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## No. S 235

### INCOME TAX ACT (CHAPTER 134)

#### INCOME TAX (CONCESSIONARY RATE OF TAX FOR GLOBAL TRADING COMPANIES) (AMENDMENT) REGULATIONS 2017

In exercise of the powers conferred by section 43P(1) of the Income Tax Act, the Minister for Finance makes the following Regulations:

#### **Citation and commencement**

1. These Regulations are the Income Tax (Concessionary Rate of Tax for Global Trading Companies) (Amendment) Regulations 2017 and are deemed to have come into operation on 21 February 2017.

#### **Amendment of regulation 2**

2. Regulation 2 of the Income Tax (Concessionary Rate of Tax for Global Trading Companies) Regulations 2016 (G.N. No. S 341/2016) (called in these Regulations the principal Regulations) is amended by deleting paragraph (1) and substituting the following paragraph:

“(1) In these Regulations, unless the context otherwise requires —

“appointed person” means a person appointed by the Minister for the purposes of section 43P of the Act;

“approved global trading company” means a global trading company that is approved for the purposes of section 43P of the Act by the Minister or the appointed person, and includes a global trading company which is treated under regulation 6(3) as an approved global trading company;

“carbon credit” means the right to emit an amount of any greenhouse gas that has the same global warming potential as one tonne of carbon dioxide;

“commodity” means any of the commodities specified in the Schedule;

“physical trading” means trading in any commodity on a spot or forward basis between an approved global trading company and any other entity, where the intention of the parties at the time the transaction is entered into is that actual delivery of the commodity is required, whether or not the delivery is actually made.”.

### **Deletion and substitution of regulation 4**

3. Regulation 4 of the principal Regulations is deleted and the following regulation substituted therefor:

#### **“Concessionary rate of tax**

4.—(1) Subject to paragraphs (2) and (3), tax is payable at the rate of 10% on any income derived on or after 21 February 2017 by an approved global trading company from —

- (a) profits from any physical trading carried out by the company in the commodities specified for the company;
- (b) profits from any trading in derivative instruments carried out by the company; and
- (c) commission and fees from acting as a broker in any physical trading in the commodities specified for the company.

(2) Subject to paragraph (3), tax is payable at the rate of 5% on any income mentioned in paragraph (1) derived on or after 21 February 2017 by an approved global trading company if the company satisfies the conditions imposed by the Minister or the appointed person for the purposes of this paragraph.

(3) Where liquefied natural gas is a commodity specified for an approved global trading company, then, tax is payable at the rate of 5% on any income of the company derived on or after 21 February 2017 from profits from any —

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- (a) physical trading in liquefied natural gas carried out by the company; or
  - (b) trading in derivative instruments in relation to liquefied natural gas carried out by the company.”.

#### **Amendment of regulation 5**

4. Regulation 5 of the principal Regulations is amended —

- (a) by deleting the words “regulation 4(1), (2) or (4)” in paragraph (a) and substituting the words “regulation 4(1), (2) or (3)”;
- (b) by inserting the word “and” at the end of paragraph (a);
- (c) by deleting the words “and (4) may be deducted under the Act in ascertaining such income; and” in paragraph (b) and substituting the words “and (3) may be deducted under the Act in ascertaining such income.”; and
- (d) by deleting paragraph (c).

#### **Saving and transitional provisions**

5.—(1) Regulations 4 and 5 of the principal Regulations as in force immediately before 21 February 2017 continue to apply and have effect in relation to the income of an approved global trading company derived before that date from profits, commission and fees set out in regulation 4 of the principal Regulations as in force immediately before that date.

(2) For the purpose of paragraph (1), regulation 2 of the principal Regulations as in force immediately before 21 February 2017 continues to apply to the interpretation of regulations 4 and 5 of the principal Regulations as in force immediately before that date.

Made on 12 May 2017.

TAN CHING YEE  
*Permanent Secretary,  
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