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## No. S 405

### INCOME TAX ACT (CHAPTER 134)

#### INCOME TAX (SUPPLEMENTARY RETIREMENT SCHEME) (AMENDMENT) REGULATIONS 2015

In exercise of the powers conferred by section 10L(11) of the Income Tax Act, the Minister for Finance makes the following Regulations:

#### **Citation and commencement**

1. These Regulations may be cited as the Income Tax (Supplementary Retirement Scheme) (Amendment) Regulations 2015 and come into operation on 1 July 2015.

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

2. Regulation 2 of the Income Tax (Supplementary Retirement Scheme) Regulations 2003 (G.N. No. S 30/2003) (referred to in these Regulations as the principal Regulations) is amended by inserting, immediately after paragraph (2), the following paragraphs:

“(3) In these Regulations, a reference to an investment, unless the context otherwise requires, includes a deposit.

(4) In these Regulations —

- (a) a withdrawal from an SRS account;
- (b) a withdrawal of moneys from an SRS account; or
- (c) a withdrawal of SRS funds from an SRS account,

includes a deduction of a sum representing an investment from the balance in the SRS account that is approved under regulation 14A.”.

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**Amendment of regulation 4****3. Regulation 4 of the principal Regulations is amended —**

(a) by inserting, immediately after paragraph (2), the following paragraph:

“(2A) For the purposes of paragraph (2), information concerning the valuation of any investment that is deducted from the balance in an SRS account must be calculated in accordance with regulation 14B.”; and

(b) by deleting the words “and deposits” in paragraph (3)(a)(ii) and substituting the words “, including deposits,”.

**Amendment of regulation 7****4. Regulation 7(2) of the principal Regulations is amended —**

(a) by deleting the words “or make a deposit” in sub-paragraph (b) and substituting the words “, including the making of a deposit”; and

(b) by inserting, immediately after the words “any investment” in sub-paragraph (c)(i), the words “(other than a deposit)”.

**Amendment of regulation 11****5. Regulation 11 of the principal Regulations is amended —**

(a) by inserting, immediately after the words “any investment” in paragraph (1)(b), the words “(other than a deposit)”;

(b) by inserting, immediately after the words “from investments” in paragraph (5)(e), the words “(other than any deposit)”;

(c) by deleting the words “paragraph (3)” in paragraph (5)(g) and substituting the words “paragraph (3)(a) and (b)”;

(d) by inserting, immediately after the words “investment transaction” in paragraph (5)(h), the words “(other than a transaction on a deposit)”;

(e) by inserting, immediately after paragraph (7), the following paragraph:

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“(8) Paragraphs (1) and (5) do not apply to an investment if a sum representing the investment has been deducted from the balance in an SRS account pursuant to an approval under regulation 14A.”.

### **Amendment of regulation 12**

6. Regulation 12 of the principal Regulations is amended —
- (a) by inserting, immediately after the words “any investment” in paragraph (1)(e), the words “(other than a deposit)”;
  - (b) by inserting, immediately after the words “acquired any” in paragraph (4), the word “other”; and
  - (c) by inserting, immediately after paragraph (6), the following paragraph:

“(7) Paragraph (1)(b) to (e) does not apply to an investment if a sum representing the investment has been deducted from the balance in an SRS account pursuant to an approval under regulation 14A.”.

### **Amendment of regulation 13**

7. Regulation 13(1) of the principal Regulations is amended by deleting the words “regulation 14” and substituting the words “regulations 14 and 14A”.

### **Amendment of regulation 14**

8. Regulation 14 of the principal Regulations is amended —
- (a) by inserting, immediately after the word “Comptroller” in paragraph (1), the words “or in accordance with regulation 14A”;
  - (b) by deleting paragraph (2); and
  - (c) by deleting the words “or (2)” in paragraph (3).

