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INCOME TAX ACT
(CHAPTER 134)

INCOME TAX (EXEMPTION OF INCOME OF
NON-RESIDENTS ARISING FROM FUNDS
MANAGED BY FUND MANAGER IN SINGAPORE)
(AMENDMENT) REGULATIONS 2012

In exercise of the powers conferred by section 13CA 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 Non-residents Arising from Funds Managed by Fund Manager in Singapore) (Amendment) Regulations 2012.

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

(3) Regulations 2(*e*), 4(2) and 5(2) shall be deemed to have come into operation on 1st April 2009.

Amendment of regulation 2

2. Regulation 2 of the Income Tax (Exemption of Income of Non-residents Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 6/2010) (referred to in these Regulations as the principal Regulations) is amended —

- (*a*) by inserting, immediately after the words “means a company which” in paragraph (*b*) of the definition of “prescribed person” in paragraph (1), the words “, at all times during the basis period for the year of assessment”;

(b) by deleting the words “at all times” in paragraph (b)(iv) of the definition of “prescribed person” in paragraph (1);

(c) by deleting paragraph (c) of the definition of “prescribed person” in paragraph (1) and substituting the following paragraph:

“(c) in relation to a trustee of a trust fund, means a trustee who, at all times during the basis period for the year of assessment —

- (i) is not a resident in Singapore, a Singapore citizen or a permanent establishment in Singapore;
- (ii) does not have a permanent establishment in Singapore (other than a fund manager);
- (iii) does not carry on business in Singapore; and
- (iv) is not a trustee the income of which is derived from investments which have been transferred to him in his capacity as a trustee of that trust fund (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax,

and whose trust fund is, at all times during that basis period for the year of assessment, a trust fund in which less than 100% of the value thereof is beneficially held, directly or indirectly, by Singapore persons collectively;”;

(d) by deleting paragraph (a) of the definition of “Singapore person” in paragraph (1) and substituting the following paragraph:

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- “(a) a company which is approved 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 a prescribed person is exempt from tax under section 13CA of the Act —
- (i) beneficially owns directly, 100% of the total value of all issued securities of the prescribed person or the total value of the trust fund for which the prescribed person is the trustee, as the case may be; and
 - (ii) satisfies the conditions in regulation 3(2) 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);”;
- (e) by inserting, at the end of paragraph (b) of the definition of “Singapore person” in paragraph (1), 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 a prescribed person is exempt from tax under section 13CA of the Act —
- (i) beneficially owns directly, 100% of the total value of all issued securities of the prescribed person or the total value of the trust fund for which the prescribed person is the trustee, as the case may be; 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);” and

(f) by deleting the words “paragraph (c)(iv)” in paragraph (3) and substituting the words “paragraph (c)”.

Amendment of regulation 4

3. 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;”.

Amendment of regulation 5

4.—(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) an 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 a prescribed person is exempt from tax under section 13CA of the Act —

(i) beneficially owns directly, 100% of the total value of all issued securities of the prescribed person or the total value of the trust fund for which the prescribed person is the trustee, as the case may be; and

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

- (c) by deleting the words “person referred to in that section” in paragraph (2) and substituting the words “liable person referred to in that provision”;
 - (d) by deleting the word “or” at the end of paragraph (2)(c); and
 - (e) 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) an 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 a prescribed person is exempt from tax under section 13CA of the Act —
 - (i) beneficially owns directly, 100% of the total value of all issued securities of the prescribed person or the total value of the trust fund for which the prescribed person is the trustee, as the case may be; and
 - (ii) satisfies the conditions in regulation 3(2) of the Income Tax (Exemption of Income of Approved Companies Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010.”.
- (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 a prescribed person is exempt from tax under section 13CA of the Act —

- (i) beneficially owns directly, 100% of the total value of all issued securities of the prescribed person or the total value of the trust fund for which the prescribed person is the trustee, as the case may be; 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 the prescribed person is exempt from tax under section 13CA of the Act —
- (i) beneficially owns directly, 100% of the total value of all issued securities of the prescribed person or the total value of the trust fund for which the prescribed person is the trustee, as the case may be; 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

5.—(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 (5), the following paragraph:

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

(2) Regulation 7(6) 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”.

[G.N. No. S 498/2010]

Made this 13th day of July 2012.

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

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