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No. S 330

INCOME TAX ACT 1947

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) (AMENDMENT NO. 7) NOTIFICATION 2024

In exercise of the powers conferred by section 13(4) of the Income Tax Act 1947, the Minister for Finance makes the following Notification:

Citation and commencement

1.—(1) This Notification is the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (Amendment No. 7) Notification 2024.

(2) Paragraph 3(g) is deemed to have come into operation on 8 October 2018.

(3) Paragraph 3(d), (e), (h), (i), (j) and (k) is deemed to have come into operation on 4 November 2022.

(4) Paragraphs 2 and 3(a), (b), (c), (f), (l) and (m) come into operation on 15 April 2024.

Amendment of paragraph 2

2. In the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2012 (G.N. S 72/2012), replace paragraph 2 with —

“Definitions

2. In this Notification —

“bank” means a bank that holds a bank licence under section 7 or 79 of the Banking Act 1970;

“finance company” means a finance company licensed under the Finance Companies Act 1967;

“merchant bank” means a merchant bank that, under the Banking Act 1970 —

(a) holds a merchant bank licence; or

(b) is treated as having been granted a merchant bank licence;

“qualifying payment” means any of the following which is deemed under section 12(6) of the Act to be derived from Singapore:

(a) any interest, commission, fee or other payment;

(b) any income derived from loans.”.

Amendment of paragraph 3

3. In the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2012, in paragraph 3 —

(a) in sub-paragraph (1), replace “Subject to sub-paragraph (3)” with “Subject to sub-paragraphs (3) and (4)”;

(b) in sub-paragraphs (1) and (2), replace “who is neither resident in Singapore nor a permanent establishment in Singapore” with “referred to in sub-paragraph (6)”;

(c) in sub-paragraph (1), replace sub-paragraphs (a), (aa) and (b) with —

“(a) a bank;

(b) a merchant bank; or

(c) a finance company.”;

(d) in sub-paragraph (1)(iii)(B), delete “or” at the end;

(e) in sub-paragraph (1), after sub-paragraph (iii), insert —

“(iii*a*) is liable to be made —

- (A) under a contract which is varied, where the variation takes effect on a date which falls within the period from 4 November 2022 to 31 December 2026 (both dates inclusive); and
 - (B) on or after the date on which the variation takes effect; or”;
- (*f*) in sub-paragraph (2), replace “Subject to sub-paragraph (3)” with “Subject to sub-paragraphs (3) and (5)”;
- (*g*) in sub-paragraph (2)(*a*), replace “securities” with “capital markets products”;
- (*h*) in sub-paragraph (2)(i)(B), delete “or” at the end;
- (*i*) in sub-paragraph (2)(i), after sub-paragraph (B), insert —
- “(BA) a contract which is varied, where the variation took effect before the approval date, being a date that is on or after 4 November 2022; or”;
- (*j*) in sub-paragraph (2)(iii)(B), delete “or” at the end;
- (*k*) in sub-paragraph (2), after sub-paragraph (iii), insert —
- “(iii*a*) is liable to be made —
- (A) under a contract which is varied, where the variation takes effect on a date which falls within the period from 4 November 2022 or the approval date (whichever is later) to 31 December 2026 (both dates inclusive); and
 - (B) on or after the date on which the variation takes effect; or”;

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- (l) in sub-paragraph (3), replace “person” with “bank, merchant bank, finance company”; and
- (m) after sub-paragraph (3), insert —
- “(4) Sub-paragraph (1) does not apply to any qualifying payment liable to be made —
- (a) under a contract mentioned in sub-paragraph (1)(ii), (iii) or (iii*a*), that is varied with effect from a date on or after 1 January 2027; and
- (b) on or after the date on which such variation takes effect.
- (5) Sub-paragraph (2) does not apply to any qualifying payment liable to be made —
- (a) under a contract mentioned in sub-paragraph (2)(ii), (iii) or (iii*a*), that is varied with effect from a date on or after 1 January 2027; and
- (b) on or after the date on which such variation takes effect.
- (6) The person referred to in sub-paragraphs (1) and (2), to whom the qualifying payment is made, is —
- (a) a person who is not resident in Singapore and who does not have a permanent establishment in Singapore; or
- (b) a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where —
- (i) the contract under which the qualifying payment is made is not entered into through that operation; or

- (ii) the debt security under which the qualifying payment is made is not acquired by that person through that operation.”.

[G.N. Nos. S 479/2021; S 937/2022]

Made on 2 April 2024.

LAI WEI LIN
*Second Permanent Secretary,
Ministry of Finance,
Singapore.*

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