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No. S 170

INCOME TAX ACT 1947

INCOME TAX (AMALGAMATION OF COMPANIES) (AMENDMENT) REGULATIONS 2022

In exercise of the powers conferred by section 34C(30) of the Income Tax Act 1947, the Minister for Finance makes the following Regulations:

Citation and commencement

1.—(1) These Regulations are the Income Tax (Amalgamation of Companies) (Amendment) Regulations 2022.

(2) Regulation 13 is deemed to have come into operation on 17 February 2012.

(3) Regulation 3(1) is deemed to have come into operation on 1 April 2012.

(4) Regulation 5 is deemed to have come into operation on 18 December 2012.

(5) Regulations 2(1)(*e*), (*j*) and (*m*) and 7 are deemed to have come into operation on 28 November 2013.

(6) Regulation 2(1)(*a*) to (*d*), (*f*) to (*i*), (*k*), (*l*) and (*n*) and (2) is deemed to have come into operation on 27 November 2014.

(7) Regulations 8 to 11 are deemed to have come into operation on 1 April 2015.

(8) Regulation 3(2) and (3) is deemed to have come into operation on 1 July 2015.

(9) Regulation 3(4) and (5) is deemed to have come into operation on 1 April 2016.

(10) Regulation 6 is deemed to have come into operation on 1 August 2016.

(11) Regulation 3(6), (7) and (8) is deemed to have come into operation on 12 November 2018.

(12) Regulations 14 and 15 are deemed to have come into operation on 31 December 2021.

(13) Regulations 4 and 12 come into operation on 10 March 2022.

Amendment of regulation 5B

2.—(1) Regulation 5B of the Income Tax (Amalgamation of Companies) Regulations 2011 (G.N. No. S 154/2011) (called in these Regulations the principal Regulations) is amended —

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

“(5A) Where the date of amalgamation falls within the basis period for the year of assessment 2016, the amount of any PIC expenditure under a PIC provision incurred by the amalgamated company during the basis periods for the years of assessment 2016, 2017 and 2018 for which a deduction or an allowance may be allowed or made to it under that PIC provision for those years of assessment is determined as follows:

(a) for the year of assessment 2016, the lower of —

- (i) the amount of the PIC expenditure under that PIC provision incurred by the amalgamated company during the basis period for the year of assessment 2016; and
- (ii) an amount computed in accordance with the formula $\$1,200,000 - X_6$, where X_6 is the total of every amount of PIC expenditure under that PIC provision incurred by an amalgamating company during the basis period for the year of assessment 2016 for which a

deduction or an allowance is allowed or made to that company under that PIC provision, including any such expenditure for which a cash payout is granted to that company under section 37I of the Act;

(b) for the year of assessment 2017, the lower of —

(i) the amount of the PIC expenditure under that PIC provision incurred by the amalgamated company during the basis period for the year of assessment 2017; and

(ii) the balance after deducting from \$1,200,000 the total of —

(A) X_6 mentioned in sub-paragraph (a)(ii); and

(B) the lower of the amounts specified in sub-paragraph (a)(i) and (ii);

(c) for the year of assessment 2018, the lower of —

(i) the amount of the PIC expenditure under that PIC provision incurred by the amalgamated company during the basis period for the year of assessment 2018; and

(ii) the balance after deducting from \$1,200,000 the total of —

(A) X_6 mentioned in sub-paragraph (a)(ii);

(B) the lower of the amounts specified in

sub-paragraph (a)(i) and (ii);
and

(C) the lower of the amounts
specified in
sub-paragraph (b)(i) and (ii).

(5B) Where the date of amalgamation falls within the basis period for the year of assessment 2017, the amount of any PIC expenditure under a PIC provision incurred by the amalgamated company during the basis periods for the years of assessment 2017 and 2018 for which a deduction or an allowance may be allowed or made to it under that PIC provision for those years of assessment is determined as follows:

(a) for the year of assessment 2017, the lower of —

(i) the amount of the PIC expenditure under that PIC provision incurred by the amalgamated company during the basis period for the year of assessment 2017; and

(ii) an amount computed in accordance with the formula $\$1,200,000 - X_7$, where X_7 is the total of every amount of PIC expenditure under that PIC provision incurred by an amalgamating company during the basis period for the year of assessment 2016 or 2017 for which a deduction or an allowance is allowed or made to that company under that PIC provision, including any such expenditure for which a cash payout is granted to that company under section 37I of the Act;

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- (b) for the year of assessment 2018, the lower of —
- (i) the amount of the PIC expenditure under that PIC provision incurred by the amalgamated company during the basis period for the year of assessment 2018; and
 - (ii) the balance after deducting from \$1,200,000 the total of —
 - (A) X_7 mentioned in sub-paragraph (a)(ii); and
 - (B) the lower of the amounts specified in sub-paragraph (a)(i) and (ii).

