A, 13E or 13P, as the case may be; and

(*b*) reduced by an amount computed by the formula

$$\frac{\text{A}}{365} \times \text{B},$$

where —

(i) A is the number of days between the first day of the basis period and the day the incentive period ends; and

(ii) B is the amount of capital allowances computed in paragraph (*a*).

(12) For each year of assessment after the last YA, the capital allowances that are to be taken into account in determining the income of the MSI recipient that is exempt from tax under section 13A, 13E or 13P (as the case may be), or that is available as a deduction against any of its income, are to be computed on the residue of the capital expenditure or reducing value of the asset concerned, after deducting —

(*a*) all such allowances (including initial and annual allowances) that have or would (but for subsection (2)(*a*)) have been taken into account in determining its exempt income under section 13A, 13E or 13P, as the case may be; and

(*b*) the total amount of such allowances that would have been taken into account in determining its exempt income under section 13A, 13E or 13P (as the case may be), or that would have been available as a deduction against any of its income, for the last YA, but without the reduction in subsection (11)(*b*).

(13) The Minister may make regulations —

(*a*) to modify the application of any provision in Part 14 in relation to any credit to be allowed against any tax payable in respect of the deemed income of an MSI recipient; and

(*b*) to prescribe any matter required or permitted to be prescribed under this section.

(14) In this section —

"approved international shipping enterprise" means an international shipping enterprise as defined in section 13E and approved under that section;

"approved shipping investment enterprise" means a shipping investment enterprise as defined in section 13P and approved under that section;

"Maritime Sector Incentive recipient" or "MSI recipient" means —

(*a*) a shipping enterprise, but only if it owns or operates a qualifying ship;

(*b*) an approved international shipping enterprise; or

(*c*) an approved shipping investment enterprise, including one the approval of which has expired or been withdrawn but to which section 13P(1) continues to apply by virtue of section 13P(1A) or (1B),

but excludes an entity that only operates one or more ships where only a part of each ship was chartered to it;

"net tonnage", in relation to a qualifying ship, means the measure of the useful capacity of the ship stated in a valid certificate of registry, Singapore Tonnage Certificate or International Tonnage Certificate (1969);

"provisionally registered ship", "shipping enterprise" and "Singapore ship" have the meanings given by section 13A(16);

"qualifying income", in relation to an MSI recipient for any year of assessment, means all of the following income (whichever is applicable) of the MSI recipient:

(*a*) any income that would have been exempt from tax under section 13A but for this section;

(*b*) any income that would have been exempt from tax under section 13E but for this section;

(*c*) any income that would have been exempt from tax under section 13P but for this section;

"qualifying ship", in relation to an MSI recipient for any year of assessment, means —

(*a*) in the case of an MSI recipient that is a shipping enterprise but not an approved international

shipping enterprise or an approved shipping investment enterprise, any Singapore ship or provisionally registered ship; or

(*b*) in the case of an MSI recipient that is an approved international shipping enterprise or an approved shipping investment enterprise, any ship,

owned or operated by the MSI recipient at any time in the basis period for that year of assessment;

"ship" has the meaning given by section 2(1) of the Merchant Shipping Act 1995.".

Amendment of section 36B

17. In the principal Act, in section 36B(1) —

(*a*) in paragraph (*c*)(iii), delete "and" at the end;

(*b*) in paragraph (*d*), replace the full-stop at the end with a semi-colon; and

(*c*) after paragraph (*d*), insert —

"(*e*) for the purposes of section 92J, the definitions of "employee" and "local employee" in section 92J(7) are replaced by the following definition:

"local employee", in relation to a registered business trust, means an individual —

(*a*) who is a Singapore citizen or a Singapore permanent resident;

(*b*) who is an employee of the trustee-manager of the business trust for any period in the calendar year 2023 and is on the payroll of the

trustee-manager for that period; and

(*c*) whose sole duty is assisting in managing or operating the business trust,

but excludes an individual who is also a unitholder of the business trust.".

Amendment of section 37

18. In the principal Act, in section 37(7), after "sections 37AA", insert ", 37AB".

Amendment of section 37A

19. In the principal Act, in section 37A —

(*a*) in subsection (9), replace "or 37" with ", 37, 37AA or 37AB"; and

(*b*) in subsection (11), in the definition of "donations", after "section 37", insert ", 37AA or 37AB".

Amendment of section 37AA

20. In the principal Act, in section 37AA —

(*a*) in the section heading, after "**section 13O**", insert "**, limited partnership approved under section 13OA**";

(*b*) in subsection (2), after paragraph (*a*), insert —

"(*aa*) a limited partnership registered under the Limited Partnerships Act 2008 and approved under section 13OA (called in this section a section 13OA limited partnership);";

(*c*) in subsection (8), after "section 13O company", insert ", section 13OA limited partnership";

(*d*) in subsection (9), after "the section 13O company", insert ", the section 13OA limited partnership";

(*e*) in subsection (12), replace "Section 37(3C)" with "Section 37(2), (3C)"; and

(*f*) in subsection (13)(*a*), after "a section 13O company", insert ", a section 13OA limited partnership".

