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The following Act was passed by Parliament on 2 October 2018 and assented to by the President on 31 October 2018:—

**REPUBLIC OF SINGAPORE**

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**No. 45 of 2018.**

I assent.

HALIMAH YACOB,  
*President.*  
*31 October 2018.*

(LS)

An Act to amend the Income Tax Act (Chapter 134 of the 2014 Revised Edition).

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

**Short title and commencement**

- 1.—(1) This Act is the Income Tax (Amendment) Act 2018.
- (2) Section 33(*b*) and (*c*) is deemed to have come into operation on 1 January 2014.
- (3) Sections 37(*b*) and 38(*b*) are deemed to have come into operation on 1 April 2017.
- (4) Sections 28 and 29 are deemed to have come into operation on 26 October 2017.
- (5) Section 12 is deemed to have come into operation on 20 February 2018.
- (6) Section 35 is deemed to have come into operation on 1 April 2018.
- (7) Section 10 is deemed to have come into operation on 4 May 2018.
- (8) Sections 9(*c*), (*d*), (*e*), (*f*), (*g*) and (*k*), 30, 32(*a*) to (*e*), (*g*) and (*h*), 36, 39, 40 and 50(*b*) and (*c*) are deemed to have come into operation on 1 July 2018.

**Amendment of section 2**

2. Section 2(1) of the Income Tax Act (called in this Act the principal Act) is amended —

- (*a*) by inserting, immediately after the definition of “prescribed minimum retirement age”, the following definition:

““private hire car” means a motor car —

- (*a*) that is used as a private hire car within the meaning of the Road Traffic Act (Cap. 276); and
- (*b*) in respect of which a licence is issued under Part V of that Act for such use;” and
- (*b*) by inserting, immediately after the definition of “resident in Singapore”, the following definition:

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““specially authorised officer” means an officer authorised under section 4(5) to exercise the powers mentioned in that provision;”.

#### **Amendment of section 4**

3. Section 4 of the principal Act is amended by inserting, immediately after subsection (4), the following subsection:

“(5) The Comptroller may further authorise a person authorised under subsection (1) to investigate offences under this Act, to exercise any power in sections 65B(1A), (1B), (1C) and (1D), 65F, 65G, 65H and 65I.”.

#### **Amendment of section 6**

4. Section 6 of the principal Act is amended —

(a) by deleting subsections (10B) and (10C) and substituting the following subsections:

“(10B) Despite anything in this section, the Comptroller may furnish to the head of a law enforcement agency any information —

(a) that may be required by the law enforcement agency for the purpose of an investigation or prosecution of a person for an offence specified in the First or Second Schedule to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A); or

(b) that the Comptroller has reasonable grounds to suspect affords evidence of the commission of such an offence.

(10C) The following persons, namely:

(a) the head of a law enforcement agency to whom any information is furnished under subsection (10B) for the purpose mentioned in subsection (10B)(a);

(b) any person under the command of the head of the law enforcement agency;

(c) any person to whom information is disclosed in compliance with this subsection,

must not disclose to any other person such information except where it is necessary for that same purpose, and any person in paragraph (a), (b) or (c) who contravenes this subsection shall be guilty of an offence.”; and

(b) by inserting, immediately after subsection (13), the following subsection:

“(14) In this section —

“head of a law enforcement agency” means —

(a) in relation to the Singapore Police Force, the Commissioner of Police;

(b) in relation to the Commercial Affairs Department, the Director;

(c) in relation to the Central Narcotics Bureau, the Director;

(d) in relation to the Corrupt Practices Investigation Bureau, the Director; and

(e) in relation to any other law enforcement agency, its head or equivalent;

“law enforcement agency” means —

(a) the Singapore Police Force;

(b) the Commercial Affairs Department;

(c) the Central Narcotics Bureau;

(d) the Corrupt Practices Investigation Bureau; and

- (e) any other department of the Government charged with the responsibility of investigating any offence specified in the First or Second Schedule to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.”.

### **Amendment of section 10**

#### **5. Section 10 of the principal Act is amended —**

- (a) by deleting the words “for the year of assessment 2015 and subsequent years of assessment” in subsection (2)(ca) and substituting the words “for any year of assessment between the years of assessment 2015 and 2019 (both years inclusive)”;
- (b) by inserting, immediately after paragraph (ca) of subsection (2), the following paragraph:
  - “(cb) for the year of assessment 2020 and subsequent years of assessment, either —
  - (i) the rent paid by the employer for any place of residence provided by the employer (or the part of such place of residence occupied by the employee if the premises are shared with another), including for any furniture and fittings in that place or part; or
  - (ii) if no such rent is paid, the annual value of such place or part, less any rent paid by the employee for the place or part;”;
- (c) by inserting, immediately after the words “subsection (2)(ca)” in subsection (2A), the words “and (cb)(ii)”;

(d) by inserting, immediately after subsection (2A), the following subsections:

“(2AA) Where the Comptroller is not satisfied that the rent mentioned in subsection (2)(cb)(i) is reasonable after having regard to the rent that a lessee might reasonably be expected to pay under a lease of the place or part (including the furniture and fittings) if it were unoccupied and offered for renting, the Comptroller may adopt either —

(a) the annual value of the place of residence provided by the employer (or the part of such place of residence occupied by the employee if the premises are shared with another), less any rent paid by the employee for the place or part; or

(b) in a case where no annual value or separate annual value is ascribed to such place of residence in the Valuation List prepared under section 10 of the Property Tax Act, such other value as appears to the Comptroller to be reasonable in the circumstances.

(2AB) In a case where —

(a) subsection (2)(cb)(i) applies; and

(b) the rent paid by the employer under that provision includes rent for any furniture and fittings in the place or part,

then, despite subsection (2)(a), no further account is to be taken of those furniture and fittings in determining the gains or profits of the employee from the employment.

(2AC) However (and to avoid doubt), subsection (2AB) does not apply in a case where the Comptroller exercises his power under subsection (2AA).”;

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- (e) by deleting “2018” in subsection (20A)(f)(ii) and (h) and substituting in each case “2023”; and
- (f) by deleting the words “section 35(12A)” in subsection (20A) and substituting the words “section 35(12)”.

### **Amendment of section 10D**

6. Section 10D of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(2A) The income of a lessor during any basis period from the finance leasing of any machinery or plant that is treated as sold by the lessor to the lessee pursuant to regulations made under subsection (1), is determined by the formula  $A - B$ , where —

- (a) A is the total of all payments liable to be made during the basis period by the lessee to the lessor under the finance lease; and
- (b) B is that part of those payments that is attributable to the repayment of principal.”.

### **Amendment of section 10F**

7. Section 10F of the principal Act is amended —

- (a) by inserting, immediately after the words “INT FRS 104,” in subsection (1)(b), the words “FRS 116, SFRS(I) 1-17 read with SFRS(I) INT 4, or SFRS(I) 16,”;
- (b) by inserting, immediately after the words “INT FRS 112” in subsection (1A)(a)(ii), the words “or SFRS(I) INT 12”;
- (c) by inserting, immediately after the words “INT FRS 112” in subsection (1A)(b), the words “or SFRS(I) INT 12 (as the case may be)”;
- (d) by deleting the definitions of “FRS 11”, “FRS 17”, “FRS 115”, “INT FRS 104” and “INT FRS 112” in subsection (2) and substituting the following definitions:

““FRS 11”, “FRS 17”, “FRS 115”, “FRS 116”, “INT FRS 104”, “INT FRS 112”, “SFRS(I) 1-17”, “SFRS(I) 16”, “SFRS(I) INT 4” and “SFRS(I) INT 12” mean the financial reporting standards issued by the Accounting Standards Council, under Part III of the Accounting Standards Act (Cap. 2B) and known, respectively, as —

- (a) Financial Reporting Standard 11 (Construction Contracts);
- (b) Financial Reporting Standard 17 (Leases);
- (c) Financial Reporting Standard 115 (Revenue from Contracts with Customers);
- (d) Financial Reporting Standard 116 (Leases);
- (e) Interpretation of Financial Reporting Standard 104 (Determining whether an Arrangement contains a Lease);
- (f) Interpretation of Financial Reporting Standard 112 (Service Concession Arrangements);
- (g) Singapore Financial Reporting Standard (International) 1-17 (Leases);
- (h) Singapore Financial Reporting Standard (International) 16 (Leases);
- (i) Singapore Financial Reporting Standard (International) Interpretation 4 (Determining whether an Arrangement contains a Lease); and



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(j) Singapore Financial Reporting Standard (International) Interpretation 12 (Service Concession Arrangements).”.

### **Amendment of section 12**

#### **8. Section 12 of the principal Act is amended —**

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

“(6AA) To avoid doubt, the reference to interest in subsection (6) is, in the case of an arrangement that is a finance lease of any machinery or plant that is treated as sold by the lessor to the lessee pursuant to regulations made under section 10D(1), a reference to the part of any payment by the lessee that is income of the lessor under section 10D(2A).”;

(b) by inserting, immediately after subsection (7), the following subsection:

“(7AA) Any payment by the lessee to the lessor under a finance lease of any machinery or plant that is not treated as sold by the lessor to the lessee pursuant to regulations made under section 10D(1), is treated as a payment under an agreement or arrangement for the use of movable property under subsection (7)(d).”; and

(c) by inserting, immediately after subsection (9), the following subsection:

“(10) In this section, “finance lease” has the same meaning as in section 10D.”.