(5C) Where the date of amalgamation falls within the basis period in the year of assessment 2018, the amount of any PIC expenditure under a PIC provision incurred by the amalgamated company during the basis period for that year of assessment for which a deduction or an allowance may be allowed or made to it under that PIC provision for that year of assessment is the lower of —

- (a) the amount of the PIC expenditure under that PIC provision incurred by the amalgamated company during the basis period for the year of assessment 2018; and
- (b) an amount computed in accordance with the formula $\$1,200,000 - X_8$, where X_8 is the total of every amount of PIC expenditure under that PIC provision incurred by an amalgamating company during the basis period for the year of assessment 2016, 2017 or 2018 for which a deduction or an allowance is allowed or made to that company under that PIC

provision, including any such expenditure for which a cash payout is granted to that company under section 37I of the Act.”;

- (b) by deleting “(5)” in paragraph (6) and substituting “(5C)”;
- (c) by deleting “14DA(5)” in paragraph (7) and substituting the words “14DA(5)(a) and (b)”;
- (d) by deleting “14DA(5)” in paragraph (8) and substituting the words “14DA(5)(c), (d) and (e)”;
- (e) by inserting, immediately after “14T(6),” in paragraph (8), “14W(3),”;
- (f) by inserting, immediately after paragraph (8), the following paragraph:

“(8A) For the purpose of determining the applicability of section 14A(1DA), 14DA(5)(*da*), (*db*) and (*f*), 14R(5AA), 14S(2C), 14T(6AA), 14W(4B), 19A(2BC) or 19B(1BC) of the Act (reduction of the expenditure used for computing the deduction or allowance where the person claiming it did not carry on a trade or business during one or 2 specified basis periods) to an amalgamating company and the amalgamated company in a case where the date of amalgamation falls within the basis period for the year of assessment 2016, 2017 or 2018 —

- (a) in relation to the amalgamating company, any trade or business carried on by the amalgamated company on or after the date of amalgamation is considered to have been carried on by the amalgamating company as if the amalgamating company existed on or after that date; and
- (b) in relation to the amalgamated company, any trade or business carried on by any of the amalgamating companies prior to the date of amalgamation is considered to have

been carried on by the amalgamated company as if the amalgamated company existed prior to that date.”;

- (g) by deleting the words “or (1B)” in paragraph (a) of the definition of “Productivity and Innovation Credit Scheme expenditure” or “PIC expenditure” in paragraph (9) and substituting the words “, (1B) or (1BA)”;
- (h) by deleting the words “or (2)” in paragraphs (c) and (e) of the definition of “Productivity and Innovation Credit Scheme expenditure” or “PIC expenditure” in paragraph (9) and substituting in each case the words “, (2) or (2A)”;
- (i) by deleting the words “or (2)” in paragraph (d) of the definition of “Productivity and Innovation Credit Scheme expenditure” or “PIC expenditure” in paragraph (9) and substituting the words “, (2) or (2AA)”;
- (j) by inserting, immediately after paragraph (e) of the definition of “Productivity and Innovation Credit Scheme expenditure” or “PIC expenditure” in paragraph (9), the following paragraph:

“(ea) in the case of section 14W(1) of the Act, expenditure on the licensing from another person of any qualifying intellectual property rights under that provision;”;
- (k) by deleting the words “or (2B)” in paragraph (f) of the definition of “Productivity and Innovation Credit Scheme expenditure” or “PIC expenditure” in paragraph (9) and substituting the words “, (2B) or (2BAA)”;
- (l) by deleting the words “or (1B)” in paragraph (g) of the definition of “Productivity and Innovation Credit Scheme expenditure” or “PIC expenditure” in paragraph (9) and substituting the words “, (1B) or (1BAA)”;
- (m) by inserting, immediately after paragraph (e) of the definition of “PIC provision” in paragraph (9), the following paragraph:

“(ea) section 14W(1);” and

(n) by deleting the definition of “PIC provision” in paragraph (9) and substituting the following definition:

““PIC provision” means any of the following provisions of the Act:

(a) section 14A(1A), (1B) or (1BA);

(b) section 14DA(2);

(c) section 14R(1), (2) or (2A);

(d) section 14S(1), (2) or (2AA);

(e) section 14T(1), (2) or (2A);

(f) section 14W(1) or (4);

(g) section 19A(2A), (2B) or (2BAA);

(h) section 19B(1A), (1B) or (1BAA).”.

(2) Paragraph (ea) of the definition of Productivity and Innovation Credit Scheme expenditure” or “PIC expenditure” in regulation 5B(9) of the principal Regulations, as inserted by paragraph (1)(j), is amended by inserting, immediately after the words “section 14W(1)”, the words “or (4)”.