New section 37AB

21. In the principal Act, after section 37AA, insert —

"**Deduction for donation of money for overseas emergency humanitarian assistance**

37AB.—(1) For the purpose of ascertaining the assessable income for any year of assessment of a person (called in this section the donor), there is to be deducted an amount computed in accordance with subsection (4) of all qualifying overseas cash donations made by the donor in the year immediately preceding the year of assessment.

(2) Subsection (1) only applies to qualifying overseas cash donations made during the period from 1 January 2025 to 31 December 2028 (both dates inclusive).

(3) Any deduction under subsection (1) is made only after the deduction (if any) under sections 37(3)(*a*) and 37AA.

(4) The amount of deduction under subsection (1) in any year of assessment must not exceed the lower of the following:

(*a*) the total amount of all qualifying overseas cash donations made by the donor in the year immediately preceding the year of assessment;

(*b*) 40% of the statutory income of the donor, after subtracting the amount of any deduction made by the donor under section 37AA, for that year of assessment.

(5) Any balance of the amount that is not deducted is not available as a deduction against the donor's income for any subsequent year of assessment and is disregarded.

(6) Section 37(2), (3C), (3E) (but not the definition of "recipient"), (3F), (3G), (3H), (3I), (3J) and (10A) applies in relation to a qualifying overseas cash donation as those provisions apply in relation to a donation mentioned in section 37(3)(*b*), (*c*), (*d*), (*e*) or (*f*), subject to the necessary modifications and the following other modifications:

(*a*) a reference in section 37(3C) to a recipient under section 37(3)(*b*)(i) or (ii), (*c*), (*d*), (*e*) or (*f*) is to the designated charity to which the qualifying overseas cash donation is made;

(*b*) a reference in section 37(10A) to a person making the donation is to the donor.

(7) The Minister may make rules with respect to the following matters:

(*a*) the matters in section 37(3H) as applied by subsection (6);

(*b*) any other matter for giving full effect to or for carrying out the purposes of this provision.

(8) In this section —

"designated charity" means a charity (as defined by section 2(1) of the Charities Act 1994) which has been designated by the Minister or an authorised body for the purpose of this section;

"qualifying overseas cash donation" means a donation made —

(*a*) to a designated charity;

(*b*) in response to a fund-raising appeal for which a permit has been granted by the Commissioner of Charities in accordance with regulations made under the Charities Act 1994; and

(*c*) to provide humanitarian assistance connected with an emergency or event in a country outside Singapore, approved by the Minister or an

authorised body for the purposes of this section.".

Amendment of section 39

22. In the principal Act, in section 39 —

(*a*) in subsection (2)(*a*) and (*i*)(iv), after "$4,000 in that year", insert "(where the year of assessment is between the years of assessment 2010 and 2024 (both years inclusive)) or not more than $8,000 in that year (where the year of assessment is 2025 or any subsequent year of assessment)";

(*b*) in subsection (2)(*p*)(iii), replace "either —" with "satisfies any of the following conditions:";

(*c*) in subsection (2)(*p*)(iii)(A), delete "or" at the end;

(*d*) in subsection (2)(*p*)(iii)(B), delete "or any subsequent year of assessment";

(*e*) in subsection (2)(*p*)(iii)(B), replace the comma at the end with a semi-colon;

(*f*) in subsection (2)(*p*)(iii), after sub-paragraph (B), insert —

"(C) where the year of assessment is the year of assessment 2025 or any subsequent year of assessment — did not derive income that exceeds an aggregate of $8,000 from any trade, business, profession, vocation or employment or a combination thereof in the year preceding the year of assessment,";

(*g*) in subsection (3)(*c*)(i), after "such payments", insert "(after deducting the prescribed amount of any MRSS grant, or the total of the prescribed amounts of any MRSS grant, given or to be given in connection with that payment or

those payments if the payment or payments was or were made on or after 1 January 2025)";

(*h*) in subsection (3AA), replace paragraph (*b*) with —

"(*b*) either —

(i) where the year of assessment is between the years of assessment 2011 and 2024 (both years inclusive) — that spouse's or sibling's income exceeds $4,000 in the year preceding the year in which the payment or medisave contribution was made; or

(ii) where the year of assessment is 2025 or any subsequent year of assessment — that spouse's or sibling's income exceeds $8,000 in the year preceding the year in which the payment or medisave contribution was made.";

(*i*) in subsection (3A)(*c*)(i), after "such payments", insert "(after deducting the prescribed amount of any MRSS grant, or the total of the prescribed amounts of any MRSS grant, given or to be given in connection with that payment or those payments if the payment or payments was or were made on or after 1 January 2025)";

(*j*) after subsection (3B), insert —

"(3C) In subsections (3) and (3A), "prescribed amount of any MRSS grant" means —

(*a*) the full amount of a grant under the public scheme known as the Matched Retirement Savings Scheme, as described on the website https://cpf.gov.sg; or

(*b*) if an amount of such grant is prescribed by rules made under section 7 for the purposes of this subsection — that amount."; and

(*k*) after subsection (12B), insert —

"(12C) Subsections (2)(*k*), (12) and (12A) cease to have effect from the year of assessment 2026.".