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### **Amendment of section 13**

#### **9. Section 13 of the principal Act is amended —**

(a) by deleting “2018” in the following provisions and substituting in each case “2023”:

Subsections (1)(a)(i) and (ii), (aa)(ii), (ab) and (ba), (2) and (16) (paragraphs (a), (b)(ii)(A) and (iv) and (c)(iii) of the definition of “qualifying debt securities”);

(b) by inserting, immediately after the words “Asian Dollar Bonds” in subsection (1)(v), the words “issued on or before 31 December 2018”;

(c) by inserting, immediately after the words “real estate investment trust” in subsection (1)(ze)(v), the words “and approved REIT exchange-traded fund”;

(d) by deleting the word “and” at the end of sub-paragraph (v) of subsection (1)(ze), and by inserting immediately thereafter the following sub-paragraph:

“(va) any distribution made by the trustee of a collective investment scheme constituted as a unit trust and authorised under section 286 of the Securities and Futures Act, that is an approved REIT exchange-traded fund and the units of which are offered to the public for subscription, where the distribution —

(A) is not made out of a distribution that is in turn made out of income of the kinds mentioned in section 43(2A)(a)(i), (ii), (iii), (iv) and (v); and

(B) is income or treated as income of the individual;”;

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- (e) by inserting, immediately after the word “made” in subsection (1)(zh), the words “on or before 31 March 2020”;
- (f) by deleting the word “and” at the end of subsection (1)(zq);
- (g) by deleting the full-stop at the end of paragraph (zr) of subsection (1) and substituting the word “; and”, and by inserting immediately thereafter the following paragraph:
- “(zs) any distribution made to an individual during the period from 1 July 2018 to 31 March 2020 (both dates inclusive) by a trustee of an approved REIT exchange-traded fund, out of a distribution from a real estate investment trust that is in turn made out of income of the kinds mentioned in section 43(2A)(a)(i), (ii), (iii), (iv) and (v), but not where the firstmentioned distribution is derived by the individual as a partner in a partnership which is in Singapore or is derived from the carrying on of a trade, business or profession.”;
- (h) by deleting the word “and” at the end of subsection (1)(zr);
- (i) by deleting the full-stop at the end of paragraph (zs) of subsection (1) and substituting the word “; and”, and by inserting immediately thereafter the following paragraph:
- “(zt) subject to subsection (2J), income of an entity (called in this section a sovereign risk pooling entity) that is established and operated for the sole object of insuring against risks faced by one or more governments (called in this section the insured governments) that arise directly or indirectly from a disaster (whether natural or man-made), subject to the following conditions:

- (i) the sovereign risk pooling entity is not established or operated for the object of deriving a profit and its income and capital may only be applied towards its sole object;
  - (ii) its capital is provided only by governments, entities wholly-owned by governments, and organisations that are not established or operated for the object of deriving a profit;
  - (iii) a government (not being an insured government) or an entity or organisation mentioned in sub-paragraph (ii) does not enjoy any risk coverage or receive any benefit in any form (including dividends) from the sovereign risk pooling entity;
  - (iv) benefits of any insurance provided by the sovereign risk pooling entity, as well as any distribution of the entity's property if it ceases operation, accrue only to the insured governments.”;
- (j) by inserting, immediately after subsection (2I), the following subsection:

“(2J) Despite any other provisions of this Act, in determining for any year of assessment the income of a sovereign risk pooling entity whose income is exempt under subsection (1)(zt) —

- (a) any outgoings and expenses incurred by the entity in the production of its income for any year of assessment, and allowable under this Act, may only be deducted against its income for that year of assessment, and any excess of such

outgoings and expenses over the income must be disregarded; and

(b) the allowances under sections 19, 19A, 20, 21 and 22 relating to the production of its income for a year of assessment may only be deducted against that income, and any excess of such allowances over the income must be disregarded.”;

(k) by inserting, immediately after the definition of “approved bond intermediary” in subsection (16), the following definition:

““approved REIT exchange-traded fund” has the same meaning as in section 43(10)”; and

(l) by deleting paragraph (a) of the definition of “deposit” in subsection (16).

#### **Amendment of section 13CA**

**10.** Section 13CA(9) of the principal Act is amended by deleting the word “or” at the end of paragraph (b) of the definition of “issued securities”, and by inserting immediately thereafter the following paragraph:

“(ba) any other instrument that confers or represents a legal or beneficial ownership interest in the company; or”.

#### **Amendment of section 13P**

**11.** Section 13P(1) of the principal Act is amended by deleting “2018” and substituting “2023”.

#### **Amendment of section 13X**

**12.** Section 13X of the principal Act is amended —

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

“(b) in relation to an approved master-feeder fund structure —

- (i) a person (not being an individual, a body of persons or a Hindu joint family) that is an approved master fund or an approved feeder fund of the structure;
- (ii) a partner of a partnership (including a limited partnership and a limited liability partnership), where the partnership is the approved master fund or an approved feeder fund of the structure;
- (iii) a trustee of a trust fund where the trust fund is the approved master fund or an approved feeder fund of the structure; and
- (iv) a taxable entity in relation to the approved master fund or an approved feeder fund of the structure, where the master fund or feeder fund is not a legal entity,

arising from funds of the master fund or any feeder fund of that structure, that are managed in Singapore by a fund manager;”;

(b) by inserting, immediately after sub-paragraph (i) of subsection (1)(c), the following sub-paragraphs:

- “(ia) a person (not being a company, an individual or a Hindu joint family) that is an approved feeder fund of the structure;
- (ib) a partner of a partnership (excluding a limited partnership but including a limited liability partnership), where the partnership is an approved feeder fund of the structure;

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- (ic) a taxable entity in relation to an approved feeder fund of the structure, where the feeder fund is not a legal entity;”;
- (c) by deleting the words “company, trustee, partner” in subsections (3) and (4)(a) and (b) and substituting in each case the words “person (including a company), trustee, partner, taxable entity”;
- (d) by deleting the words “approved limited partnership” in subsection (4)(c) and substituting the words “approved partnership (including a limited partnership and a limited liability partnership)”;
- (e) by deleting the words “the limited partnership” in subsection (4)(c) and substituting the words “the partnership”;
- (f) by deleting the words “company, trustee” in subsection (4)(ca) and substituting the words “person (including a company), trustee, taxable entity”;
- (g) by deleting the words “limited partnership” in subsection (4)(cb) and substituting the words “partnership (including a limited partnership and a limited liability partnership)”;
- (h) by deleting the definition of “approved person” in subsection (5) and substituting the following definition:

““approved person” means —

- (a) any approved person (not being an individual, a body of persons or a Hindu joint family);
- (b) any partner of an approved partnership (including a limited partnership and a limited liability partnership);
- (c) any trustee of an approved trust fund;  
or

(d) the taxable entity of an approved investment vehicle that is not a legal entity;”;

(i) by deleting the definition of “feeder fund” in subsection (5) and substituting the following definition:

““feeder fund” means an investment vehicle (whether or not a legal entity) that invests its funds, or whose funds are invested, substantially and directly through a single master fund;”;

(j) by deleting the definition of “master fund” in subsection (5) and substituting the following definition:

““master fund” —

(a) in relation to a master fund-SPV structure or master-feeder fund-SPV structure, means a company, a trust fund or a limited partnership; or

(b) in relation to a master-feeder fund structure, means an investment vehicle (whether or not a legal entity),

that enables investors to invest funds in one or more underlying investments that are managed by a fund manager;”;

(k) by inserting, immediately after the definition of “special purpose vehicle” or “SPV” in subsection (5), the following definition:

““taxable entity”, in relation to an investment vehicle (including a master fund and a feeder fund) that is not a legal entity, means the person to whom income from the investment vehicle accrues;”;

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



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“(6) The following approvals may only be granted on or after 20 February 2018:

- (a) the approval, for the purposes of the definition of “approved person” in subsection (5), of —
  - (i) a person other than a company;
  - (ii) a partnership, including a limited liability partnership but excluding a limited partnership; or
  - (iii) an investment vehicle that is not a legal entity (other than a trust fund);
- (b) the approval, for the purpose of subsection (1)(b), of any of the following as a master fund or feeder fund:
  - (i) a person that is not a company;
  - (ii) a partnership, including a limited liability partnership but excluding a limited partnership;
  - (iii) an investment vehicle that is not a legal entity (other than a trust fund);
- (c) the approval, for the purpose of subsection (1)(c), of any of the following as a feeder fund:
  - (i) a person that is not a company;
  - (ii) a partnership, including a limited liability partnership but excluding a limited partnership;
  - (iii) an investment vehicle that is not a legal entity (other than a trust fund).”.

**Amendment of section 14A**

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

(a) by deleting the words “year of assessment 2020” in subsection (1)(b) and substituting the words “year of assessment 2025”;

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

“(1BB) Subject to this section, for the purpose of ascertaining the income of a person carrying on a trade or business during the basis period for any year of assessment between the years of assessment 2019 and 2025 (both years inclusive), there is to be allowed in respect of all the person’s trades and businesses, in addition to the deduction allowed under subsection (1), a deduction of the amount of qualifying intellectual property registration costs incurred during the basis period for the purposes of those trades and businesses, up to \$100,000.”;

(c) by deleting subsections (1E) and (1F) and substituting the following subsections:

“(1E) For the purposes of subsections (1A), (1B), (1BA) and (1BB), where an individual carrying on a trade or business through 2 or more firms (excluding partnerships) has, during the basis period for any year of assessment between the years of assessment 2011 and 2025 (both years inclusive), incurred qualifying intellectual property registration costs in respect of such firms for the purposes of the individual’s trade or business, the deduction that may be allowed to the individual for those costs in respect of all the individual’s trades and businesses must not exceed the amount computed in accordance with subsection (1A), (1B), (1BA) or (1BB) (as the case may be) for that year of assessment.