New regulations 5C, 5D and 5E

3.—(1) The principal Regulations are amended by inserting, immediately before regulation 6, the following regulations:

“Modifications to section 14B of Act (Further deduction for expenses relating to approved trade fairs, exhibitions or trade missions or to maintenance of overseas trade office)

5C. Where the date of amalgamation falls within the period from 1 April 2012 to 31 March 2016 (both dates inclusive), then, for the purpose of applying section 14B(2A) of the Act to the amalgamated company in respect of expenses incurred by it during the basis period for any year of assessment, the reference to \$100,000 in that section is a reference to the amount

computed in accordance with the formula $\$100,000 - V$, where V is the total of —

- (a) the expenses for which a deduction is allowed to an amalgamating company for that year of assessment under section 14B(2A) of the Act; and
- (b) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14K(1A) of the Act.

Modifications to section 14K of Act (Further or double deduction for overseas investment development expenditure)

5D. Where the date of amalgamation falls within the period from 1 April 2012 to 31 March 2016 (both dates inclusive), then, for the purpose of applying section 14K(1A) of the Act to the amalgamated company in respect of expenditure incurred by it during the basis period for any year of assessment, the reference to $\$100,000$ in that section is a reference to the amount computed in accordance with the formula $\$100,000 - W_1$, where W_1 is the total of —

- (a) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14K(1A) of the Act; and
- (b) the expenses for which a deduction is allowed to an amalgamating company for that year of assessment under section 14B(2A) of the Act.”.

(2) Regulation 5D of the principal Regulations, as inserted by paragraph (1), is amended by renumbering the regulation as paragraph (1) of that regulation, and by inserting immediately thereafter the following paragraph:

“(2) Where the date of amalgamation falls within the period from 1 July 2015 to 31 March 2020 (both dates inclusive), then, for the purpose of applying section 14K(2A) of the Act to the amalgamated company in respect of expenditure incurred by it during the basis period for any year of assessment, the reference to \$1 million in that section is a reference to the amount computed in accordance with the formula $\$1 \text{ million} - W_2$, where W_2 is the total of —

- (a) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14K(1) of the Act; and
- (b) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14KA(1) of the Act.”.

(3) The principal Regulations, as amended by paragraphs (1) and (2), are amended by inserting, immediately after regulation 5D, the following regulation:

“Modifications to section 14KA of Act (Further or double deduction for salary expenditure for employees posted overseas)

5E. Where the date of amalgamation falls within the period from 1 July 2015 to 31 March 2020 (both dates inclusive), then, for the purpose of applying section 14KA(4) of the Act to the amalgamated company in respect of expenditure incurred by it during the basis period for any year of assessment, the reference to \$1 million in that section is a reference to the amount computed in accordance with the formula $\$1 \text{ million} - X$, where X is the total of —

- (a) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14KA(1) of the Act; and
- (b) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14K(1) of the Act.”.

(4) Regulation 5C of the principal Regulations, as inserted by paragraph (1), is amended by deleting “2016” and substituting “2020”.

(5) Regulation 5D of the principal Regulations, as inserted by paragraph (1) and amended by paragraph (2), is amended by deleting “2016” in paragraph (1) and substituting “2020”.

(6) Regulation 5C of the principal Regulations, as inserted by paragraph (1) and amended by paragraph (4), is deleted and the following regulation substituted therefor:

“Modifications to section 14B of Act (Further deduction for expenses relating to approved trade fairs, exhibitions or trade missions or to maintenance of overseas trade office)”

5C. Where the date of amalgamation falls within the period from 1 April 2012 to 31 March 2020 (both dates inclusive), then, for the purpose of applying section 14B(2B) of the Act to the amalgamated company in respect of expenses incurred by it during the basis period for any year of assessment —

- (a) the reference to \$100,000 in section 14B(2B)(a) of the Act is a reference to the amount computed in accordance with the formula $\$100,000 - V_1$, where V_1 is the total of —
 - (i) the expenses for which a deduction is allowed to an amalgamating company for that year of assessment under section 14B(2A) of the Act; and
 - (ii) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14K(1A) of the Act; and
- (b) the reference to \$150,000 in section 14B(2B)(b) of the Act is a reference to the amount computed in accordance with the formula $\$150,000 - V_2$, where V_2 is the total of —

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- (i) the expenses for which a deduction is allowed to an amalgamating company for that year of assessment under section 14B(2A) of the Act; and
 - (ii) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14K(1A) of the Act.”.