Amendment of section 43E

23. In the principal Act, in section 43E —

(*a*) in subsection (1A)(*a*), delete "or" at the end;

(*b*) in subsection (1A), replace paragraph (*b*) with —

"(*b*) in the case of a Finance and Treasury Centre approved as such after 24 March 2016 and on or before 16 February 2024, 8%;

(*c*) in the case of a Finance and Treasury Centre approved as such on or after 17 February 2024, 8% or 10%, as specified by the Minister or an authorised body to the company; or

(*d*) in a case to which subsection (1B) applies, the substituted concessionary rate mentioned in that subsection but only for income derived from (and including) the date specified by the Minister or authorised body to the company for the application of that rate, which may be a date earlier than the notice mentioned in that subsection but not earlier than 1 January 2024."; and

(*c*) after subsection (1A), insert —

"(1B) The Minister or an authorised body may, on or after 17 February 2024, on the Minister's or authorised body's own initiative or on the application of the company, by notice to the company substitute

the concessionary rate of tax applicable to its approved Finance and Treasury Centre under subsection (1A)(*b*) or (*c*) with 8% or 10%, as the case may be.".

Amendment of section 43I

24. In the principal Act, in section 43I —

(*a*) in subsection (1), replace "or 10%" with ", 10% or 15%";

(*b*) in subsection (1AA)(*a*), delete "or" at the end;

(*c*) in subsection (1AA)(*b*), replace the full-stop at the end with a semi-colon;

(*d*) in subsection (1AA), after paragraph (*b*), insert —

"(*c*) is chargeable with tax at the rate of 15% if the company (being a global trading company approved on or after 17 February 2024) has been approved for that rate; or

(*d*) in the case of an approved global trading company to which subsection (1AC) applies, is chargeable with tax at the substituted rate mentioned in that subsection but only for income derived from (and including) the date specified by the Minister or an authorised body to the company for the application of that rate, which may be a date earlier than the notice mentioned in that subsection but not earlier than 1 January 2024."; and

(*e*) after subsection (1AB), insert —

"(1AC) The Minister or an authorised body may, on or after 17 February 2024, on the Minister's or authorised body's own initiative or on the application of the approved global trading company, by notice to the company substitute the rate of tax applicable to the

company under subsection (1AA)(*a*), (*b*) or (*c*) with 5%, 10% or 15%, as the case may be.".

Amendment of section 43N

25. In the principal Act, in section 43N —

(*a*) in subsection (1)(*b*), replace "on or after 1 April 2017, 8%." with "between 1 April 2017 and 16 February 2024 (both dates inclusive), 8%;";

(*b*) in subsection (1), after paragraph (*b*), insert —

"(*c*) where the company is approved on or after 17 February 2024, 8% or 10%, as specified by the Minister or an authorised body to the company;

(*d*) where subsection (1D) applies, the substituted concessionary rate mentioned in that subsection but only for income derived from (and including) the date specified by the Minister or authorised body to the company for the application of that rate, which may be a date earlier than the notice mentioned in that subsection but not earlier than 1 January 2024."; and

(*c*) after subsection (1C), insert —

"(1D) The Minister or an authorised body may, on or after 17 February 2024, on the Minister's or authorised body's own initiative or on the application of the approved aircraft leasing company, by notice to the company substitute the concessionary rate of tax applicable to the company under subsection (1)(*b*) or (*c*) or (1A) with 8% or 10% (as the case may be), for the remaining part of the period in subsection (3).".

Amendment of section 43X

26. In the principal Act, in section 43X —

(*a*) in subsection (5), replace paragraphs (*a*) and (*b*) with —

"(*a*) if the company is approved before 17 February 2024 — A is a base rate of 5% or 10%, as specified by the Minister or authorised body to the approved company;

(*b*) if the company is approved on or after 17 February 2024 — A is a base rate of 5%, 10% or 15%, as specified by the Minister or authorised body to the approved company;

(*c*) if subsection (6A) applies — A is the substituted base rate mentioned in that subsection but only for income derived from (and including) the date specified by the Minister or authorised body to the approved company for the application of that rate, which may be a date earlier than the notice mentioned in that subsection but not earlier than 1 January 2024; and

(*d*) B is the sum of every rate increase specified by the Minister or authorised body to the approved company in accordance with subsection (6).";

(*b*) replace subsection (6) with —

"(6) For the purposes of subsection (5)(*d*) —

(*a*) if A in subsection (5)(*a*), (*b*) or (*c*) is 5% or 10%, the Minister or authorised body must specify to an approved company, for the 3rd, 4th, 5th and 7th 5-year period of its tax relief period, a rate increase of at least 0.5% that applies to the years of assessment of all the basis periods within each of those 5-year periods; and

(*b*) if A in subsection (5)(*b*) or (*c*) is 15%, the Minister or authorised body must specify to an approved company, for the 5th and 7th 5-year period of its tax relief period, a rate

increase of at least 0.5% that applies to the years of assessment of all the basis periods within each of those 5-year periods.