### **New regulations 14A to 14D**

9. The principal Regulations are amended by inserting, immediately after regulation 14, the following regulations:

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**“Deduction of investment from balance in SRS account**

**14A.**—(1) An SRS operator may approve an application by an SRS member for a deduction of an investment from the balance in an SRS account in accordance with this regulation.

(2) Subject to paragraph (3), an SRS member may, in the manner specified by the member’s SRS operator, apply to the SRS operator to approve a deduction of an investment from the balance in the member’s SRS account in the following circumstances:

- (a) where the deduction would amount to a withdrawal referred to in section 10L(3)(a), (b) or (c) of the Act; or
- (b) at any time after any balance remaining in the member’s SRS account is deemed withdrawn under section 10L(6) or (7) of the Act, or the sums standing in the member’s SRS account are deemed withdrawn under section 10L(9) of the Act.

(3) No application for a deduction of any investment that is a life annuity may be made under paragraph (2)(b).

(4) The SRS operator must not approve an SRS member’s application made under paragraph (2) if the SRS operator is not satisfied that —

- (a) the sums representing the investment to be deducted from the balance in the SRS account can be separately identified; and
- (b) the investment to be deducted from the balance in the SRS account can be separately valued in accordance with regulation 14B.

(5) Where the SRS operator approves an SRS member’s application made under paragraph (2), the date of approval is taken to be —

- (a) where the SRS member is a citizen of Singapore, the application receipt date; and
- (b) where the SRS member is not a citizen of Singapore, the date on which the SRS operator has collected tax from

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the SRS member in accordance with section 45EA of the Act.

(6) An SRS operator who fails to comply with paragraph (4) shall be guilty of an offence.

**Valuation of investment deducted from balance of SRS account**

**14B.**—(1) This regulation states what the value of an investment that is deducted from the balance in an SRS account is for the purposes of sections 10L(1), (2), (3), (3D) and (3E) and 45EA of the Act.

(2) Where an investment is deducted pursuant to an application under regulation 14A in the circumstances set out in regulation 14A(2)(a), the investment is to be valued as follows:

- (a) in the case of listed shares, warrants, loan stocks and bonds, the closing price of the investment as at the application receipt date;
- (b) in the case of listed shares, warrants, loan stocks and bonds that are suspended, the last traded price of the investment before the application receipt date;
- (c) in the case of unlisted shares, the net asset value of the shares as at the application receipt date;
- (d) in the case of unit trusts, the published price or last available price of the unit trusts as at the application receipt date;
- (e) in the case of fixed deposits with financial institutions maturing after the date of the application receipt date, the principal amount of the fixed deposits;
- (f) in the case of deposits with financial institutions (other than fixed deposits), the principal amount of the deposits plus all interest that has accrued up to the application receipt date;
- (g) in the case of insurance products, the surrender value of the products as at the application receipt date; or

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(h) in the case of any other investment, the market value of the investment on the application receipt date.

(3) For the purposes of paragraph (2), if the investment is in a foreign currency, the SRS operator must reflect the value of the investment in Singapore dollars using the exchange rate prevailing on the application receipt date.

(4) Where an investment is deducted pursuant to an application under regulation 14A in the circumstances set out in regulation 14A(2)(b), the investment is to be valued for the purposes of section 45EA of the Act in accordance with regulation 15(2) and (3).

(5) Despite paragraphs (2) and (3), if the SRS operator is unable to value the investment under paragraphs (2) and (3), the SRS operator must inform the Comptroller who may determine the value of the investment using any other reasonable basis.

### **Information to be provided by SRS operator following application made under regulation 14A**

**14C.**—(1) If the SRS operator does not approve an application by an SRS member who is a citizen of Singapore for a deduction of an investment from the balance in the member's SRS account under regulation 14A(2), the SRS operator must inform the SRS member of that fact and the reason why the application was not approved.