(7) Regulation 5D of the principal Regulations, as inserted by paragraph (1) and amended by paragraphs (2) and (5), is amended by deleting paragraph (1) and substituting the following paragraph:

“(1) Where the date of amalgamation falls within the period from 1 April 2012 to 31 March 2020 (both dates inclusive), then, for the purpose of applying section 14K(1B) of the Act to the amalgamated company in respect of expenses incurred by it during the basis period for any year of assessment —

- (a) the reference to \$100,000 in section 14K(1B)(a) of the Act is a reference to the amount computed in accordance with the formula $\$100,000 - W_1$, where W_1 is the total of —
 - (i) the expenditure for which a deduction is allowed to an amalgamating company for that year of assessment under section 14K(1A) of the Act; and
 - (ii) the expenses for which a deduction is allowed to an amalgamating company for that year of assessment under section 14B(2A) of the Act; and
- (b) the reference to \$150,000 in section 14K(1B)(b) of the Act is a reference to the amount computed in accordance with the formula $\$150,000 - W_2$, where W_2 is the total of —
 - (i) the expenditure for which a deduction is allowed to an amalgamating company for that

year of assessment under section 14K(1A) of the Act; and

- (ii) the expenses for which a deduction is allowed to an amalgamating company for that year of assessment under section 14B(2A) of the Act.”.

(8) Regulation 5D of the principal Regulations, as inserted by paragraph (1) and amended by paragraphs (2), (5) and (7), is amended by deleting “W₂” wherever it appears in paragraph (2) and substituting in each case “W₃”.

Deletion of regulation 6

- 4. Regulation 6 of the principal Regulations is deleted.

New regulation 8A

5. The principal Regulations are amended by inserting, immediately after regulation 8, the following regulation:

“Modifications to section 37M of Act (Treatment of unabsorbed donations attributable to exempt income)

8A.—(1) Subject to the conditions specified in paragraph (2) and to paragraphs (3) and (4), where —

- (a) an amalgamating company ceases to exist on the date of amalgamation; and
- (b) as of the date of the amalgamation, there is still a balance of attributed donation (within the meaning of section 37M of the Act) that has yet to be deducted from the statutory income of the amalgamating company for a year of assessment,

then section 37M of the Act applies, with the necessary modifications, as if the amalgamated company is the amalgamating company for the purposes of deducting the balance from the statutory income of the amalgamated company.

(2) The conditions in paragraph (1) are —

- (a) the amalgamating company was carrying on a trade or business until the date of the amalgamation; and

(b) the amalgamated company continues to carry on the same trade or business on the date of amalgamation as that of the amalgamating company.

(3) The balance may only be deducted against the statutory income of the amalgamated company derived from the same trade or business carried on by the amalgamating company until the date of the amalgamation.

(4) Where —

(a) any donation to which section 37M of the Act applies was made by the amalgamating company in the year in which the amalgamation occurs; and

(b) the date of amalgamation is earlier than the last day of the year mentioned in sub-paragraph (a),

then the reference to “the last day of the year in which the donation was made” in section 37M(1)(vi) of the Act is, in relation to the amalgamating company, to be read as a reference to “the day immediately before the date of amalgamation”.

Amendment of regulation 11A

6. Regulation 11A of the principal Regulations is amended —

(a) by deleting the words “or 2015” wherever they appear in paragraph (3) and substituting in each case the words “, 2015 or 2016”; and

(b) by inserting, immediately after paragraph (3), the following paragraphs:

“(3A) Where the date of amalgamation falls within the basis period for the year of assessment 2017, then, for the purpose of computing the amount of cash payout to be given under section 37I of the Act to the amalgamated company —

(a) in the case where subsection (4AA)(a) of that section applies to the amalgamated company — the reference to \$100,000 in subsection (4) of that section; or

- (b) in the case where subsection (4AA)(b) of that section applies to the amalgamated company — every reference to \$100,000 in that subsection,

is a reference to the amount computed in accordance with the formula $\$100,000 - Y_4$, where Y_4 is the total of every amount of expenditure for which an amalgamating company has made an election for a cash payout in lieu of a deduction or an allowance under section 37I of the Act for the year of assessment 2017.

(3B) Where the date of amalgamation falls within the basis period for the year of assessment 2018, then, for the purpose of computing the amount of cash payout to be given under section 37I of the Act to the amalgamated company —

- (a) in the case where subsection (4AB)(a) of that section applies to the amalgamated company — every reference to \$100,000 in subsection (4AA)(b) of that section; or
- (b) in the case where subsection (4AB)(b) of that section applies to the amalgamated company — the reference to \$100,000 in that subsection,

is a reference to the amount computed in accordance with the formula $\$100,000 - Y_5$, where Y_5 is the total of every amount of expenditure for which an amalgamating company has made an election for a cash payout in lieu of a deduction or an allowance under section 37I of the Act for the year of assessment 2018.”.

New regulation 11B

7. The principal Regulations are amended by inserting, immediately after regulation 11A, the following regulation:

“Modifications to section 37IA of Act (Productivity and Innovation Credit bonus)

11B. Where the date of amalgamation falls within the basis period for the year of assessment 2013, 2014 or 2015, then, for the purposes of computing the amount of PIC bonus to be given under section 37IA of the Act to the amalgamated company for that year of assessment, the reference to \$15,000 in section 37IA(2)(b) and (4)(b) of the Act is a reference to the amount computed in accordance with the formula $\$15,000 - Z$, where Z is the total of every amount of PIC expenditure incurred by an amalgamating company during the basis period for any year of assessment for which a PIC bonus has been given to the amalgamating company under section 37IA of the Act.”.