(6A) The Minister or an authorised body may, on or after 17 February 2024, on the Minister's or authorised body's own initiative or on the application of the approved company, by notice to the company substitute the base rate applicable to the approved company under subsection (5)(*a*) or (*b*) with 5%, 10% or 15% (as the case may be) for the remaining part of the period in subsection (3).".

Amendment of section 63

27. In the principal Act, in section 63, after subsection (1A), insert —

"(1B) Subsection (1A) does not apply for a year of assessment between the years of assessment 2026 and 2030 (both years inclusive).".

Amendment of section 71

28. In the principal Act, in section 71, after subsection (3A), insert —

"(3B) Subsection (3) does not apply for a year of assessment between the years of assessment 2026 and 2030 (both years inclusive).".

New section 92J

29. In the principal Act, after section 92I, insert —

"**Remission of tax for companies for year of assessment 2024 and cash grant for companies**

92J.—(1) Where the Comptroller is satisfied that the remission of tax would be beneficial to a company, then there is to be remitted the tax payable for the year of assessment 2024 by the company of an amount equal to the lower of the following:

(*a*) 50% of the tax payable for that year of assessment (excluding any tax levied under section 43(3), (3A), (3B) and (3C)), less the cash grant of $2,000 made to the company under subsection (3), where applicable;

(*b*) $40,000, less the cash grant of $2,000 made to the company under subsection (3), where applicable.

(2) However, where 50% of the tax payable under subsection (1)(*a*) is less than the cash grant of $2,000, the amount in subsection (1)(*a*) is nil.

(3) Where a company has made a CPF contribution in respect of at least one local employee in the calendar year 2023 in accordance with regulation 2(1) of the Central Provident Fund Regulations (Rg 15) (called in this section the time requirement), there is to be made to the company a cash grant of $2,000.

(4) The Comptroller may waive the time requirement under subsection (3) if the Comptroller is satisfied that it is just and equitable to do so.

(5) The cash grant under subsection (3) is exempt from tax in the hands of the company.

(6) Section 92B(4) to (8) applies, with the necessary modifications, to a cash grant made under this section.

(7) For the purpose of subsection (3) —

"central hirer" and "central hiring arrangement" have the meanings given by section 14ZG(5);

"CPF contribution" means a contribution to the Central Provident Fund that is obligatory under section 7(1) of the Central Provident Fund Act 1953;

"employee", in relation to a company, means —

(*a*) an individual who is an employee of the company for any period in the calendar year 2023 and is on the payroll of the company for that period;

(*b*) an individual —

(i) who is engaged by the central hirer of a central hiring arrangement for a group of related parties that includes the company;

(ii) who is deployed to work solely for the company for any period in the calendar year 2023;

(iii) who is on the payroll of the central hirer or the company for that period; and

(iv) whose salary and other remuneration for that period (including any CPF contribution in respect of the individual) is borne (directly or indirectly) by the company; or

(*c*) an individual —

(i) who, being an employee of another person that is a related party of the company (called in this subsection and subsection (8) the employer), is seconded to a position in the company under a bona fide commercial arrangement to work solely for the company for any period in the calendar year 2023;

(ii) who is on the payroll of the employer or the company for that period; and

(iii) whose salary and other remuneration for that period (including any CPF contribution in respect of the individual) is borne (directly or indirectly) by the company,

but excludes any individual who is a shareholder and also a director of the company;

"local employee" means a Singapore citizen or Singapore permanent resident who is an employee of the company.

(8) For the purpose of determining whether the individual mentioned in paragraph (*b*) or (*c*) of the definition of "employee" in subsection (7) is also an employee of the central hirer or the employer by virtue of paragraph (*a*) of that definition, the period mentioned in paragraph (*b*) or (*c*) (as the case may be) is to be disregarded for the purpose of paragraph (*a*) of that definition.".

New section 93B

30. In the principal Act, after section 93A, insert —

"**Refundable investment credits**

93B.—(1) This section provides for tax credits to be given for qualifying expenditure incurred by companies, to be offset against any income tax levied on, and any penalty, surcharge or interest related to income tax and due from, the companies, and for unutilised tax credits to be paid to the companies.