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(1F) For the purposes of subsections (1A), (1B), (1BA) and (1BB), where a partnership carrying on a trade or business has, during the basis period for any year of assessment between the years of assessment 2011 and 2025 (both years inclusive), incurred qualifying intellectual property registration costs for the purposes of the partnership's trade or business, the aggregate of the deductions that may be allowed to all the partners of the partnership for those costs in respect of all the trades and businesses of the partnership must not exceed the amount computed in accordance with subsection (1A), (1B), (1BA) or (1BB) (as the case may be) for that year of assessment.”;

- (d) by deleting the words “or (1BA)” in subsection (2) and substituting the words “, (1BA) or (1BB)”;
- and
- (e) by deleting the words “or (1BA)” wherever they appear in subsection (5A) and substituting in each case the words “, (1BA) or (1BB)”.

### **Amendment of section 14B**

**14.** Section 14B of the principal Act is amended by deleting subsection (2A) and substituting the following subsections:

“(2A) For the purposes of subsection (1) and subject to subsection (2B), the firm or company need not be an approved firm or approved company to be allowed a deduction under subsection (1) in respect of expenses mentioned in subsection (2)(a) that are incurred at any time between 1 April 2012 and 31 March 2020 (both dates inclusive) for the primary purpose of promoting the trading of goods or the provision of services.

(2B) The amount of the expenses for which the deduction may be allowed under subsection (2A), after adding the expenditure for which a deduction is allowed to the firm or company under section 14K(1A), must not exceed —

- (a) for a year of assessment before the year of assessment 2019 — \$100,000; or
- (b) for the year of assessment 2019 or a subsequent year of assessment — \$150,000.”.

#### **Amendment of section 14D**

**15.** Section 14D of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(2A) Subsection (2) does not apply to any expenditure if a deduction has already been allowed for that expenditure under subsection (1) in a previous year of assessment.”.

#### **Amendment of section 14DA**

**16.** Section 14DA(1) of the principal Act is amended —

- (a) by deleting “50%” in the formula and substituting “A%”;
- (b) by deleting the word “and” at the end of the definition of “U”; and
- (c) by deleting the full-stop at the end of the definition of “V” and substituting the word “; and”, and by inserting immediately thereafter the following definition:

“A is —

- (a) for a year of assessment between the years of assessment 2009 and 2018 (both years inclusive) — 50%; or
- (b) for a year of assessment between the years of assessment 2019 and 2025 (both years inclusive) — 150%.”.

#### **Amendment of section 14E**

**17.** Section 14E of the principal Act is amended by deleting subsection (3A) and substituting the following subsection:

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“(3A) The total amount of deduction allowed under this section for any expenditure incurred by a person for an approved research and development project in Singapore must not, after adding the total amount of deductions allowed under sections 14, 14D and 14DA for the same expenditure, result in the total amount of deductions for that expenditure exceeding 200% of that expenditure; and if it so exceeds then no deduction is allowed under this section for that expenditure.”.

### **Amendment of section 14I**

**18.** Section 14I of the principal Act is amended —

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

“(2A) If, for a basis period beginning on or after 1 January 2018, the relevant amount for the bank or qualifying finance company is a negative amount, then, for the purpose of subsection (1), the bank or qualifying finance company is treated as having made in that basis period provisions for doubtful debts arising from its loans and for the diminution in the value of its investments in securities, of an amount equal to that amount expressed as a positive amount.

(2B) If, for a basis period beginning on or after 1 January 2018, the relevant amount for the bank or qualifying finance company is a positive amount, then, for the purpose of subsection (2)(a), the bank or qualifying finance company is treated as having written back in that basis period an amount of its provisions that is equal to that amount.

(2C) The relevant amount for the bank or qualifying finance company in subsections (2A) and (2B) is an amount computed using the formula  $A + B + C$ , where —

(a) A is —

- (i) if a loss is recognised, in accordance with FRS 109 or SFRS(I) 9 (as the case may be), in the profit and loss account of the bank or qualifying finance company for that basis period in respect of its loans that are not credit-impaired, owing to any provisions made for expected credit losses arising from those loans, the amount of that loss expressed as a negative amount; or
- (ii) if a gain is recognised, in accordance with FRS 109 or SFRS(I) 9 (as the case may be), in the profit and loss account of the bank or qualifying finance company for that basis period in respect of its loans that are not credit-impaired, owing to a write back of any provisions made for expected credit losses arising from those loans, the amount of that gain expressed as a positive amount;

(b) B is —

- (i) if a loss is recognised, in accordance with FRS 109 or SFRS(I) 9 (as the case may be), in the profit and loss account of the bank or qualifying finance company for that basis period in respect of its investments in securities that are not credit-impaired, owing to any provisions made for expected credit losses arising from those securities, the amount of that loss expressed as a negative amount; or

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- (ii) if a gain is recognised, in accordance with FRS 109 or SFRS(I) 9 (as the case may be), in the profit and loss account of the bank or qualifying finance company for that basis period in respect of its investments in securities that are not credit-impaired, owing to a write back of any provisions made for expected credit losses arising from those securities, the amount of that gain expressed as a positive amount; and
- (c) C is —
- (i) if an MAS notice mentioned in subsection (6A) requires the bank or qualifying finance company to make for that basis period an amount of allowance for loans or investments in securities that are not credit-impaired, and that amount is recognised in the retained earnings account of the bank or qualifying finance company as required by that MAS notice, that amount expressed as a negative amount; or
  - (ii) if an MAS notice mentioned in subsection (6A) requires the bank or qualifying finance company to reverse an amount of any allowance mentioned in sub-paragraph (i) for a basis period, and that amount is recognised in the retained earnings account of the bank or qualifying finance company as required by that MAS notice, that amount expressed as a positive amount.

(2D) For the purpose of subsection (2)(b), if the bank or qualifying finance company permanently ceases to carry on business in Singapore in a basis period beginning on or after 1 January 2018, then the amount that is deemed as its trading receipts for that basis period is the sum of —

- (a) any provisions in its expected credit loss allowance account in respect of loans and securities that are not credit-impaired at the date of the cessation; and
- (b) any provisions at that date in the reserve account that it is required to maintain by an MAS notice.

(2E) Where, in any basis period that begins on a day before 1 January 2018 —

- (a) the bank or qualifying finance company prepares or maintains financial accounts in accordance with FRS 109 or SFRS(I) 9 (as the case may be), even though it is only required to do so in a later basis period; and
- (b) the relevant amount for it is a negative amount,

then, for the purpose of subsection (1), the bank or qualifying finance company is treated as having made in that basis period provisions for doubtful debts arising from its loans and for the diminution in the value of its investments in securities, of an amount equal to that amount expressed as a positive amount.

(2F) Where, in any basis period that begins on a day before 1 January 2018 —

- (a) the bank or qualifying finance company prepares or maintains financial accounts in accordance with FRS 109 or SFRS(I) 9 (as the case may be), even though it is only required to do so in a later basis period; and



(b) the relevant amount for it is a positive amount,

then, for the purpose of subsection (2)(a), the bank or qualifying finance company is treated as having written back in that basis period an amount of its provisions that is equal to that amount.

(2G) The relevant amount for the bank or qualifying finance company in subsections (2E) and (2F) is an amount computed using the formula  $A + B$ , where A and B have the meanings given to them in subsection (2C).

(2H) The Minister may make regulations to provide for any transitional matter in connection with the application of subsections (2A) to (2G) to a bank or qualifying finance company for the year in which it first becomes a qualifying person within the meaning of section 34AA, including substituting a provision in place of subsection (5).”;

- (b) by inserting, immediately after the words “subsection (2)” in subsection (3), the words “, (2B), (2D), (2F) or (4A)(ii)”;
- (c) by inserting, immediately after the words “those loans, or” in subsection (4A)(c), the word “provision”;
- (d) by deleting the words “and (3)” in subsections (5)(c) and (6)(b) and substituting in each case the words “, (2B), (2D), (2F) and (4A)(ii)”;
- (e) by deleting subsection (6A) and substituting the following subsections:

“(6A) The provisions in this section apply to any allowance made by a bank or qualifying finance company for loans or securities as required by an MAS notice, as they apply in relation to a provision for doubtful debts arising from loans, or for diminution in the value of investments in securities, of the bank or qualifying finance company.

(6B) No deduction is allowed under subsection (1) starting from the year of assessment for a basis period that begins on or after 1 January 2024.”;

(f) by inserting, immediately after the definition of “capital funds” in subsection (7), the following definitions:

““credit-impaired” and “expected credit loss” have the same meanings as in FRS 109 or SFRS(I) 9, as the case may be;

“FRS 109” and “SFRS(I) 9” have the same meanings as in section 34AA(15);”;

(g) by inserting, immediately after the definition of “loan” in subsection (7), the following definition:

““MAS notice” means a notice or direction of the Monetary Authority of Singapore given under —

(a) section 55 of the Banking Act;

(b) section 30 of the Finance Companies Act; or

(c) section 28(3) of the Monetary Authority of Singapore Act (Cap. 186);”;

(h) by deleting the definition of “qualifying finance company” in subsection (7) and substituting the following definition:

““qualifying finance company” means a company licensed under the Finance Companies Act to carry on financing business;”;

(i) by deleting the semi-colon at the end of the definition of “qualifying profit” in subsection (7) and substituting a full-stop;

(j) by deleting the definition of “securities” in subsection (7); and

(k) by inserting, immediately after subsection (7), the following subsection:

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“(8) In this section, “securities” means —

(a) in a case where the bank or qualifying finance company —

(i) is required to prepare or maintain financial accounts in accordance with FRS 109 or SFRS(I) 9; or

(ii) prepares or maintains financial accounts in accordance with FRS 109 or SFRS(I) 9 even though it is only required to do so in a later basis period,

debentures, bonds or notes, but not those that are issued or guaranteed by the Government or the government of any other country; or

(b) in any other case —

(i) debentures, stocks, shares, bonds or notes excluding —

(A) those issued or guaranteed by the Government or the government of any other country; and

(B) stocks and shares held by a bank or qualifying finance company and issued by any company in which 5% or more of the total number of its issued shares are beneficially owned, directly or indirectly, by the bank or qualifying finance company at any time during the basis period for the relevant year of assessment;

- (ii) any right or option in respect of any debentures, stocks, shares, bonds or notes mentioned in sub-paragraph (i);
- (iii) units in any unit trust within the meaning of section 10B;
- (iv) units in a registered business trust within the meaning of section 36B;
- (v) any right or option in respect of any unit in a registered business trust within the meaning of section 36B; or
- (vi) units in a real estate investment trust within the meaning of section 43(10).”.