Amendment of regulation 12B

8. Regulation 12B of the principal Regulations is amended —

- (a) by inserting, immediately after the words “qualifying acquisition” in paragraphs (1)(b) and (2)(b), the words “in section 37L(4) or (4A)(c) or (d) of the Act”;
- (b) by inserting, immediately after paragraph (1), the following paragraphs:

“(1A) Subject to paragraphs (1B) and (3), where —

- (a) an amalgamating company (X) ceases to exist upon the amalgamation in a basis period relating to any year of assessment;
- (b) if not for the amalgamation, X would have been entitled in any subsequent year of assessment to any deduction under section 37L of the Act in relation to any qualifying acquisition in section 37L(4A)(a) or (b) of the Act of ordinary shares in another company if X had continued to exist and the conditions subsequent for the deduction were satisfied; and

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- (c) the shares are transferred to the amalgamated company (*Y*) pursuant to the amalgamation,

then section 37L of the Act applies as if *Y* were *X*, for the purpose of allowing the deduction under sub-paragraph (b) to *Y*.

(1B) Paragraph (1A) only applies if the conditions in regulation 5A(1)(a) and (b) of the Income Tax (Deduction for Acquisition of Shares of Companies) Regulations 2012 (G.N. No. S 584/2012) (called in these Regulations the Share Acquisition Regulations) are satisfied in accordance with paragraphs (1C) and (1D), respectively.

(1C) The condition in regulation 5A(1)(a) of the Share Acquisition Regulations must be satisfied in the following manner:

- (a) if the subsequent year of assessment is the year of assessment immediately after the year of assessment of the basis period in which the date of amalgamation falls —
- (i) the condition is satisfied in relation to *X* throughout the part of the basis period for the year of assessment of the basis period in which the date of amalgamation falls between the date of the acquisition or the first day of the basis period (as the case may be), and the date immediately before the date of amalgamation; and
 - (ii) the condition is satisfied in relation to *Y* (as if it were *X*) throughout the period between the date of amalgamation and the end of the basis period for that subsequent year of assessment;

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- (b) if the subsequent year of assessment is any other year of assessment, the condition is satisfied in relation to *Y* throughout the basis period for that year of assessment.

(1D) The condition in regulation 5A(1)(b) of the Share Acquisition Regulations must be satisfied in the following manner:

- (a) if the subsequent year of assessment is the year of assessment immediately after the year of assessment of the basis period in which the date of amalgamation falls and the condition has been satisfied in accordance with regulation 5A(4) of the Share Acquisition Regulations before that date —
- (i) the condition remains satisfied in relation to *X* between the date it is satisfied and the date immediately before the date of amalgamation; and
 - (ii) the condition is satisfied in relation to *Y* (as if it were *X*) throughout the period between the date of amalgamation and the end of the basis period for that subsequent year of assessment;
- (b) if the subsequent year of assessment is the year of assessment immediately after the year of assessment of the basis period in which the date of amalgamation falls and the condition has not been satisfied in accordance with regulation 5A(4) of the Share Acquisition Regulations before that date — the condition is satisfied in relation to *Y* (as if it were *X*) in accordance with regulation 5A(4) of the Share Acquisition Regulations, and remains satisfied

throughout the period between the date it is satisfied and the end of the basis period in which that date falls;

- (c) if the subsequent year of assessment is any other year of assessment — the condition is satisfied in relation to *Y* (as if it were *X*) throughout the basis period for that year of assessment, or the rest of the basis period in which the condition is satisfied, as the case may be.

(1E) Regulation 5A(6) of the Share Acquisition Regulations applies, with the necessary modifications, for the purposes of determining under paragraph (1D) whether regulation 5A(1)(b) of those Regulations is satisfied in relation to *X* or *Y*.’;

- (c) by inserting, immediately after paragraph (2), the following paragraphs:

“(2A) Subject to paragraphs (2B) and (3), where —

- (a) an amalgamating company (*V*) ceases to exist upon the amalgamation in a basis period relating to any year of assessment;
- (b) if not for the amalgamation, *V* would have been entitled in any subsequent year of assessment to any deduction under section 37L of the Act in relation to any qualifying acquisition in section 37L(4A)(a) or (b) of the Act of ordinary shares in another company (*W*) if *V* had continued to exist and the conditions subsequent for the deduction were satisfied; and

- (c) *W* is the amalgamated company,

then section 37L of the Act applies as if *W* were *V* and with all other necessary modifications, for the

purpose of allowing the deduction under sub-paragraph (b) to *W*.