Definitions

(2) In this section —

"awardee company" means a company given a letter of award under subsection (4);

"claim period", in relation to a company given a letter of award, means the period mentioned in subsection (5)(*h*) that is specified in the letter of award;

"date of amalgamation" means the date shown on the notice of amalgamation under section 215F of the Companies Act 1967;

"DTT" and "MTT" have the meanings given by section 2(1) of the MMT Act, and includes any penalty, surcharge or interest payable to the Comptroller under that Act;

"due tax" has the meaning given by subsection (24);

"letter of award" means a letter of award given under subsection (4);

"letter of confirmation" means a letter of confirmation given under subsection (17);

"MMT Act" means the Multinational Enterprise (Minimum Tax) Act 2024;

"payment date" has the meaning given by subsection (23);

"payout date", in relation to a company given a letter of confirmation, means the date mentioned in subsection (20) that is specified in the letter;

"qualifying activity" means any activity prescribed as a qualifying activity by regulations made under subsection (51);

"qualifying expenditure" means any expenditure specified in the letter of award concerned, incurred in carrying out the qualifying activity specified in the letter;

"qualifying period", in relation to a company given a letter of award, means the period mentioned in subsection (5)(*c*) that is specified in the letter;

"recoverable amount" has the meaning given by subsection (38) or (39), as the case may be;

"RIC" or "refundable investment credit" means a tax credit given to an awardee company under this section for qualifying expenditure incurred in carrying out a qualifying activity;

"RIC account" means an account kept by that name under subsection (22) or (45);

"tax" includes any penalty, surcharge or interest payable to the Comptroller under this Act, other than an amount payable to the Comptroller as withholding tax;

"unutilised RICs" means RICs given to an awardee company that have not been —

(*a*) used to offset any tax, DTT or MTT that is levied on or due from the awardee company, or another company in the same group as the awardee company under regulations made for the purpose of subsection (46);

(*b*) debited from the RIC account of the company under subsection (40)(*a*); or

(*c*) paid to the awardee company.

Application for approval to be given RICs

(3) A company engaged in, or which desires to engage in, a qualifying activity may apply to the Minister or an authorised body (called in this section the approving authority), in the form and manner determined by the approving authority, for approval to be given RICs for qualifying expenditure incurred in carrying out that activity.

(4) The approving authority may, if the approving authority considers it expedient in the public interest to do so, approve the application and issue to the company a letter of award.

(5) Each letter of award must state —

(*a*) the qualifying activity for which the approval is given;

(*b*) the type or types of qualifying expenditure in carrying out the qualifying activity for which RICs may be given;

(*c*) the period (called in this section the qualifying period) in which the qualifying expenditure is to be incurred, which must not exceed 10 years;

(*d*) the maximum amount of RICs to be given for all the qualifying expenditure and the maximum amount of RICs to be given for each type of qualifying expenditure, as determined by the approving authority;

(*e*) the rate or rates used in computing the amount of RICs;

(*f*) the conditions to be complied with for the company to be given or to retain an amount of RICs;

(*g*) any other condition (called in this section an additional condition) that must be complied with for a specified part of the first maximum amount of RICs mentioned in paragraph (*d*) to be given;

(*h*) the period (called in this section the claim period) within which the company may claim for an amount of RICs; and

(*i*) the last day by which unutilised RICs are to be paid to the company, which must not be later than 4 years after the date that the company makes the application under subsection (15) pursuant to which those RICs were given.

(6) For the purposes of subsection (5)(*b*), (*c*), (*f*) and (*g*), the approving authority may specify different qualifying expenditures, different qualifying periods, and different conditions for different types of qualifying activities.

(7) For the purpose of subsection (5)(*c*), the approving authority may specify a qualifying period that begins from a date before the date of commencement of section 30 of the Income Tax (Amendment) Act 2024, but not earlier than 1 July 2024.

(8) For the purpose of subsection (5)(*e*), the regulations may specify one or more rates for computing the amount of RICs for each type of qualifying expenditure, and prescribe the factors which the approving authority must consider in determining the rate to specify for that type of qualifying expenditure in each letter of award.

(9) For the purpose of this section, a reference to RIC for each type of qualifying expenditure is to the RICs computed using the rate specified for that type of qualifying expenditure in the letter of award.

(10) Where the approving authority approves an application by a company for 2 or more qualifying activities, the approving authority may issue a single letter of award for those activities if the approving authority is satisfied that the company is engaged in or desires to engage in all those activities as part of the same project.

(11) No approval may be given after 31 December 2029.

Amendment of approval

(12) The approving authority may, on the application of an awardee company, amend any of the following matters in the letter of award:

(*a*) the qualifying activity;

(*b*) the type or types of qualifying expenditure for carrying out the qualifying activity for which RICs may be given;

(*c*) the commencement or end date of the qualifying period, except that the total period after the amendment must not exceed 10 years;

(*d*) the maximum amount of RICs to be given for all the qualifying expenditure or the maximum amount of RICs to be given for each type of qualifying expenditure;

(*e*) any rate used in computing the amount of RICs;

(*f*) any condition (including any additional condition);

(*g*) any claim period;

(*h*) the last day by which any unutilised RICs must be paid to the company, which must not be later than 4 years after the date that the company makes the application under subsection (15) pursuant to which those RICs were given.

