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No. S 345

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INCOME OF APPROVED COMPANIES ARISING FROM FUNDS MANAGED BY FUND MANAGER IN SINGAPORE) (AMENDMENT) REGULATIONS 2012

In exercise of the powers conferred by section 13R of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) (Amendment) Regulations 2012.

(2) Regulations 2(1), 3, 4, 5(1) and 6(1) shall be deemed to have come into operation on 1st September 2007.

(3) Regulations 2(2), 5(2) and 6(2) shall be deemed to have come into operation on 1st April 2009.

Amendment of regulation 2

2.—(1) Regulation 2(1) of the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 8/2010) (referred to in these Regulations as the principal Regulations) is amended by deleting paragraph (b) of the definition of “Singapore person” and substituting the following paragraph:

“(b) another approved company under section 13R of the Act and which, at all times during the basis period for the year of assessment for which the income of the approved

company is exempt from tax under section 13R of the Act —

- (i) beneficially owns directly, 100% of the value of issued securities of the approved company; and
- (ii) satisfies the conditions in regulation 3(2).”.

(2) Regulation 2(1) of the principal Regulations is amended —

- (a) by deleting the word “or” at the end of paragraph (a) of the definition of “Singapore person”; and
- (b) by deleting the full-stop at the end of paragraph (b) of the definition of “Singapore person” and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

“(c) an approved person under section 13X of the Act and which, at all times during the basis period for the year of assessment for which the income of the approved company is exempt from tax under section 13R of the Act —

- (i) beneficially owns directly 100% of the value of issued securities of the approved company; and
- (ii) satisfies the conditions in regulation 3(2) of the Income Tax (Exemption of Income of Approved Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 414/2010).”.

Amendment of regulation 3

3. Regulation 3(2) of the principal Regulations is amended by inserting, immediately after the words “at all times” in paragraph (a), the words “during the basis period for the year of assessment”.

Amendment of regulation 4

4. Regulation 4 of the principal Regulations is amended by deleting sub-paragraph (ii) of paragraph (a) and substituting the following sub-paragraph:

“(ii) any transaction, other than those falling under sub-paragraph (i), in respect of any designated investments if any gains or profits from such transaction would have been exempt from tax under regulation 3; and”.

Amendment of regulation 5

5.—(1) Regulation 5 of the principal Regulations is amended —

(a) by deleting the word “or” at the end of paragraph (1)(c);

(b) by deleting the full-stop at the end of sub-paragraph (d) of paragraph (1) and substituting the word “; or”, and by inserting immediately thereafter the following sub-paragraph:

“(e) another approved company under section 13R of the Act which, at all times during the basis period for the year of assessment for which the income of an approved company is exempt from tax under section 13R of the Act —

(i) beneficially owns directly, 100% of the value of issued securities of the approved company; and

(ii) satisfies the conditions in regulation 3(2).”;

(c) by deleting the word “or” at the end of paragraph (2)(c); and

(d) by deleting the full-stop at the end of sub-paragraph (d) of paragraph (2) and substituting the word “; or”, and by inserting immediately thereafter the following sub-paragraph:

“(e) another approved company under section 13R of the Act which, at all times during the basis period for the year of assessment for which the

income of an approved company is exempt from tax under section 13R of the Act —

- (i) beneficially owns directly, 100% of the value of issued securities of the approved company; and
- (ii) satisfies the conditions in regulation 3(2).”.

(2) Regulation 5 of the principal Regulations is amended —

(a) by deleting the word “or” at the end of paragraph (1)(d);

(b) by deleting the full-stop at the end of sub-paragraph (e) of paragraph (1) and substituting the word “; or”, and by inserting immediately thereafter the following sub-paragraph:

“(f) an approved person under section 13X of the Act which, at all times during the basis period for the year of assessment for which the income of an approved company is exempt from tax under section 13R of the Act —

- (i) beneficially owns directly, 100% of the value of issued securities of the approved company; and
- (ii) satisfies the conditions in regulation 3(2) of the Income Tax (Exemption of Income of Approved Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 414/2010).”;

(c) by deleting the word “or” at the end of paragraph (2)(d); and

(d) by deleting the full-stop at the end of sub-paragraph (e) of paragraph (2) and substituting the word “; or”, and by inserting immediately thereafter the following sub-paragraph:

“(f) an approved person under section 13X of the Act which, at all times during the basis period for the year of assessment for which the income

of an approved company is exempt from tax under section 13R of the Act —

- (i) beneficially owns directly, 100% of the value of issued securities of the approved company; and
- (ii) satisfies the conditions in regulation 3(2) of the Income Tax (Exemption of Income of Approved Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010.”.

Amendment of regulation 7

6.—(1) Regulation 7 of the principal Regulations is amended —

- (a) by deleting the word “whether” in paragraph (4)(a) and substituting the word “where”; and
- (b) by inserting, immediately after paragraph (6), the following paragraph:

“(7) Paragraphs (1) and (4) shall not apply where the relevant owner is another approved company under section 13R of the Act referred to in regulation 5(1)(e).”.

(2) Regulation 7(7) of the principal Regulations is amended by inserting, immediately after the words “regulation 5(1)(e)”, the words “or an approved person under section 13X of the Act referred to in regulation 5(1)(f), as the case may be”.

Made this 13th day of July 2012.

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

[(MF) R32.19. 4.V37; AG/LLRD/SL/134/2010/35 Vol. 1]