(2B) For the purpose of paragraph (2A), the conditions in regulation 5A(1)(a) and (b) of the Share Acquisition Regulations must be satisfied in accordance with regulation 5(4) of those Regulations and up to the date immediately before the date of the amalgamation, but not thereafter.”; and

(d) by deleting the words “and (2)” in paragraph (3) and substituting the words “, (1A), (2) and (2A)”.

Deletion and substitution of regulation 12C

9. Regulation 12C of the principal Regulations is deleted and the following regulation substituted therefor:

“Modification of section 37L of Act when target company is another amalgamating company which ceases to exist after amalgamation

12C.—(1) This regulation applies where —

- (a) before the amalgamation, an amalgamating company made a qualifying acquisition of ordinary shares in another company;
- (b) the target company is another amalgamating company and it ceases to exist upon the amalgamation; and
- (c) the amalgamating company mentioned in sub-paragraph (a) continues in existence after the amalgamation as the amalgamated company.

(2) For the purpose of determining whether a deduction under section 37L of the Act may be made to the amalgamated company in respect of the expenditure for that acquisition of shares, the amalgamated company is not to be regarded as having divested of its shares in the target company for the purposes of section 37L(17)(c), (d) or (da) of the Act by virtue only of the operation of section 34C(7) of the Act (amalgamating company treated as having disposed of shares

in another amalgamating company immediately before amalgamation).

(3) Where the qualifying acquisition mentioned in paragraph (1)(a) is an acquisition under section 37L(4A)(a) or (b) of the Act, the conditions in regulation 5A(1)(a) and (b) of the Share Acquisition Regulations must be satisfied in accordance with regulation 5(4) of those Regulations and up to the date immediately before the date of the amalgamation, but not thereafter.”.

Amendment of regulation 12F

10. Regulation 12F(2) of the principal Regulations is amended —

(a) by inserting, immediately after the words “(whether or not for the same target company)” in paragraph (i) of the definition of “Z₁” in sub-paragraph (a), the words “under section 37L(4) of the Act”;

(b) by deleting the word “and” at the end of sub-paragraph (a), and by inserting immediately thereafter the following sub-paragraph:

“(aa) every reference to \$20 million in section 37L(11A) of the Act is a reference to the amount computed in accordance with the formula \$20 million – Z₂, where Z₂ is the total of every amount of capital expenditure —

(i) incurred by an amalgamating company for a past acquisition (whether or not for the same target company) under section 37L(4A) of the Act before the date of amalgamation but during the basis period of amalgamation; and

(ii) for which a deduction is allowed to the amalgamating company under section 37L of the Act or to the

amalgamated company under that section read with regulation 12B or 12C;”;

- (c) by inserting, immediately after the words “section 37L(11)(b)(ii) of the Act” in sub-paragraph (b), the words “and the sum mentioned in section 37L(11A)(b)(ii) of the Act”; and
- (d) by deleting the full-stop at the end of sub-paragraph (b) and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraphs:
- “(c) the reference to \$5 million in section 37L(11B)(a) of the Act is a reference to the amount computed in accordance with the formula $\$5 \text{ million} - Z_3$, where Z_3 is the total of —
- (i) the amount determined by the formula $0.05 \times A$ in section 37L(8) of the Act in respect of every acquisition (whether or not for the same target company) under section 37L(4) of the Act made by an amalgamating company before the date of amalgamation but during the basis period of amalgamation; and
- (ii) the amount determined by the formula $0.25 \times A$ in section 37L(8A) of the Act in respect of every acquisition (whether or not for the same target company) under section 37L(4A) of the Act made by an amalgamating company before the date of amalgamation but during the basis period of amalgamation; and

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- (d) every reference to \$5 million in section 37L(11B)(b) of the Act is a reference to the amount computed in accordance with the formula $\$5 \text{ million} - Z_4$, where Z_4 is the sum of Z_3 and the total of —
- (i) the amount determined by the formula $0.05 \times B$ in section 37L(9) of the Act in respect of every acquisition (whether or not for the same target company) under section 37L(4) of the Act made by an amalgamating company before the date of amalgamation but during the basis period of amalgamation;
 - (ii) the amount determined by the formula $0.25 \times B$ in section 37L(9A) of the Act in respect of every acquisition (whether or not for the same target company) under section 37L(4A) of the Act made by an amalgamating company before the date of amalgamation but during the basis period of amalgamation;
 - (iii) the amount determined by the formula $0.05 \times D$ in section 37L(10) of the Act in respect of every acquisition (whether or not for the same target company) under section 37L(4) of the Act made by an amalgamating company before the date of amalgamation but during the basis period of amalgamation; and

- (iv) the amount determined by the formula $0.25 \times D$ in section 37L(10A) of the Act in respect of every acquisition (whether or not for the same target company) under section 37L(4A) of the Act made by an amalgamating company before the date of amalgamation but during the basis period of amalgamation.”.