(13) Subsection (12) does not prevent the approving authority from making any amendment to correct any error in the letter of award.

(14) If the approving authority approves an application to amend a matter in subsection (12), a reference in this section to that matter in relation to the company is to that matter as so amended.

Giving of RICs

(15) After an awardee company has incurred in its qualifying period an amount of qualifying expenditure specified in its letter of award in carrying out the qualifying activity specified in the letter, the awardee company may apply to the approving authority for an amount of RICs stated in the letter for that amount and type of the expenditure.

(16) The application must be made within the claim period or such extended period as the approving authority may allow, and must be accompanied by such information and documents as the approving authority may require.

(17) If, the approving authority is satisfied that —

(*a*) the awardee company has incurred any qualifying expenditure; and

(*b*) the awardee company has complied with every condition that is to be complied with by a date that is on or before the date of the application, or it is just and reasonable, having regard to any representation of the company and all relevant circumstances of the case, to treat every such condition as having been complied with,

the approving authority must, by a letter of confirmation to the awardee company, give to the company an amount of RICs for the type or types of qualifying expenditure to which the qualifying expenditure in paragraph (*a*) belongs, as determined by subsections (18) and (19).

(18) Subject to subsection (19), the amount of RICs for each type of qualifying expenditure is the lesser of —

(*a*) the maximum amount of RICs specified in the letter of award less any RICs already given for that type of

qualifying expenditure in previous letters of confirmation pursuant to the same letter of award; and

(*b*) an amount determined by the formula

$$A \times B,$$

where —

(i) A is the amount of the qualifying expenditure incurred and not claimed in previous letters of confirmation pursuant to the same letter of award; and

(ii) B is the rate specified in the letter of award that applies to that type of qualifying expenditure.

(19) The amount of RICs given by a letter of confirmation must not exceed the maximum amount of RICs that may be given for all qualifying expenditure as specified in the letter of award, less —

(*a*) any RICs given in previous letters of confirmation pursuant to the same letter of award; and

(*b*) if any additional condition has yet to be complied with, the specified part of the maximum amount of RICs that may only be given upon compliance.

(20) The letter of confirmation must state the payout date for unutilised RICs, which must not be later than the last day specified in the letter of award under subsection (5)(*i*) as amended (if applicable) under subsection (12).

(21) To avoid doubt, the approving authority may issue one or more letters of confirmation to the awardee company in respect of each letter of award issued to the company.

(22) The RICs given to the awardee company must be credited to an account called the "RIC account" for the purposes of this section.

Election for RICs to be paid

(23) Regulations may be made under subsection (51) —

(*a*) to allow, in any prescribed circumstances, an awardee company to make an election for any amount of RICs given to it to be paid to it in a specified manner and on a date specified by the approving authority (called in this section the payment date), which must not be later than 4 years after the date that the company makes the application under subsection (15) pursuant to which those RICs were given; and

(*b*) to provide for the revocation of, and other matters relating to, such election.

Use of RICs to offset due taxes

(24) Subsections (25) to (29) apply where —

(*a*) there are RICs in an RIC account of an awardee company;

(*b*) either —

(i) an amount of tax is levied on or due from the company under this Act; or

(ii) an amount of DTT or MTT is levied on or due from the company under the MMT Act,

(each called in this section due tax); and

(*c*) the company has not made an election under regulations made under subsection (23) for those RICs to be paid to the company.

(25) Subject to the regulations made under subsection (51), the Comptroller must —

(*a*) offset an amount of the due tax against the credit in the RIC account that is the lower of the due tax and the credit in the RIC account; and

(*b*) debit the company's RIC account with such amount.

(26) When the Comptroller offsets an amount of due tax against the RIC account of an awardee company under subsection (25), that amount of due tax is treated as paid, and the Comptroller must give notice of such payment to the awardee company.

(27) If —

(*a*) an awardee company has more than one due tax; and

(*b*) the credit in its RIC account is less than the sum of the amounts of those due taxes,

the Comptroller may determine in a manner he or she considers reasonable —

(*c*) the due tax or due taxes to be offset under subsection (25); and

(*d*) if the credit is sufficient to offset more than one due tax, the order and amount by which the due taxes are to be offset under that subsection.

(28) RICs in an RIC account that are given on an earlier date are to be fully applied to offset due taxes under subsection (25) before RICs in the same account that are given on a later date.

(29) RICs remaining in an RIC account may not be applied to offset due taxes under subsection (25) after the prescribed day before the payout date.

Payment of RICs

(30) Subsections (31) and (32) apply where —

(*a*) on the prescribed day before the payout date, there are RICs remaining in an RIC account of an awardee company; or

(*b*) an awardee company has made an election under regulations made for the purpose of subsection (23) for any RICs given to it to be paid to it by the payment date, and the prescribed day before the payment date has arrived.

(31) The Comptroller is to make a monetary payment equivalent to the amount of those RICs to the awardee company on or before the payout date or payment date.

