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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS ON ECONOMIC AND TECHNOLOGICAL DEVELOPMENT LOANS) (NO. 3) NOTIFICATION 2015

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
 2. Definitions
 3. Exemption
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In exercise of the powers conferred by section 13(4) of the Income Tax Act, the Minister for Finance makes the following Notification:

Citation and commencement

1. This Notification may be cited as the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 3) Notification 2015 and is deemed to have come into operation on 15 May 2011.

Definitions

2. In this Notification, unless the context otherwise requires —

“loan amount” means the sum of US\$95.04 million lent by PDV Marina S.A. to CV Shipping Pte. Ltd. under the Shareholders’ Loan Agreement;

“Shareholders’ Loan Agreement” means the shareholders’ loan agreement dated 8 June 2011, entered into by PDV Marina S.A., Petrochina International (Singapore) Pte. Ltd. and CV Shipping Pte. Ltd. for the purpose of enabling CV Shipping Pte. Ltd. to extend loans to the following wholly-owned

subsidiaries of CV Shipping Pte. Ltd. for the purposes specified against them:

- (a) Ayacucho Shipping Pte. Ltd., for the purpose of financing the construction of the vessel “Ayacucho”;
- (b) Boyaca Shipping Pte. Ltd., for the purpose of financing the construction of the vessel “Boyaca”;
- (c) Carabobo Shipping Pte. Ltd., for the purpose of financing the construction of the vessel “Carabobo”;
- (d) Junin Shipping Pte. Ltd., for the purpose of financing the construction of the vessel “Junin”.

Exemption

3.—(1) Interest paid or payable by CV Shipping Pte. Ltd. to PDV Marina S.A. on the loan amount is exempt from tax.

(2) The exemption under sub-paragraph (1) —

- (a) is subject to the terms and conditions specified in the letters of approval dated 12 September 2011 and 27 August 2013 issued by the Ministry of Finance and addressed to CV Shipping Pte. Ltd.;
- (b) does not apply to any interest payable after the earlier of the following:
 - (i) the date on which all outstanding principal and interest under the Shareholders’ Loan Agreement are fully repaid;
 - (ii) the date of termination of the Shareholders’ Loan Agreement; and
- (c) where any particular vessel is disposed of, does not apply to any interest payable after the date of the disposal on the part of the loan amount corresponding to the amount lent by CV Shipping Pte. Ltd. to the relevant wholly-owned subsidiary in the definition of “Shareholders’ Loan Agreement” in paragraph 2, for the purpose of financing the construction of that vessel.

Made on 3 March 2015.

LIM SOO HOON
Permanent Secretary
(Finance) (Performance),
Ministry of Finance,
Singapore.

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