#### **Amendment of section 14K**

**19.** Section 14K of the principal Act is amended by deleting subsection (1A) and substituting the following subsections:

“(1A) For the purposes of subsection (1) and subject to subsection (1B), the firm or company —

- (a) need not be an approved firm or approved company to be allowed a deduction under subsection (1) in respect of expenditure that is incurred at any time between 1 April 2012 and 31 March 2020 (both dates inclusive) that is directly attributable to the carrying out of any study to identify investment overseas; and
- (b) need not seek approval for the investment project to which the expenditure relates.

(1B) The amount of the expenditure for which the deduction may be allowed under subsection (1A), after adding the expenditure for which a deduction is allowed to the firm or company under section 14B(2A), must not exceed —

- (a) for a year of assessment before the year of assessment 2019 — \$100,000; or

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(b) for the year of assessment 2019 or a subsequent year of assessment — \$150,000.”.

### **New section 14WA**

**20.** The principal Act is amended by inserting, immediately after section 14W, the following section:

**“Enhanced deduction for expenditure on licensing intellectual property rights**

**14WA.**—(1) Subject to this section, for the purpose of ascertaining the income of a person carrying on a trade or business during the basis period for any year of assessment between the years of assessment 2019 and 2025 (both years inclusive), there is to be allowed in respect of all of the person’s trades and businesses, in addition to the deduction allowed under section 14 or 14D (as the case may be), a deduction of the amount of the expenditure incurred during the basis period for the purposes of those trades and businesses on the licensing from another person of any qualifying intellectual property rights, up to \$100,000.

(2) For the purposes of subsection (1), where an individual carrying on a trade or business through 2 or more firms (excluding partnerships) has, during the basis period for any year of assessment between the years of assessment 2019 and 2025 (both years inclusive), incurred expenditure on the licensing from another person of any qualifying intellectual property rights in respect of such firms for the purposes of the individual’s trade or business, the deductions that may be allowed to the individual for that expenditure in respect of all of the individual’s trades and businesses must not exceed the maximum amount mentioned in subsection (1).

(3) For the purposes of subsection (1), where a partnership carrying on a trade or business has, during the basis period for any year of assessment between the years of assessment 2019 and 2025 (both years inclusive), incurred expenditure on the licensing from another person of any qualifying intellectual property rights for the purposes of the partnership's trade or business, the deductions that may be allowed to all the partners of the partnership for that expenditure in respect of all the trades and businesses of the partnership must not exceed the maximum amount mentioned in subsection (1).

(4) No deduction may be allowed to a person under this section in respect of —

- (a) any expenditure that is not allowed as a deduction under section 14 or 14D (as the case may be);
- (b) any expenditure incurred by that person on licensing from its related party, of any qualifying intellectual property rights, where such rights were acquired or developed (in whole or in part) by the related party; or
- (c) any qualifying intellectual property rights for which a writing-down allowance has been previously made to that person under section 19B.

(5) The Minister may by order exempt a person from subsection (4)(b) in respect of such transaction as may be specified in the order.

(6) In this section —

“qualifying intellectual property rights” has the same meaning as in section 14W(8);

“related party” has the same meaning as in section 13(16).

(7) In this section, a reference to expenditure incurred on the licensing from another person of qualifying intellectual property rights excludes any such expenditure to the extent that it is or is to be subsidised by grants or subsidies from the Government or a statutory board.

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(8) In this section, “expenditure incurred on the licensing from another person of qualifying intellectual property rights” means the licence fees but excludes —

- (a) expenditure for the transfer of ownership of any of those rights; and
- (b) legal fees and other costs related to the licensing of such rights.”.

### **Amendment of section 14ZB**

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

- (a) by deleting “2018” in subsection (1) and substituting “2021”; and
- (b) by deleting the words “2017 and 2018” in subsection (4) and substituting the words “between 2017 and 2021 (both years inclusive)”.

### **New section 14ZC**

**22.** The principal Act is amended by inserting, immediately after section 14ZB, the following section:

**“Deduction for expenditure incurred in deriving income from driving chauffeured private hire car or taxi**

**14ZC.**—(1) Subsection (2) applies for the purpose of ascertaining an individual’s income from driving a chauffeured private hire car or taxi for an authorised purpose that is chargeable to tax under section 10(1)(a) (called in this section specified income), for the basis period for the year of assessment 2019 or a subsequent year of assessment.

(2) Despite any other provisions in this Part, if there are any outgoings or expenses that are deductible against the specified income derived in the basis period, then there is to be deducted, in lieu of those outgoings or expenses, an amount computed in accordance with the formula  $A \times B$ , where —

- (a) A is 60% or such other percentage as may be prescribed by rules made under section 7; and

(b) B is the gross amount of the specified income derived in the basis period.

(3) However, subsection (2) —

(a) only applies if, at the time the specified income is derived, the individual —

(i) holds a vocational licence granted under section 110 of the Road Traffic Act (Cap. 276) authorising the individual to drive; or

(ii) is otherwise permitted under that Act to drive, a chauffeured private hire car or taxi, as the case may be; and

(b) does not apply if the individual has made an election under subsection (5) to disapply subsection (2) to the individual's specified income derived in the basis period.

(4) Subsection (2) also does not apply to any specified income derived by an individual as a partner in a partnership.

(5) An individual may, in such form and manner and within such time as the Comptroller may determine, make an election to the Comptroller to disapply subsection (2) to all of the individual's specified income derived in the basis period for a particular year of assessment.

(6) If an individual derives specified income (other than income mentioned in subsection (4)) from driving more than one vehicle in a basis period, the individual may not make an election under subsection (5) in respect of only one or some of those vehicles.

(7) Where an individual makes an election under subsection (5) to disapply subsection (2) to all of the individual's specified income derived in the basis period for a particular year of assessment, then (despite anything in this Act) —



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- (a) any outgoings or expenses incurred in that basis period and deductible against the specified income under any provision of this Part, that is in excess of the specified income, is not available as a deduction against any other income of the individual for that year of assessment; and
- (b) section 37 or 37E applies with the necessary modifications to such excess, except that the excess may only be deducted against the individual's specified income that is derived in the basis period for a subsequent or preceding year of assessment, as the case may be.

(8) In this section —

“authorised purpose” means —

- (a) the carriage of passengers; or
- (b) the collection, conveyance and delivery, for reward, of any cargo not incidental to the carriage of any passenger in a motor vehicle, and any goods, article, food or baggage which is unaccompanied by any passenger travelling in the motor vehicle must be treated as cargo, but only if such collection, conveyance and delivery is approved by the Registrar pursuant to rules made under the Road Traffic Act;

“chauffeured private hire car” means a motor car that —

- (a) does not ply for hire on any road;
- (b) is hired, or made available for hire, under a contract (express or implied) for use as a whole with a driver for the purpose of conveying the hirer, and one or more passengers (if any), in that car; and
- (c) in respect of which a licence is issued under Part V of the Road Traffic Act for its use as a chauffeured private hire car;

“Registrar” has the meaning given by section 2(1) of the Road Traffic Act.”.

### **Amendment of section 15**

**23.** Section 15 of the principal Act is amended —

(a) by deleting sub-paragraph (i) of subsection (1)(k) and substituting the following sub-paragraph:

“(i) a taxi, but subject to subsection (2D);”;

(b) by deleting the word “and” at the end of subsection (1)(k)(iv);

(c) by inserting the word “and” at the end of sub-paragraph (v) of subsection (1)(k), and by inserting immediately thereafter the following sub-paragraph:

“(vi) a chauffeured private hire car used by the person (being an individual who holds a vocational licence granted under section 110 of the Road Traffic Act authorising the individual to drive, or who is otherwise permitted under that Act to drive, a chauffeured private hire car) other than as an employee of another, but subject to subsection (2E);”;

(d) by inserting, immediately after subsection (2C), the following subsections:

“(2D) For the purposes of subsection (1)(k)(i) —

(a) outgoings and expenses incurred on or after the date the Income Tax (Amendment) Act 2018 is published in the *Gazette* are only deductible if they are attributable to the use of the taxi for an authorised purpose; and

(b) the cost of renewal in respect of the taxi incurred on or after that date is only deductible if the person is one to whom an allowance under section 19 may be made in respect of the taxi by reason of that person being one mentioned in section 19(5)(a)(i), (ii) or (iii).

(2E) Subsection (1)(k)(vi) —

(a) only applies to outgoings and expenses incurred in the basis period for the year of assessment 2019 or a subsequent year of assessment and that are attributable to the use of the chauffeured private hire car for an authorised purpose; and

(b) does not apply to the cost of renewal in respect of the car.”; and

(e) by inserting, immediately after subsection (3), the following subsection:

“(4) In this section, “authorised purpose” and “chauffeured private hire car” have the same meanings as in section 14ZC(8).”.