(32) Upon the making of the payment, those RICs are to be debited from the RIC account of the awardee company.

Where awardee company has not complied with Act or condition

(33) Subsections (34) to (42) apply where the approving authority is satisfied that an awardee company —

(*a*) has not complied with a provision of this Act or regulations made under subsection (51);

(*b*) has not complied with a condition (including any additional condition) in its letter of award by the date it is to be complied with; or

(*c*) in an application to the approving authority, provided any information or document that is false or misleading in a material particular.

(34) The approving authority may, by written notice to the company, require the company within 30 days after the date of service of the notice to show cause why —

(*a*) a specified matter in its letter of award should not be amended in the manner specified in the notice; or

(*b*) its letter of award should not be revoked.

(35) If the approving authority is satisfied that, having regard to any representation of the company and all the circumstances of the case, it is just and reasonable to do so, the approving authority may —

(*a*) amend a matter in the letter of award in a manner considered just and reasonable by the approving authority; or

(*b*) revoke the letter of award with effect from a date specified by the approving authority.

(36) The approving authority must give a written notice to the company of its decision under subsection (35).

(37) For the purposes of subsection (35), the approving authority may specify any date for the amendment or revocation to take effect, including (if it is just and reasonable to do so) —

(*a*) a date before the non-compliance or application mentioned in subsection (33); or

(*b*) if the provision or condition is to be complied with over a period of time, before the date of commencement of that period.

(38) If a matter in an awardee company's letter of award is amended under subsection (35)(*a*), then —

(*a*) beginning from the effective date of the amendment, a reference in this section to that matter in relation to the company is to that matter as so amended; and

(*b*) if the company has been given an amount of RICs pursuant to that letter that would not have been given to it had the amendment been made to the letter before the RICs were given, an amount (called in this section the recoverable amount) equivalent to all of those RICs is recoverable from the company.

(39) If a letter of award is revoked under subsection (35)(*b*), an amount (also called in this section the recoverable amount) equivalent to all RICs that were given to the company pursuant to that letter for qualifying expenditure incurred after the date of revocation, is recoverable from the company.

(40) The recoverable amount may be recovered from the company in the following manner:

(*a*) by debiting an amount of RICs that are in the RIC account up to the recoverable amount;

(*b*) if there are no RICs in the RIC account, or the amount of such RICs is less than the recoverable amount, by recovering the recoverable amount or the balance

thereof from the company as a debt due to the Government.

(41) For the purpose of subsection (40)(*a*), RICs that were given on a later date are to be debited before RICs given on an earlier date.

(42) For the purpose of subsection (40)(*b*) —

(*a*) the amount described in that provision is to be paid at the place stated in a notice served by the Comptroller on the company within 30 days after the service of the notice;

(*b*) the Comptroller may, in the Comptroller's discretion and subject to such terms and conditions as the Comptroller may impose, extend the time limit within which payment is to be made; and

(*c*) sections 86(1) to (6), 87(1) and (2), 89, 90 and 91 apply to the collection and recovery by the Comptroller of that amount as they apply to the collection and recovery of tax.

Where awardee company ceases to exist due to amalgamation

(43) Subsections (44) and (45) apply where —

(*a*) one of the companies (*X*) in an amalgamation of companies has, as of the date of amalgamation —

(i) RICs for qualifying expenditure for a qualifying activity for which a letter of confirmation has yet to be given under subsection (17); or

(ii) unutilised RICs for qualifying expenditure incurred for a qualifying activity;

(*b*) the amalgamated company (being a different company from *X*) (*Y*) carries on or desires to carry on the qualifying activity; and

(*c*) *Y* applies to the approving authority for *X*'s letter of award to which those RICs or unutilised RICs relate, to be transferred to *Y*.

(44) The approving authority may approve the application with or without any modification of the conditions stated in the letter of award as the approving authority considers appropriate.

(45) Upon approval of the application —

(*a*) the provisions of this section apply as if *Y* were the awardee company of the letter of award, as modified in accordance with subsection (44); and

(*b*) in the case of subsection (43)(*a*)(ii), the unutilised RICs are treated as given to *Y* on the date they were given to *X*, and are to be credited to an RIC account to be kept for *Y*.

Offset of taxes, etc., of related company

(46) Regulations may be made under subsection (51) —

(*a*) to enable an awardee company (*X*) to apply to the approving authority for any amount of RICs given to *X* to be used to offset any due tax of one or more other companies (each called *Y*) that are of the same group as *X* at a prescribed time and nominated by *X*;

(*b*) to prescribe the maximum number of *Y*s that may be nominated for each *X* and to require *X* to nominate the same *Y*s for all of *X*'s letters of award;

(*c*) to provide for the application of the provisions of this section in relation to *Y* or to each *Y* as they apply in relation to *X*, with such modifications as are prescribed;

(*d*) to require *X* to inform the approving authority if *Y* or any *Y* ceases to be part of the same group as *X* before a prescribed time;

(*e*) to provide, in any prescribed circumstances, for the recovery from *Y* of any amount of RICs that have

been used to offset any due tax of *Y*, and for any RICs that were debited from *X*'s RIC account to offset that due tax to be credited to the account; and

(*f*) to provide for any other matter necessary or expedient for the nomination of *Y*, and the application of RICs given to *X* to offset any due tax of *Y* or any *Y*.