Amendment of regulation 12G

11. Regulation 12G of the principal Regulations is amended —

- (a) by deleting the words “17th February 2012 to 31st March 2015” and substituting the words “17 February 2012 to 31 March 2020”; and
- (b) by deleting “Z₂” wherever it appears and substituting in each case “Z₅”.

Amendment of regulation 13

12. Regulation 13(2) of the principal Regulations is amended —

- (a) by deleting the words “a trade or business” in sub-paragraph (a) and substituting the words “one or more trades or businesses”; and
- (b) by deleting sub-paragraph (b) and substituting the following sub-paragraph:

“(b) the amalgamated company continues to carry on the same trade or business, or the same trades or businesses, on the date of amalgamation as that or those of the amalgamating company; and”.

New regulation 13A

13. The principal Regulations are amended by inserting, immediately after regulation 13 in Part III, the following regulation:

“Modification to sections 97ZD to 97ZH of Economic Expansion Incentives (Relief from Income Tax) Act (Integrated investment allowance)

13A.—(1) Where —

- (a) an amalgamating company ceases to exist on the date of amalgamation;
- (b) the qualifying period mentioned in section 97ZB of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86) of the amalgamating company has expired; and
- (c) the amalgamating company has any integrated investment allowance given under section 97ZC of that Act that remains unabsorbed on the date of amalgamation,

then sections 97ZD to 97ZH of that Act apply, with the necessary modifications, as if the amalgamated company is the amalgamating company for the purposes of deducting the unabsorbed integrated investment allowance against the income of the amalgamated company, subject to the conditions specified in paragraph (2).

(2) The conditions in paragraph (1) are —

- (a) the amalgamating company was carrying on one or more trades or businesses until the amalgamation;
- (b) the amalgamated company continues to carry on the same trade or business, or the same trades or businesses, on the date of amalgamation as that or those of the amalgamating company; and
- (c) the Comptroller is satisfied that —
 - (i) where the date of amalgamation is the same as or occurs after the last day of the year of assessment for which the allowance was given to the amalgamating company under section 97ZC of the Economic Expansion Incentives (Relief from Income Tax) Act, the

shareholders of the amalgamating company on the last day of that year of assessment were substantially the same as the shareholders of the amalgamated company on the first day of the year of assessment in which the amalgamated company is claiming the unabsorbed integrated investment allowance; or

- (ii) where the date of amalgamation occurs before the last day of the year of assessment for which the allowance was given to the amalgamating company under section 97ZC of that Act, the shareholders of the amalgamating company on the day immediately before the date of amalgamation were substantially the same as the shareholders of the amalgamated company on the first day of the year of assessment in which the amalgamated company is claiming the unabsorbed integrated investment allowance.

(3) The Minister or such person as the Minister may appoint may, where there is a substantial change in the shareholders of an amalgamating company and that of the amalgamated company and the Minister or person is satisfied that such change is not for the purpose of deriving any tax benefit or obtaining any tax advantage, exempt that amalgamated company from the provisions of paragraph (2)(c).

(4) For the purposes of paragraphs (2) and (3) —

- (a) the shareholders of the amalgamated company at any date are not considered to be substantially the same as the shareholders of the amalgamating company at any other date unless, on both those dates, at least 50% of the total number of issued shares of the amalgamated company and the amalgamating company are held by or on behalf of the same persons;
- (b) shares in the amalgamated company or amalgamating company held by or on behalf of another company are

considered to be held by the shareholders of the other company; and

- (c) shares held by or on behalf of the trustee of the estate of a deceased shareholder or by or on behalf of the person entitled to those shares as beneficiaries under the will or any intestacy of a deceased shareholder are considered to be held by that deceased shareholder.

(5) Any deduction specified in paragraph (1) is to be made only against the income of the amalgamated company from the same trade or business as that of the amalgamating company immediately before the amalgamation.”.

Replacement of references to provisions of Act and Economic Expansion Incentives (Relief from Income Tax) Act 1967 because of 2020 Revised Edition

14.—(1) The principal Regulations are amended by replacing each reference to a provision number of the Act specified in the first column of the following table with the provision number of the Act specified opposite it in the second column of the table:

<i>First column</i>	<i>Second column</i>
<i>Provision number (before 31 December 2021)</i>	<i>Provision number (as at 31 December 2021)</i>
13M	13J
13Z	13W
13Z(1)(b)	13W(1)(b)
13Z(3)	13W(3)
13Z(4)	13W(4)
13Z(5)	13W(5)
13Z(6)	13W(6)
13Z(7)	13W(7)
14DA(2)	14D(2)
14DA(5)(a) and (b)	14D(5)(a) and (b)