### **Amendment of section 19**

**24.** Section 19(5) of the principal Act is amended by deleting paragraph (a) and substituting the following paragraph:

“(a) a taxi, and then only to the following:

(i) a person that is not an individual and that holds a licence under section 111B of the Road Traffic Act (called in this paragraph a taxi service operator licence);

(ii) an individual who is a partner of the partnership that acquired the taxi and holds a taxi service operator licence;

(iii) an individual who —

- (A) acquired the taxi as a replacement or a subsequent replacement of a taxi acquired by him any time before 1 January 1975; and
- (B) holds a vocational licence granted under section 110 of the Road Traffic Act authorising him to drive a taxi;”.

### **Amendment of section 34A**

**25.** Section 34A(10) of the principal Act is amended by inserting, immediately after the words “as the case may be” in the definition of “qualifying person”, the words “, but excludes a person who is treated under section 34AA(6) as a qualifying person for that year of assessment for the purposes of section 34AA”.

### **Amendment of section 34AA**

**26.** Section 34AA of the principal Act is amended —

- (a) by inserting, immediately after the words “FRS 109” in the following provisions, the words “or SFRS(I) 9 (as the case may be)”:
  - Subsections (1), (2), (3)(g) and (m), (5)(c), (7)(a), (10)(a), (13)(c)(i) and (ii) and (15) (paragraph (b) of the definition of “qualifying person”);
- (b) by deleting the words “(subject to the regulations made under subsection (13)(a))” in subsection (3)(h);
- (c) by deleting paragraph (a) of subsection (13);
- (d) by inserting, immediately after the words “FRS 109” in paragraph (a) of the definition of “qualifying person” in subsection (15) and in the section heading, the words “or SFRS(I) 9”;
- (e) by deleting the full-stop at the end of the definition of “qualifying person” in subsection (15) and substituting a semi-colon, and by inserting immediately thereafter the following definition:

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““SFRS(I) 9” means the financial reporting standard known as Singapore Financial Reporting Standard (International) 9 (Financial Instruments) that is made, and amended from time to time, under Part III of the Accounting Standards Act.”; and

(f) by deleting subsection (16) and substituting the following subsection:

“(16) Any term used in this section and not defined in this section but defined in FRS 109 or SFRS(I) 9, has the same meaning as in FRS 109 or SFRS(I) 9, as the case may be.”.

### **New section 34AB**

27. The principal Act is amended by inserting, immediately after section 34AA, the following section:

#### **“Chargeability of profit or loss from foreign exchange differences**

**34AB.**—(1) This section applies where a person is a party to a transaction that is or is to be settled in a currency that is different from the functional currency in which the person’s financial statements are kept.

(2) Despite the provisions of this Act, for the purpose of sections 10 and 14, any change in the value of any receivable or payable from the transaction that is reflected in the person’s financial statements, being a change arising from movements in the rates of the 2 currencies, is treated as —

- (a) a gain accruing to the person; or
- (b) a deductible expense,

(as the case may be) in the basis period in which the change is recognised as a gain or loss (as the case may be) in the profit and loss account that is part of those financial statements.

(3) To avoid doubt, subsection (2) —

- (a) applies whether or not the gain or loss is realised; and

(b) does not apply to a transaction the gain or loss from which is capital in nature.

(4) Subsection (2) does not apply to a transaction to which section 34A or 34AA applies.

(5) This section does not apply to a person who made an election to the Comptroller, at the time of lodgment of the person's return of income for the year of assessment 2004, for any of the person's recognised gains or losses mentioned in subsection (2) that were unrealised, not to be treated as the person's gain or loss for that year of assessment and every subsequent year of assessment, for the purposes of this Act.

(6) However, the person mentioned in subsection (5) may in the person's return of income for any year of assessment, make an irrevocable election to the Comptroller to be subject to this section, and, if the election is approved by the Comptroller, this section applies to that person for that year of assessment and every subsequent year of assessment.”.

### **Amendment of section 34G**

**28.** Section 34G of the principal Act is amended —

- (a) by deleting paragraph (b) of subsection (1);
- (b) by deleting the words “incurred any debt in any trade or business” in subsection (3) and substituting the words “has any debt owed to it in respect of a trade or business outside Singapore, that was incurred”;
- (c) by inserting, immediately after the word “debt” in subsection (3)(b), the words “, or any reversal of the impairment loss,”;
- (d) by deleting the words “incurs any impairment loss from any financial asset on revenue account before its registration date” in subsection (4) and substituting the words “incurred before its registration date any impairment loss from any financial asset on revenue account acquired for the purpose of any trade or business outside Singapore”;

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- (e) by deleting the words “from any financial asset on revenue account that is acquired by the company” in subsection (5) and substituting the words “, in the course of carrying on a trade or business in Singapore, from any financial asset on revenue account that was acquired by the company for the purpose of any trade or business outside Singapore”;
- (f) by inserting, immediately after the words “registration date” in subsections (7) and (8), the words “for the purpose of any trade or business outside Singapore”;
- (g) by deleting subsection (9) and substituting the following subsection:
- “(9) Despite anything in sections 14A, 14D, 14Q, 14S and 14U, a redomiciled company that has never, at any time before its registration date, carried on any trade or business in Singapore, may only make a claim for a deduction under any of those sections for any cost, payment or expenditure incurred or made before its registration date, if —
- (a) such cost, payment or expenditure is incurred or made for the purpose of a trade or business in Singapore; and
- (b) the company has not carried on the same trade or business outside Singapore at any time before its registration date.”;
- (h) by inserting, immediately after the word “plant” in subsection (11)(a), the words “for the purpose of any trade or business outside Singapore”;
- (i) by inserting, immediately after the words “section 19A(10)” in subsection (14)(a), the words “, for the purpose of any trade or business outside Singapore”;
- (j) by deleting paragraph (a) of subsection (17) and substituting the following paragraph:
- “(a) incurred capital expenditure before its registration date to acquire any

intellectual property rights for the purpose of any trade or business outside Singapore; and”;

- (k) by inserting, immediately after the words “those rights for” in subsection (17)(b), the words “the purpose of”; and
- (l) by inserting, immediately after subsection (20), the following subsections:

***“Ascertainment of profits of insurers***

(20A) Where —

- (a) a body corporate incorporated outside Singapore that is registered as a redomiciled company carried on insurance business (not being life business) outside Singapore at any time before its registration date;
- (b) the redomiciled company carries on the same insurance business (not being life business) in Singapore on or after its registration date; and
- (c) the registration date of the redomiciled company falls within a period for which its gains or profits from that insurance business in Singapore are to be ascertained for the purposes of this Act,

then, for the purposes of applying section 26(3) to the period mentioned in paragraph (c), the liabilities of the redomiciled company immediately before the registration date in respect of the common policies, are to be added to the beginning value mentioned in section 26(3)(b).

(20B) If —

- (a) a body corporate incorporated outside Singapore that is registered as a redomiciled company carried on life



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business outside Singapore at any time before its registration date;

- (b) the redomiciled company carries on the same life business in Singapore on or after its registration date; and
- (c) the registration date of the redomiciled company falls within a period for which its gains or profits from that life business in Singapore are to be ascertained for the purposes of this Act,

then, for the purposes of applying section 26(6) to the period mentioned in paragraph (c), the liabilities of the redomiciled company immediately before the registration date in respect of the common policies, are to be added to the beginning value mentioned in paragraphs (a)(ii) and (b)(iv) of both definitions of “onshore life insurance surplus”, and paragraphs (a)(ii) and (b)(iv) of both definitions of “offshore life insurance surplus” in section 26(12).

(20C) In subsections (20A) and (20B) —

- (a) “life business” means the business of insuring or reinsuring the liability of a life policy or accident and health policy as defined in the Insurance Act (Cap. 142);
- (b) a redomiciled company carries on the same insurance business (not being life business) or life business in Singapore that it carried on outside Singapore if the policies which it assumes the risks or undertakes the liabilities of, or for which it collects or receives premiums, when carrying on life business or an insurance business (not being life business) in Singapore —
  - (i) are policies that are, or are part of; or

- (ii) include policies that are, or are part of,
- the policies which it assumed the risks or undertook the liabilities of, or for which it collected or received premiums, when carrying on life business or an insurance business (not being life business) outside Singapore; and
- (c) a reference to common policies is a reference to the policies mentioned in sub-paragraph (b)(i) or (ii), as the case may be.”.

### **Amendment of section 34I**

**29.** Section 34I of the principal Act is amended —

- (a) by inserting, immediately after the words “FRS 115” in subsection (1)(a) and in the section heading, the words “or SFRS(I) 15”;
- (b) by inserting, immediately after the words “FRS 115” in subsections (1)(b) and (6)(b)(i) and (ii), the words “or SFRS(I) 15 (as the case may be)”;
- (c) by deleting paragraph (c) of subsection (1) and substituting the following paragraph:
- “(c) the amount W of the person (or, if the person is a partnership, a partner of the person) for the year of assessment for that previous basis period arrived at using an amount of profit that includes the adjusted revenue amount (called in this section amount A) as the starting point, is different from the amount arrived at using an amount of profit that does not include the adjusted revenue amount (called in this section amount B) as the starting point.”;

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

“(1A) In subsection (1)(c), the amount W of a person or partner for a year of assessment is ascertained by the formula  $X + Y - Z$ , where —

- (a) X is the chargeable income of the person or partner for that year of assessment;
- (b) Y is all exempt income of the person or partner for that year of assessment; and
- (c) Z is the sum of each deduction or allowance for any expenditure, donation or loss, that remains unabsorbed after ascertaining the chargeable income or any exempt income.”;

(e) by deleting sub-paragraph (B) of subsections (3)(b)(i) and (5)(b)(i) and substituting in each case the following sub-paragraph:

“(B) the deduction allowed or allowance made for each expenditure, donation or loss in ascertaining the chargeable income or any exempt income of the person or partner for that year of assessment, and attributable to the production of, or apportioned to, that part;”;

(f) by deleting sub-paragraph (B) of subsections (3)(b)(ii) and (5)(b)(ii) and substituting in each case the following sub-paragraph:

“(B) the deduction allowed or allowance made for each expenditure, donation or loss in ascertaining the chargeable income or any exempt income

of the person or partner for that year of assessment, and attributable to the production of, or apportioned to, the income amount C or a part of it; and”;

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

“(5A) To avoid doubt, the deduction or allowance mentioned in subsection (3)(b)(i)(B) or (ii)(B), or subsection (5)(b)(i)(B) or (ii)(B), excludes any deduction or allowance (or any part of any deduction or allowance) that remains unabsorbed after ascertaining the chargeable income or exempt income mentioned in that provision.”; and

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

““SFRS(I) 15” means the financial reporting standard known as Singapore Financial Reporting Standards (International) 15 (Revenue from Contracts with Customers), issued by the Accounting Standards Council under the Accounting Standards Act.”.

