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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS ON ECONOMIC AND TECHNOLOGICAL DEVELOPMENT LOANS) (NO. 2) NOTIFICATION 2019

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 is the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 2) Notification 2019 and is deemed to have come into operation on 14 December 2017.

Definitions

2. In this Notification —

“JPY-denominated loan” means the loan agreement denominated in Japanese yen entered into by Mercuria Asia Group Holdings Pte Ltd with various banks and other financial institutions on 28 August 2014 (including subsequent renewals of the loan agreement);

“qualifying payments” means —

(a) participation fee;

- (b) upfront fee;
- (c) commitment fee;
- (d) utilisation fee; and
- (e) extension fee;

“specified lender”, in relation to the syndicated revolving credit facilities or the JPY-denominated loan, means a lender that is not resident in Singapore, and either —

- (a) does not (alone or in association with others) carry on a business in Singapore, and does not have a permanent establishment in Singapore; or
- (b) carries on a business in Singapore (alone or in association with others) or has a permanent establishment in Singapore, but no arrangement, management or service relating to the syndicated revolving credit facilities or the JPY-denominated loan is made or performed through that business or that permanent establishment;

“syndicated revolving credit facilities” means the syndicated revolving credit facilities entered into by Mercuria Asia Group Holdings Pte Ltd with various banks and other financial institutions on 26 November 2013 (including subsequent renewals of the facilities).

Exemption

3.—(1) Qualifying payments payable by Mercuria Asia Group Holdings Pte Ltd, a company with an approved Finance and Treasury Centre under section 43G of the Act —

- (a) to a specified lender under the syndicated revolving credit facilities or the JPY-denominated loan;
- (b) in respect of the portion of funds obtained under the syndicated revolving credit facilities or the JPY-denominated loan that are used by Mercuria Asia Group Holdings Pte Ltd for any of the qualifying activities

and qualifying services prescribed in regulations made under section 43G(1) of the Act; and

- (c) during the period starting on 14 December 2017 and ending on the date the Finance and Treasury Centre of Mercuria Asia Group Holdings Pte Ltd ceases to be a Finance and Treasury Centre approved under section 43G of the Act,

are exempt from tax.

(2) The exemption under sub-paragraph (1) is subject to the conditions specified in the letter of approval dated 6 July 2018 and addressed to Ernst & Young Solutions LLP, tax advisor of Mercuria Asia Group Holdings Pte Ltd.

Made on 4 March 2019.

TAN CHING YEE
*Permanent Secretary,
Ministry of Finance,
Singapore.*

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