<i>First column</i>	<i>Second column</i>
<i>Provision number (before 31 December 2021)</i>	<i>Provision number (as at 31 December 2021)</i>
14DA(5)(c), (d) and (e)	14D(5)(c), (d) and (e)
14DA(5)(da), (db) and (f)	14D(5)(da), (db) and (f)
14K	14H
14K(1)	14H(1)
14K(1A)	14H(1A)
14K(1B)	14H(1B)
14K(1B)(a)	14H(1B)(a)
14K(1B)(b)	14H(1B)(b)
14K(2A)	14H(2A)
14KA	14I
14KA(1)	14I(1)
14KA(4)	14I(4)
14Q	14N
14Q(7)	14N(7)
14Q(8)	14N(8)
14R(1), (2) or (2A)	14O(1), (2) or (2A)
14R(4)	14O(4)
14R(5)	14O(5)
14R(5AA)	14O(5AA)
14S(1), (2) or (2AA)	14P(1), (2) or (2AA)
14S(2A)	14P(2A)
14S(2B)	14P(2B)
14S(2C)	14P(2C)
14T(1), (2) or (2A)	14Q(1), (2) or (2A)

<i>First column</i>	<i>Second column</i>
<i>Provision number (before 31 December 2021)</i>	<i>Provision number (as at 31 December 2021)</i>
14T(5)	14Q(5)
14T(6)	14Q(6)
14T(6AA)	14Q(6AA)
14T(6C)	14Q(6C)
14W(1)	14T(1)
14W(1) or (4)	14T(1) or (4)
14W(3)	14T(3)
14W(4B)	14T(4B)
37C	37B
37G	37F
37I	37G
37I(3)(a)(ii) and (b)(ii)	37G(3)(a)(ii) and (b)(ii)
37I(3)(b)(ii)	37G(3)(b)(ii)
37I(3A)	37G(3A)
37I(4)(b)	37G(4)(b)
37I(14A)	37G(14A)
37IA	37H
37IA(2)(b) and (4)(b)	37H(2)(b) and (4)(b)
37L	37O
37L(4)	37O(4)
37L(4) or (4A)(c) or (d)	37O(4) or (4A)(c) or (d)
37L(4A)	37O(4A)
37L(4A)(a) or (b)	37O(4A)(a) or (b)
37L(8)	37O(8)

<i>First column</i>	<i>Second column</i>
<i>Provision number (before 31 December 2021)</i>	<i>Provision number (as at 31 December 2021)</i>
37L(8A)	37O(8A)
37L(9)	37O(9)
37L(9A)	37O(9A)
37L(10)	37O(10)
37L(10A)	37O(10A)
37L(11)	37O(11)
37L(11)(b)(ii)	37O(11)(b)(ii)
37L(11A)	37O(11A)
37L(11A)(b)(ii)	37O(11A)(b)(ii)
37L(11B)(a)	37O(11B)(a)
37L(11B)(b)	37O(11B)(b)
37L(15A)(b)	37O(15A)(b)
37L(17)(c), (d) or (da)	37O(17)(c), (d) or (da)
37M	37P
37M(1)(vi)	37P(1)(h)
43I	43F
43I(6)	43F(6)

(2) The principal Regulations are amended by replacing each reference to a section number of the Economic Expansion Incentives (Relief from Income Tax) Act 1967 specified in the first column of the following table with the section number of that Act specified opposite it in the second column of the table:

<i>First column</i>	<i>Second column</i>
<i>Section number (before 31 December 2021)</i>	<i>Section number (as at 31 December 2021)</i>
68	44
69	45
70	46
71	47
97ZB	51
97ZC	52
97ZD to 97ZH	53 to 57

Miscellaneous amendments

15. The principal Regulations are amended —

- (a) by deleting the words “ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) ACT” in the following Part headings and substituting in each case the words “ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) ACT 1967”:

Part II

Part III;

- (b) by deleting the words “Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86)” in the following provisions and substituting in each case the words “Economic Expansion Incentives (Relief from Income Tax) Act 1967”:

Regulation 3(1)(a) and (ii)(A)

Regulation 13(1)(b) and (2)(c)(ii)

Regulation 13A(1)(b);

(c) by deleting the words “Economic Expansion Incentives (Relief from Income Tax) Act” in the following provisions and substituting in each case the words “Economic Expansion Incentives (Relief from Income Tax) Act 1967”:

Regulation 3(1)(d), (3) and (4) and regulation heading

Regulation 13(1) and (2)(c)(i) and regulation heading

Regulation 13A(2)(c)(i) and regulation heading; and

(d) by deleting the words “*Economic Expansion Incentives (Relief from Income Tax) Act*” in the following provision and substituting the words “*Economic Expansion Incentives (Relief from Income Tax) Act 1967*”:

Part III, Division 2 (Division heading).

[G.N. Nos. S 694/2013; S 56/2020]

Made on 3 March 2022.

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

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