### **Amendment of section 35**

**30.** Section 35 of the principal Act is amended —

- (a) by inserting, immediately after subsection (12C), the following subsection:

“(12D) To avoid doubt, subsection (12) does not affect the operation of section 43(2) (read with section 43(2A)(ba)) in relation to a designated unit trust that is also an approved REIT exchange-traded fund within the meaning of section 43(10).”;

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- (b) by inserting, immediately after subsection (15), the following subsections:

“(15A) Despite subsection (15), the statutory income for any year of assessment of a beneficiary of a trust (called in this subsection the first trust), where the beneficiary is itself a trustee of an approved REIT exchange-traded fund, is that share of the statutory income of the trustee of the first trust that corresponds to the share of the income of the first trust to which the beneficiary is entitled for the year preceding the year of assessment.

(15B) To avoid doubt, section 43(2) (read with section 43(2A)(ba)) applies to the statutory income under subsection (15A) of the beneficiary.”;

- (c) by renumbering the existing subsection (15A) as subsection (15C); and
- (d) by deleting the word “or” at the end of paragraph (b) of subsection (16), and by inserting immediately thereafter the following paragraph:

“(ba) in relation to a trustee of an approved REIT exchange-traded fund within the meaning of section 43(10), any income from a trade or business carried on by the trustee, other than a distribution received from a real estate investment trust that is in turn made out of income of the kinds mentioned in section 43(2A)(a)(i), (ii), (iii), (iv) and (v); or”.

### **Amendment of section 37**

**31.** Section 37(3A) of the principal Act is amended by deleting “2018” in paragraph (a)(ii) and substituting “2021”.

**Amendment of section 43**

**32.** Section 43 of the principal Act is amended —

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

“(2AA) Subsection (2) does not apply to a trust that is a REIT exchange-traded fund unless it is an approved REIT exchange-traded fund.”;

(b) by deleting the word “or” at the end of subsection (2A)(b);

(c) by inserting, immediately after paragraph (b) of subsection (2A), the following paragraph:

“(ba) in the case of an approved REIT exchange-traded fund, any income from any trade or business carried on by its trustee, other than a distribution in cash received in the period between 1 July 2018 and 31 March 2020 (both dates inclusive) from a real estate investment trust, that is in turn made out of any income mentioned in paragraph (a)(i) to (v); or”;

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

“(2C) To avoid doubt, subsection (2) (read with subsection (2A)(ba)) does not affect the operation of section 35(12) in relation to an approved REIT exchange-traded fund that is also a designated unit trust within the meaning of section 35(14).”;

(e) by inserting, immediately after subsection (3B), the following subsection:

“(3C) Despite anything in this Act, tax at the rate of 10% is levied and must be paid on the gross amount of any distribution by a trustee of an approved REIT exchange-traded fund that is —

(a) made out of a distribution by a real estate investment trust that is in turn made out of

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- income of the kinds mentioned in subsection (2A)(a)(i), (ii), (iii), (iv) and (v);
- (b) made during the period from 1 July 2018 to 31 March 2020 (both dates inclusive); and
- (c) made to a person (other than an individual) not resident in Singapore —
- (i) that does not have any permanent establishment in Singapore; or
  - (ii) that carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire the units in that approved REIT exchange-traded fund are not obtained from that operation.”;
- (f) by deleting subsections (6) and (6A) and substituting the following subsections:
- “(6) Despite subsection (1) but subject to subsection (6C), tax as described in subsection (6A) or (6B) (as the case may be) is levied and must be paid for each year of assessment upon the chargeable income of every company or body of persons.
- (6A) For the purposes of subsection (6), the tax that is levied —
- (a) in the case of a company, for the years of assessment 2008 to 2019 (both years inclusive); and
  - (b) in the case of a body of persons, for the years of assessment 2010 to 2019 (both years inclusive),
- is tax at the rate prescribed in subsection (1)(a) on every dollar of the chargeable income, except that —

- (c) for every dollar of the first \$10,000 of the chargeable income, only 25% is chargeable with tax; and
- (d) for every dollar of the next \$290,000 of the chargeable income, only 50% is chargeable with tax.

(6B) For the purposes of subsection (6), the tax that is levied for the year of assessment 2020 and subsequent years of assessment, is tax at the rate prescribed in subsection (1)(a) on every dollar of the chargeable income, except that —

- (a) for every dollar of the first \$10,000 of the chargeable income, only 25% is chargeable with tax; and
- (b) for every dollar of the next \$190,000 of the chargeable income, only 50% is chargeable with tax.

(6C) Despite subsections (1) and (6), where, in any of the first 3 years of assessment falling in or after the year of assessment 2008 of a company, the company is a qualifying company, then for that year of assessment tax as described in subsection (6D) is levied and must be paid upon the chargeable income of the company.

(6D) For the purposes of subsection (6C), the tax that is levied is tax at the rate prescribed in subsection (1)(a) on every dollar of the chargeable income, except that —

- (a) for the years of assessment 2008 to 2019 (both years inclusive) —
  - (i) every dollar of the first \$100,000 of the chargeable income is exempt from tax; and



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- (ii) for every dollar of the next \$200,000 of the chargeable income, only 50% is chargeable with tax; and
  - (b) for the year of assessment 2020 and subsequent years of assessment —
    - (i) for every dollar of the first \$100,000 of the chargeable income, only 25% is chargeable with tax; and
    - (ii) for every dollar of the next \$100,000 of the chargeable income, only 50% is chargeable with tax.”;
  - (g) by inserting, immediately before the definition of “approved sub-trust” in subsection (10), the following definition:
    - ““approved REIT exchange-traded fund” means a REIT exchange-traded fund that is approved by the Comptroller for the purposes of subsection (2);”;
  - (h) by inserting, immediately after the definition of “real estate investment trust” in subsection (10), the following definition:
    - ““REIT exchange-traded fund” means a collective investment scheme authorised under section 286 of the Securities and Futures Act and listed on the Singapore Exchange, and that invests or proposes to invest only in —
      - (a) real estate investment trusts; and
      - (b) any entity, trust or other arrangement that invests or proposes to invest in immovable property and immovable property-related assets, and is listed on a stock exchange outside Singapore;”.

**Amendment of section 43N**

**33.** Section 43N of the principal Act is amended —

(a) by deleting “2018” in the following provisions and substituting in each case “2023”:

Subsections (1)(aa)(ii), (ab) and (ac), (2)(a), (b)(ii), (c) and (d) and (3)(b);

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

“(2B) Subsection (1) does not apply to income derived by a financial sector incentive (capital market) company from qualifying debt securities on or after 1 January 2014.”; and

(c) by inserting, immediately after the definition of “debt securities” in subsection (4), the following definition:

““financial sector incentive (capital market) company” means a company approved as such under section 43Q;”.

**Amendment of section 43Y**

**34.** Section 43Y of the principal Act is amended by inserting, immediately after subsection (1), the following subsections:

“(1A) Despite subsection (1), where —

(a) a company was approved as an approved aircraft leasing company on or before 31 March 2017;

(b) the company is approved again as an approved aircraft leasing company at any time on or after 1 April 2017;

(c) the period of approval in paragraph (b) (called in this subsection the current approval period) starts immediately upon the expiry of the period of the approval in paragraph (a) (called in this subsection the previous approval period); and

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- (d) the company elects to apply the concessionary rate of tax specified to it under subsection (1)(a) for the previous approval period, to the company's income that accrues in or is derived from Singapore between the date of commencement of the current approval period and 31 December 2027 (both dates inclusive), in respect of an aircraft or aircraft engine to which this subsection applies,

then that concessionary rate of tax applies to such income if the company remains an approved aircraft leasing company at the time the income accrues to or is derived by the company.

(1B) Subsection (1A) —

- (a) applies to an aircraft or aircraft engine that the company either owned (whether legally or beneficially) or of which it was a lessee under a finance lease treated as a sale under section 10D, as at the last day of the previous approval period; and
- (b) does not apply to any aircraft or aircraft engine that —
- (i) has been disposed of by the company after that day and then re-acquired by or leased back to the company; or
  - (ii) has not been delivered to the company as of that day.

(1C) The election under subsection (1A) must be made by written notice to the Comptroller at the time of lodgment of the return of income for the year of assessment relating to the basis period in which the approval in subsection (1A)(b) is given or within such extended time as the Comptroller may allow.”.

### **Amendment of section 43ZC**

**35.** Section 43ZC of the principal Act is amended —

- (a) by deleting the words “5% or” in subsection (1); and

- (b) by deleting the words “1st April 2008 and 31st March 2018” in subsection (4) and substituting the words “1 April 2008 and 31 December 2023”.