(2) If the SRS operator approves an application by an SRS member who is a citizen of Singapore for a deduction of an investment from the balance in the member's SRS account under regulation 14A(2), the SRS operator must inform the SRS member of that fact, the date of approval of the application as determined under regulation 14A(5) and —

(a) where the application was made in the circumstances referred to in regulation 14A(2)(a) —

(i) the application receipt date; and

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- (ii) the value of the investment as determined under regulation 14B(2) and (3), or regulation 14B(5), whichever may be applicable; or
  - (b) where the application was made in the circumstances referred to in regulation 14A(2)(b) —
    - (i) the date of the deemed withdrawal under section 10L(6), (7) or (9) of the Act, as the case may be; and
    - (ii) the value of the investment as determined under regulation 14B(4).
- (3) If the SRS operator does not propose to approve an application by an SRS member who is not a citizen of Singapore for a deduction of an investment from the balance in the member's SRS account under regulation 14A(2), the SRS operator must inform the SRS member of that fact and the reason why the application will not be approved.
- (4) If the SRS operator proposes to approve an application by an SRS member who is not a citizen of Singapore for a deduction of an investment from the balance in the member's SRS account under regulation 14A(2), the SRS operator must, before the SRS operator approves the application, inform the SRS member of the following:
- (a) that it proposes to approve the application;
  - (b) that the application will only be approved by the SRS operator after the SRS operator has collected tax from the SRS member in accordance with section 45EA of the Act; and
  - (c) either —
    - (i) where the application was made in the circumstances referred to in regulation 14A(2)(a) —
      - (A) the application receipt date; and
      - (B) the value of the investment as determined under regulation 14B(2) and (3), or

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regulation 14B(5), whichever may be applicable; or

(ii) where the application was made in the circumstances referred to in regulation 14A(2)(b) —

(A) the date of the deemed withdrawal under section 10L(6), (7) or (9) of the Act, as the case may be; and

(B) the value of the investment as determined under regulation 14B(4).

(5) If the SRS operator approves an SRS member's application for a deduction of an investment under regulation 14A(2), the SRS operator must also provide such information to any financial product provider as may be agreed between them as will enable the financial product provider to exclude the investment for the purpose of complying with regulation 12(1).

(6) An SRS operator who fails to comply with paragraph (1), (2), (3), (4) or (5) shall be guilty of an offence.

### **Definitions for regulations 14A, 14B and 14C**

**14D.**—(1) In regulations 14A, 14B and 14C —

“application receipt date” means the date on which an SRS member's application under regulation 14A(2) is received by the SRS operator;

“SRS member” includes, in the case of an SRS member who is deceased, the legal personal representative of the SRS member.

(2) For the purposes of regulations 14A, 14B and 14C, a reference to a deduction of an investment from the balance in an SRS account is a reference to a deduction of the sums representing that investment from the balance in that account.”.

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**Amendment of regulation 15**

**10.** Regulation 15 of the principal Regulations is amended —

- (a) by deleting the words “investments or deposits or both, the investments and deposits” in paragraph (1) and substituting the words “deposits or other investments or both, the deposits and other investments”;
- (b) by deleting the words “investments acquired or deposits made using SRS funds or both, the investments and deposits” in paragraph (2) and substituting the words “deposits made or other investments acquired using SRS funds or both, the deposits and other investments”;
- (c) by deleting the words “investment or deposit” wherever they appear in paragraph (3) and substituting in each case the words “deposit or other investment”;
- (d) by deleting the words “investments or deposits” in paragraph (4) and substituting the words “deposits or other investments”;
- (e) by deleting the words “investment or deposit” wherever they appear in paragraph (6) and substituting in each case the words “deposit or other investment”; and
- (f) by deleting the words “investments purchased with or deposits made” in the regulation heading and substituting the words “deposits made or other investments purchased”.

**Amendment of regulation 21**

**11.** Regulation 21(1) of the principal Regulations is amended by deleting the words “section 199A” and substituting the words “section 243”.

*[G.N. Nos. S 207/2004; S 231/2005; S 874/2005;  
S 521/2010; S 209/2011]*

Made on 29 June 2015.

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