(47) In subsection (46) —

"FRS 110" means the financial reporting standard known as Financial Reporting Standard 110 (Consolidated Financial Statements) that is treated as made by the Accounting Standards Committee under Part 3 of the Accounting Standards Act 2007, as amended from time to time;

"group" means a group of entities (whether incorporated or registered in Singapore or elsewhere) comprising a parent and its subsidiaries within the meaning of FRS 110.

(48) Despite the application of RICs given to *X* in offsetting any due tax of *Y* in accordance with the regulations mentioned in subsection (46)(*a*) —

(*a*) *X* remains responsible for complying with any provision of this Act or the regulations, and with any condition specified in the letter of award in relation to those RICs; and

(*b*) action may accordingly be taken against *X* under subsections (34) to (42) for any non-compliance with such provision or condition.

Treatment of RIC and expenditure for which RICs are given

(49) Despite anything in this Act —

(*a*) RICs given to an awardee company are treated as a grant from the Government to the company; and

(*b*) an amount of the qualifying expenditure equivalent to RICs given is treated for the purposes of Parts 5, 6 and

9 as expenditure subsidised by a grant from the Government.

(50) Regulations may be made under subsection (51) to provide for the reversal of any tax treatment (arising under subsection (49)) necessitated by an amount equivalent to any RICs becoming recoverable because of subsection (38) or (39).

Regulations

(51) The Minister may make regulations to carry out the purposes and provisions of this section.".

Amendment of section 100

31. In the principal Act, in section 100(2), after "13O(3) or (5),", insert "13OA(6) or (8),".

Amendment of section 106

32. In the principal Act, in section 106(3), replace "and Eleventh Schedules" with ", Eleventh and Twelfth Schedules".

Amendment of section 107

33. In the principal Act, in section 107 —

(*a*) in subsection (28), in the subsection heading, replace "***and 50C***" with "***, 50C and 92J***"; and

(*b*) after subsection (28), insert —

"(28A) Section 92J applies as if the definitions of "employee" and "local employee" in section 92J(7) were replaced by the following definition:

"local employee", in relation to a VCC, means an individual —

(*a*) who is a Singapore citizen or a Singapore permanent resident; and

(*b*) who is an employee of the VCC for any period in the calendar year 2023 and is on the payroll of the VCC for that period,

but excludes an individual who is also a director of the VCC and a holder of shares of the VCC or (if the VCC is an umbrella VCC) any of the sub-funds of the VCC.".

Amendment of Fifth Schedule

34. In the principal Act, in the Fifth Schedule —

(*a*) in paragraph 3A, after "subsequent year of assessment", insert "up to the year of assessment 2024"; and

(*b*) after paragraph 3A, insert —

"3B. For the year of assessment 2025 and any subsequent year of assessment, no deduction is allowed in respect of any child —

(*a*) who is not incapacitated by reason of physical or mental infirmity; and

(*b*) who meets either or both of the following:

(i) his or her income (excluding income to which the child is entitled as the holder of a scholarship, bursary or similar educational endowment) for the year immediately preceding the year of assessment exceeded $8,000;

(ii) he or she 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 immediately preceding the year of assessment.".

New Twelfth Schedule

35. In the principal Act, after the Eleventh Schedule, insert —

"TWELFTH SCHEDULE

Sections 34K(2) and 106(1) and (3)

NET TONNAGE BASIS OF TAXATION

Net Tonnage of qualifying ship	**Income for each day of the basis period that the qualifying ship is used by the MSI recipient to derive qualifying income**	
	Ship (other than green ship)	**Green ship**
First 1,000 net tons (NT)	$0.90 for each 100 NT*	$0.60 for each 100 NT*
First 1,000 NT	$9	$6
Next 9,000 NT	$0.60 for each 100 NT*	$0.30 for each 100 NT*
First 10,000 NT	$63	$33
In excess of 10,000 NT	$0.30 for each 100 NT*	$0.30 for each 100 NT*

*Applied for each 100 NT rounded down to the nearest 100 NT.

Note:

A green ship is a ship that —

(*a*) adopts an engine capable of using zero-carbon fuels or low-carbon content fuels with a conversion factor value lower than 2; or

(*b*) adopts an electric propulsion system capable of being powered by batteries or fuel cells.".

Remission of tax for year of assessment 2024

36.—(1) There is to be remitted the tax payable for the year of assessment 2024 by an individual resident in Singapore an amount equal to the lower of the following:

(*a*) 50% of the tax payable by that individual for that year of assessment;

(*b*) $200.

(2) The amount of such remission is to be determined by the Comptroller.