### **New section 43ZI**

**36.** The principal Act is amended by inserting, immediately after section 43ZH, the following section:

#### **“Concessionary rate of tax for intellectual property income**

**43ZI.**—(1) Despite section 43 and subject to this section, the concessionary rate of tax under subsection (5) applies for each year of assessment upon a percentage determined in accordance with regulations of qualifying intellectual property income of an approved company, that is derived —

- (a) from a qualifying IPR elected by the approved company for that year of assessment under subsections (7) and (8); and
- (b) in so much of the basis period for that year of assessment as falls within the tax relief period applicable to the approved company.

(2) The Minister or a person appointed by the Minister may approve a company as an approved company (subject to such terms and conditions as the Minister or appointed person may specify), but not after 31 December 2023.

(3) The Minister or the appointed person may —

- (a) specify an initial tax relief period for an approved company that does not exceed 10 years;
- (b) specify a commencement date for the initial tax relief period that is not earlier than 1 July 2018; and
- (c) extend the tax relief period for a further period or periods, not exceeding 10 years for each period, as the Minister or the appointed person may determine.

(4) Where the commencement date for the initial tax relief period is a date before the company becomes an approved

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company, then for the purposes of subsection (1), the company is treated as an approved company beginning on the commencement date.

(5) For the purpose of subsection (1), the concessionary rate of tax for an approved company is a rate determined in accordance with the formula  $A + B$ , where —

- (a) A is a base rate of 5% or 10% as the Minister may determine; and
- (b) B is the sum of every rate increase specified by the Minister or the appointed person to the approved company in accordance with subsection (6).

(6) For the purposes of subsection (5)(b), the Minister or the appointed person must specify to an approved company, for every 5-year period beginning with the third 5-year period of its tax relief period and ending with the eighth 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 that 5-year period.

(7) Subject to subsection (8), an approved company must elect a qualifying IPR to which subsection (1) is to apply for any year of assessment —

- (a) in the form and manner determined by the Comptroller; and
- (b) at the time the approved company lodges its return of income for that year of assessment, or by such later time as the Comptroller may allow in any particular case.

(8) An election of any qualifying IPR made under subsection (7) for a year of assessment is irrevocable, and the approved company is treated as making an election for the same qualifying IPR for each subsequent year of assessment.

(9) To avoid doubt, subsections (7) and (8) do not prevent an approved company from electing for any year of assessment,

any qualifying IPR not already elected or treated as elected under those subsections.

(10) The approved company must, in such circumstances as the Comptroller may determine and in such form and manner as the Comptroller may require, provide the Comptroller with such information and documents as the Comptroller may require for the purposes of determining the applicability of subsection (1) in a particular case.

(11) The Minister may make regulations to provide for any of the following:

- (a) the determination of the percentage of qualifying intellectual property income of an approved company for the purposes of subsection (1);
- (b) the intellectual property income that is qualifying intellectual property income for this section;
- (c) the deduction (otherwise than in accordance with this Act), from the qualifying intellectual property income of an approved company, of —
  - (i) allowances attributable to the income; and
  - (ii) expenses, losses and donations allowable under this Act,including deduction of these allowances, expenses, losses and donations in such manner and to such extent as the Comptroller may determine;
- (d) the circumstances under which a prescribed amount of qualifying intellectual property income that has been assessed to tax at the concessionary rate in subsection (1) may be deemed as income chargeable to tax at the rate of tax in section 43(1)(a) for a specified year of assessment;
- (e) the records to be kept by an approved company;
- (f) generally to give effect to or carry out the purposes of this section.

(12) To avoid doubt, any regulations made under subsection (11)(e) do not affect the generality of section 67.

(13) In this section —

“qualifying intellectual property income” means any intellectual property income prescribed by the Minister in regulations made under this section;

“qualifying intellectual property right” or “qualifying IPR” means any intellectual property right prescribed by the Minister in regulations made under this section.”.

### **Amendment of section 45**

**37.** Section 45 of the principal Act is amended —

(a) by deleting “2018” in subsection (9)(a) and substituting “2023”;

(b) by deleting the words “1st November 2006 to 31st March 2017” in subsection (9)(b) and substituting the words “1 November 2006 to 31 December 2022”; and

(c) by inserting, immediately after subsection (10), the following subsection:

“(11) To avoid doubt, in this section, “interest” includes the part of any payment liable to be made by a lessee to a lessor under a finance lease of any machinery or plant treated as sold by the lessor to the lessee pursuant to regulations made under section 10D(1), that is income of the lessor under section 10D(2A).”.

### **Amendment of section 45A**

**38.** Section 45A of the principal Act is amended —

(a) by deleting “2018” in the following provisions and substituting in each case “2023”:

Subsections (2)(b), (2A) and (2B)(a); and

- (b) by deleting the words “15th February 2007 to 31st March 2017” in subsection (2B)(b) and substituting the words “15 February 2007 to 31 December 2022”.

### **Amendment of section 45G**

**39.** Section 45G of the principal Act is amended —

- (a) by inserting, immediately after the words “real estate investment trust” in subsection (1), the words “or by a trustee of any approved REIT exchange-traded fund”;
- (b) by deleting subsection (2) and substituting the following subsection:

“(2) For the purpose of subsection (1)(a), the deduction of tax under section 45 is at the rate of 10% on —

- (a) every dollar of a distribution by the trustee of the real estate investment trust made during the period from 18 February 2005 to 31 March 2020 (both dates inclusive); and
- (b) every dollar of a distribution made by the trustee of the approved REIT exchange-traded fund made during the period from 1 July 2018 to 31 March 2020 (both dates inclusive).”;
- (c) by deleting the words “where tax has been paid by the trustee of the trust” in subsection (4) and substituting the words “or the trustee of the approved REIT exchange-traded fund, where tax has been paid by the trustee”;
- (d) by inserting, immediately after the words “real estate investment trust” in subsection (4A), the words “or a trustee of an approved REIT exchange-traded fund”; and
- (e) by deleting subsection (5) and substituting the following subsections:



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“(5) Subsection (1) does not apply to any distribution made during the period from 1 July 2018 to 31 March 2020 (both dates inclusive) by a trustee of a real estate investment trust to a trustee of an approved REIT exchange-traded fund.

(6) In this section, “approved REIT exchange-traded fund” and “real estate investment trust” have the same meanings as in section 43(10).”.

#### **Amendment of section 46**

**40.** Section 46(1) of the principal Act is amended by inserting, immediately after the words “real estate investment trust” in paragraph (d), the words “or a trustee of an approved REIT exchange-traded fund”.

#### **Amendment of section 65B**

**41.** Section 65B of the principal Act is amended —

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

“(f) shall be entitled to require a person in or at the building or place, and who appears to the Comptroller or officer to be acquainted with —

(i) any facts or circumstances concerning the person’s or another person’s income, assets or liabilities;  
or

(ii) any facts or circumstances that are relevant to an investigation of, or the prosecution of a person for, an offence under this Act,

to do either or both of the following:

(iii) answer any question to the best of that person’s knowledge, information and belief;

(iv) take reasonable steps to produce a document for inspection.”;

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

“(1A) The Comptroller or a specially authorised officer may, for the purpose of investigating an offence under section 37J(3) or (4), 96 or 96A, break open any outer or inner door or window, or use any other reasonable means, to gain entry to a building or place.

(1B) The Comptroller or a specially authorised officer may only exercise the power under subsection (1A) if —

(a) he has reason to believe that there is in that building or place any document or thing that may be, or that contains information that may be —

(i) relevant to the investigation; or

(ii) required as evidence in proceedings for the offence being investigated;

(b) he has reason to believe that the document or thing is likely to be concealed, removed or destroyed, or the information is likely to be deleted, by any person; and

(c) he is unable to gain entry to that building or place after stating his authority and purpose and demanding such entry.

(1C) To avoid doubt, the Comptroller or a specially authorised officer who has gained entry to a building or place by exercising his power under subsection (1A), may exercise any of his powers under subsection (1) after such entry.

(1D) The Comptroller or a specially authorised officer may, after gaining entry into a building or

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place under subsection (1) or (1A) for the purpose of investigating an offence under this Act, search or cause to be searched a person found in the building or place for any document or thing which may be relevant for the investigation, or is required as evidence in proceedings for that offence.

(1E) A reference in subsection (1D) to an offence under this Act excludes an offence under section 65C as applied by section 105F or by section 105N, or an offence under section 105M.

(1F) A woman must not be searched except by a woman.”;

(c) by deleting subsection (3) and substituting the following subsection:

“(3) The Comptroller may by notice require any person to give orally, in writing, or through the electronic service —

(a) any information concerning the person’s or any other person’s income, assets or liabilities that is relevant for the purposes of this Act; or

(b) any information that is relevant for an investigation of, or the prosecution of a person for, an offence under this Act.”;

(d) by deleting the words “For the purposes of this Act, the” in subsection (3B) and substituting the word “The”; and

(e) by deleting paragraphs (a) and (b) of subsection (3B) and substituting the following paragraphs:

“(a) provide, to the best of that person’s knowledge, information and belief —

(i) any information concerning the person’s or any other person’s income, assets or liabilities that is

relevant for the purposes of this Act;  
or

(ii) any information that is relevant for an investigation of, or the prosecution of a person for, an offence under this Act; or

(b) take reasonable steps to produce for inspection any document concerning such income, assets or liabilities, or that contains such information.”.

