

---

---

First published in the *Government Gazette*, Electronic Edition, on 13th July 2012 at 5:00 pm.

**No. S 330**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX  
(PRESCRIBED ISLAMIC FINANCING ARRANGEMENTS)  
(AMENDMENT) REGULATIONS 2012**

In exercise of the powers conferred by section 34B(5) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Income Tax (Prescribed Islamic Financing Arrangements) (Amendment) Regulations 2012 and shall be deemed to have come into operation on 7th May 2009.

**Amendment of regulation 2**

2. Regulation 2 of the Income Tax (Prescribed Islamic Financing Arrangements) Regulations 2009 (G.N. No. S 474/2009) (referred to in these Regulations as the principal Regulations) is amended by deleting the full-stop at the end of the definition of “Islamic mortgage based on the Ijara Wa Igtina concept” and substituting a semi-colon, and by inserting immediately thereafter the following definition:

“ “Islamic transaction based on the Spot Murabaha concept” means an Islamic transaction between a person (the customer) and a financial institution where —

(a) for the purposes of effecting profit rate swap payment resulting from the carrying on by the financial institution of any business referred to in section 30(1)(a), (b) or (c) of the Banking Act (Cap. 19) —

(i) the financial institution gives an undertaking to the customer to purchase

---

---

an asset from the customer (the financial institution purchase undertaking);

- (ii) the customer gives an undertaking to the financial institution to purchase an asset from the financial institution (the customer purchase undertaking);
- (iii) the financial institution gives an undertaking to the customer to sell an asset to the customer (the financial institution sale undertaking); or
- (iv) the customer gives an undertaking to the financial institution to sell an asset to the financial institution (the customer sale undertaking),

for an amount of money determined at the time the undertaking is given by the financial institution or the customer, as the case may be (the agreed price);

- (b) if the financial institution purchase undertaking is exercised by the customer, or the customer sale undertaking is exercised by the financial institution, the financial institution will purchase the asset from the customer at the agreed price, in circumstances where the asset exists at the time of the purchase, and immediately sell the asset to a third party at spot price;
- (c) if the customer purchase undertaking is exercised by the financial institution, or the financial institution sale undertaking is exercised by the customer, the financial institution will purchase the asset from a third party at spot price, in circumstances where the asset exists at the time of the purchase, and immediately sell the asset to the customer at the agreed price;
- (d) the financial institution does not take physical delivery of the asset; and

- 
- 
- (e) the financial institution does not derive any gain or suffer any loss from any movement in the market value of the asset, other than the difference between the spot price and the agreed price.”.

### **Amendment of regulation 3**

3. Regulation 3 of the principal Regulations is amended —

- (a) by deleting the words “carrying out” in paragraphs (aa)(ii) and (ab)(ii) and substituting in each case the words “carrying on”; and
- (b) by deleting the full-stop at the end of paragraph (c) and substituting a semi-colon, and by inserting immediately thereafter the following paragraph:

“(d) any Islamic transaction based on the Spot Murabaha concept that is an arrangement between —

- (i) a Singapore financial institution and any customer; or
- (ii) a non-Singapore financial institution and a customer that is resident in Singapore, is a permanent establishment in Singapore or is carrying on a business in Singapore,

where the purchase or sale of the asset, as the case may be, referred to in paragraph (a) of the definition of that transaction in regulation 2 took place on or after 7th May 2009.”.

### **Amendment of regulation 4**

4. Regulation 4 of the principal Regulations is amended by deleting the full-stop at the end of paragraph (c) and substituting a semi-colon, and by inserting immediately thereafter the following paragraph:

“(d) in the case of any Islamic transaction based on the Spot Murabaha concept, the difference between the spot price and the agreed price referred to in paragraph (b), or in

paragraph (c), as the case may be, of the definition of that transaction in regulation 2.”.

*[G.N. No. S 318/2011]*

Made this 6th day of July 2012.

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

[MF(R) R32.18.2925.V13; AG/LLRD/SL/134/2010/16 Vol. 1]