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COVID-19 (TEMPORARY MEASURES) ACT 2020 (ACT 14 OF 2020)

COVID-19 (TEMPORARY MEASURES) (PRESCRIBED MATTERS FOR THIRD SCHEDULE) REGULATIONS 2021

ARRANGEMENT OF REGULATIONS

Regulation

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In exercise of the powers conferred by section 79 of the COVID-19 (Temporary Measures) Act 2020, the Minister for Law makes the following Regulations:

Citation and commencement

1. These Regulations are the COVID-19 (Temporary Measures) (Prescribed Matters for Third Schedule) Regulations 2021 and come into operation on 15 January 2021.

Definitions

2. In these Regulations, “basis period” and “year of assessment” have the meanings given to them by section 2(1) of the Income Tax Act (Cap. 134).

Determination of annual income

3. For the purposes of paragraph 1(b) of Part 2 of the Third Schedule to the Act, the annual income of the individual, the sole

proprietor or the shareholder (as the case may be) (each called in these Regulations the relevant person), is the total income of the relevant person —

- (a) where the lease or licence for the immovable property that is the subject of the specified contract in question was in force for 30 days or more in the period that constitutes the basis period for the relevant person for the year of assessment 2020 — for the period that constitutes the basis period for the year of assessment 2020; and
- (b) where the lease or licence for the immovable property that is the subject of the specified contract in question was not in force during or was in force for less than 30 days in the period that constitutes the basis period for the relevant person for the year of assessment 2020 — for the period from 1 January 2020 to 31 December 2020 (both dates inclusive).

Prescribed amount of annual income

4. For the purposes of paragraph 1(b) of Part 2 of the Third Schedule to the Act, the prescribed amount that *B*'s annual income must not exceed is \$107,500.

Determination of average monthly rental income and average monthly income

5.—(1) For the purposes of paragraph 1(c) of Part 2 of the Third Schedule to the Act, the relevant person's average monthly rental income derived from the lease or licence for the immovable property that is the subject of the specified contract in question, is determined in accordance with the formula

$$\frac{Q}{R} \times 30.$$

(2) For the purpose of paragraph (1) —

(a) Q is —

- (i) where the lease or licence was in force for 30 days or more in the period that constitutes the basis period for the relevant person for the year of assessment 2020 — the amount of the rental income from that lease or licence for the period that it was in force in the period constituting the basis period; and
- (ii) where the lease or licence was not in force during or was in force for less than 30 days in the period that constitutes the basis period for the relevant person for the year of assessment 2020 — the amount of the rental income from that lease or licence determined in accordance with the terms of the lease or licence, for the period from the date of commencement of the lease or licence to 31 December 2020 (both dates inclusive); and

(b) R is the number of days in —

- (i) where sub-paragraph (a)(i) applies — the period mentioned in that sub-paragraph when the lease or licence was in force in the period constituting the basis period; or
- (ii) where sub-paragraph (a)(ii) applies — the period from the date of commencement of the lease or licence to 31 December 2020 (both dates inclusive).

(3) For the purposes of paragraph 1(c) of Part 2 of the Third Schedule to the Act, the relevant person's average monthly income is determined in accordance with the formula

$$\frac{S}{R} \times 30.$$

(4) For the purpose of paragraph (3) —

(a) S is —

- (i) where paragraph (2)(a)(i) applies — the relevant person's income for the period mentioned in that provision when the lease or licence was in force in the period constituting the basis period; and
- (ii) where paragraph (2)(a)(ii) applies — the relevant person's income for the period from the date of commencement of the lease or licence to 31 December 2020 (both dates inclusive), and for this purpose, the relevant person's income from the lease or licence for that period must be determined in accordance with the terms of the lease or licence; and

(b) R has the meaning given by paragraph (2)(b).

(5) For the purpose of paragraph (1), rental income of a relevant person that is a shareholder of a company incorporated solely to hold interest in any immovable property includes any dividends or other moneys received by the relevant person from the company relating to the rental income derived from the lease or licence of the immovable property.

Made on 14 January 2021.

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