### **New sections 65F to 65K**

**42.** The principal Act is amended by inserting, immediately after section 65E, the following sections:

#### **“Arrest of person**

**65F.—**(1) The Comptroller or a specially authorised officer (called in this section and sections 65G, 65H and 65I an arresting officer) may arrest without warrant any person whom the arresting officer reasonably believes —

(a) has committed an offence under section 37J(3) or (4), 96 or 96A; or

(b) is doing any of the following:

(i) destroying or attempting to destroy any document or thing with a view to hindering or obstructing the Comptroller, or an officer authorised under section 4(1) to investigate offences under this Act, in the exercise of his powers;

(ii) deleting or attempting to delete any information contained in any thing with a view to hindering or obstructing the Comptroller or an officer mentioned in sub-paragraph (i), in the exercise of his powers;

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(iii) resisting or attempting to resist, without reasonable excuse, the taking of any document or thing by the Comptroller or an officer mentioned in sub-paragraph (i),

being any document, thing or information that may be relevant to an investigation of an offence under this Act, or that may be required as evidence in proceedings for an offence under this Act.

(2) A reference in subsection (1)(b) to an offence under this Act excludes an offence under section 65C as applied by section 105F or by section 105N, and an offence under section 105M.

(3) An arresting officer may search or cause to be searched an arrested person.

(4) A woman must not be searched except by a woman.

(5) An arresting officer making an arrest must, without unnecessary delay and subject to subsection (8) and the rules mentioned in subsection (10), take or send an arrested person before a Magistrate's Court.

(6) An arresting officer must not detain in custody an arrested person for a longer period than under the circumstances of the case is reasonable.

(7) Such period must not exceed 48 hours, excluding the time necessary for the journey from the place of arrest to the Magistrate's Court.

(8) An arrested person must not be released except —

(a) on the person's own bond;

(b) on bail by a Magistrate or an arresting officer; or

(c) under the special order in writing by a Magistrate or an arresting officer.

(9) If any arrested person escapes, he may, at any time afterwards, be arrested in accordance with this section and section 65G.

(10) The Minister may make rules under section 7 to provide for —

- (a) any matter relating to the release of any person on any bond, bail or special order under subsection (8); and
- (b) the arrest of any person with or without warrant by an arresting officer for a breach of the conditions of a bond, bail or special order or other specified circumstances.

### **No unnecessary restraint**

**65G.**—(1) In making an arrest, an arresting officer must touch or confine the body of a person to be arrested unless the person submits to arrest by word or action.

(2) If the person forcibly resists, or tries to evade arrest, the arresting officer may use all reasonable means necessary to make the arrest.

(3) An arrested person must not be subject to more restraint than is necessary to prevent the person's escape.

(4) An arresting officer may use handcuffs or any similar means of restraint on an arrested person to prevent the person from —

- (a) inflicting any bodily injury to himself or others;
- (b) damaging any property;
- (c) creating any disturbance; or
- (d) escaping from custody.

(5) The handcuffs or means of restraint must not be used for the purpose of punishment.

### **Arresting officer to be armed**

**65H.** An arresting officer may be provided with such batons and accoutrements as may be necessary for the effective discharge of his duties under sections 65F and 65G.

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**Search of place entered by person sought to be arrested**

**65I.**—(1) If an arresting officer has reason to believe that a person to be arrested under section 65F(1) is inside any building or place and demands entry to that building or place, any person who resides in or is in charge of the building or place must allow the arresting officer free entry and provide all reasonable facilities for a search in it.

(2) If entry to that building or place cannot be gained under subsection (1), it is lawful for the arresting officer to enter and search the building or place.

(3) After stating his authority and purpose and demanding entry to a building or place, the arresting officer who is unable to obtain entry may, for the purposes of subsection (2), break open any outer or inner door or window or use any other reasonable means to gain such entry.

**Arrested person may be orally examined**

**65J.**—(1) The Comptroller or an officer authorised under section 4(1) to investigate offences under this Act (called in this section an investigation officer), may examine orally a person arrested under section 65F(1).

(2) A person examined by an investigation officer need not state anything which —

- (a) the person is under any statutory obligation (other than sections 128, 128A, 129 and 131 of the Evidence Act (Cap. 97)) to observe secrecy; or
- (b) is subject to legal privilege.

(3) A statement made by an arrested person must —

- (a) be reduced to writing;
- (b) be read over to the person;
- (c) if the person does not understand English, be interpreted for the person in a language that the person understands; and

(d) be signed by the person.

(4) Any person who, without reasonable excuse, fails or refuses to answer any question when examined under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 12 months or to both.

(5) The Comptroller may compound any offence under subsection (4).

(6) The generality of the term “reasonable excuse” in subsection (4) is not affected by subsection (2).

(7) Except as provided under subsection (2), it is not a defence to a charge under subsection (4) for a failure to provide any information demanded by an investigation officer that the person is under a duty of secrecy in respect of that information (called in this section a displaced duty of secrecy).

(8) A person who in good faith provides information demanded by an investigation officer under subsection (1) is not treated as being in breach of a displaced duty of secrecy.

(9) No civil or criminal action for a breach of a displaced duty of secrecy, other than a criminal action for an offence under subsection (10), lies against the person mentioned in subsection (8) for providing any information if he had done so in good faith in compliance with a demand of an investigation officer under subsection (1).

(10) Any person who, in purported compliance with a demand of an investigation officer under subsection (1), provides any information known to the person to be false or misleading in a material particular —

(a) without indicating to the investigation officer that the information is false or misleading and the part that is false or misleading; and



(b) without providing correct information to the investigation officer if the person is in possession of, or can reasonably acquire, the correct information, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.

### **Disposal of item furnished or seized**

**65K.**—(1) Any item furnished to or seized by the Comptroller or an officer authorised by the Comptroller under section 65A or 65B must —

(a) where the item is produced in any criminal proceedings, be dealt with in accordance with section 364 of the Criminal Procedure Code (Cap. 68); or

(b) in any other case, be dealt with in accordance with subsections (2), (3) and (4).

(2) The Comptroller or an officer authorised by the Comptroller must serve a notice on the owner of the item instructing the owner to take custody of it within the period specified in the notice, which must be at least 5 days after the date of service of the notice.

(3) If the owner fails to take custody of the item within the period specified in the notice, or where the owner is unknown or cannot be found, then —

(a) if the item is a document (other than one specified in paragraph (d) or (e) of the definition of “document” in section 65B(3E)), the item may be disposed of in such manner as the Comptroller directs; or

(b) if the item is anything not specified in paragraph (a), the Comptroller must make a report of this to a Magistrate.

(4) The Magistrate to whom a report is made under subsection (3)(b) may order the item to be forfeited or disposed of in such manner as the Magistrate thinks fit.

(5) Nothing in this section affects any right to retain or dispose of any item which may exist in law apart from this section.”.

### **Amendment of section 92G**

**43.** Section 92G of the principal Act is amended —

(a) by deleting “20%” in paragraph (a) and substituting “40%”; and

(b) by deleting “\$10,000” in paragraph (b) and substituting “\$15,000”.

### **New section 92H**

**44.** The principal Act is amended by inserting, immediately after section 92G, the following section:

#### **“Remission of tax of companies for year of assessment 2019**

**92H.** 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 2019 by the company of an amount equal to the lower of the following:

(a) 20% of the tax payable for that year of assessment (excluding any tax levied and paid or payable pursuant to section 43(3), (3A) and (3B));

(b) \$10,000.”.

### **Repeal and re-enactment of section 98**

**45.** Section 98 of the principal Act is repealed and the following section substituted therefor:

#### **“Penalty for obstructing Comptroller or officers**

**98.—(1)** Any person who obstructs or hinders the Comptroller or any officer in the discharge of his duties or the exercise of his powers under this Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 12 months or to both.

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(2) The Comptroller may compound an offence under subsection (1).”.

#### **Amendment of section 105F**

**46.** Section 105F(1) of the principal Act is amended by inserting, immediately after the words “Sections 65 to 65D”, the words “(except Section 65B(1D))”.

#### **Amendment of section 105N**

**47.** Section 105N(1) of the principal Act is amended by inserting, immediately after the words “Sections 65 to 65D”, the words “(except section 65B(1D))”.

#### **Amendment of section 105P**

**48.** Section 105P of the principal Act is amended by deleting subsection (1A) and substituting the following subsection:

“(1A) The Minister may also make regulations to enable the Comptroller to obtain a country-by-country report or its equivalent from a prescribed person who is resident in Singapore or has a permanent establishment in Singapore in prescribed circumstances.”.

#### **Repeal of obsolete provisions**

- 49.** The principal Act is amended —
- (a) by repealing section 47 and the Fourth Schedule; and
  - (b) by deleting the word “Fourth,” in section 106(3).

#### **Consequential and related amendments**

- 50.** The principal Act is amended —
- (a) by deleting the words “or (6A)” in section 13V(7) and substituting the words “or (6C)”;
  - (b) by deleting the words “or 43ZG” in the following provisions and substituting in each case the words “, 43ZG or 43ZI”:

Sections 14B(4)(d)(ii), 14K(3)(b)(ii) and 14KA(10)(a)(ii);

- (c) by deleting the words “or 43ZH” in the following provisions and substituting in each case the words “, 43ZH or 43ZI”:

Sections 14D(5) (paragraph (b) of the definition of “concessionary rate of tax”), 37B(7) (paragraph (b) of the definition of “higher rate of tax” or “lower rate of tax”) and 37E(17) (paragraph (b) of the definition of “concessionary rate of tax”);

- (d) by deleting the words “section 43(6A)” wherever they appear in section 34C(27) (including the subsection heading) and substituting in each case the words “section 43(6C)”;
- (e) by deleting the words “Section 43(6A)” in section 34G(21) (including the subsection heading) and substituting in each case the words “Section 43(6C)”;
- (f) by deleting the words “or (6A)” in the definition of “E” in section 37G(4) and substituting the words “or (6C)”;
- (g) by deleting the words “or (6A)” in section 62B(2) and substituting the words “or (6C)”.
-