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No. S 483

INCOME TAX ACT
(CHAPTER 134)

INCOME TAX
(CONCESSIONARY RATE OF TAX FOR
APPROVED FINANCE AND TREASURY CENTRE)
(AMENDMENT) REGULATIONS 2021

In exercise of the powers conferred by section 43G(1) of the Income Tax Act, the Minister for Finance makes the following Regulations:

Citation and commencement

1. These Regulations are the Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2021 and come into operation on 1 July 2021.

Amendment of regulation 2

2. Regulation 2 of the Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations (Rg 18) is amended —

(a) by deleting paragraph (c) of the definition of “qualifying activities” and substituting the following paragraph:

“(c) transacting or investing in certificates of deposit, notes and bonds issued by —

- (i) a bank that holds a licence under section 7 or 79 of the Banking Act (Cap. 19); or
- (ii) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant

bank licence, under the Banking Act;”;

(b) by deleting paragraphs (e) and (f) of the definition of “qualifying activities” and substituting the following paragraphs:

“(e) investing in deposits held in Singapore with —

(i) a bank that holds a licence under section 7 or 79 of the Banking Act; or

(ii) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;

(ea) investing in foreign currency deposits held outside Singapore with a financial institution outside Singapore;

(f) foreign exchange transactions with —

(i) a bank outside Singapore;

(ii) a person who is not resident in Singapore and who does not have a permanent establishment in Singapore;

(iii) a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where the transactions are not entered into through that operation;

(iv) a bank that holds a licence under section 7 or 79 of the Banking Act; or

(v) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant

bank licence, under the Banking Act;”;

- (c) by deleting sub-paragraph (ii) of paragraph (g) of the definition of “qualifying activities” and substituting the following sub-paragraph:

“(ii) with banks that hold a licence under section 7 or 79 of the Banking Act, or merchant banks approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186) before that date;”;

- (d) by deleting sub-paragraphs (i) and (ii) of paragraph (k) of the definition of “qualifying activities” and substituting the following sub-paragraphs:

“(i) for or with a bank outside Singapore;

(ii) for or with a person who is not resident in Singapore and who does not have a permanent establishment in Singapore;

(iia) for or with a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where the transactions are not entered into through that operation;

(iib) with a bank that holds a licence under section 7 or 79 of the Banking Act;

(iic) with a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;”;

(e) by deleting paragraph (c) of the definition of “qualifying services” and substituting the following paragraph:

“(c) providing guarantees, performance bonds, standby letters of credit and services relating to remittances where —

(i) in the case of a guarantee, performance bond or standby letter of credit, the party in whose favour the facility is issued is —

(A) a bank that holds a licence under section 7 or 79 of the Banking Act;

(B) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;

(C) a person who is not resident in Singapore and who does not have a permanent establishment in Singapore;

(D) a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where the services are not provided to that person through that operation;

(E) a person who is resident in Singapore and who carries on an operation through a permanent establishment outside Singapore, where the services are provided to that

person through that operation;
or

(ii) in the case of services relating to remittances, the person to whom the remittances are made is —

(A) a bank that holds a licence under section 7 or 79 of the Banking Act;

(B) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;

(C) a person who is not resident in Singapore and who does not have a permanent establishment in Singapore;

(D) a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where the services are not provided to that person through that operation;”;

(f) by deleting the words “licensed under” in paragraph (d)(i) of the definition of “qualifying services” and substituting the words “that holds a licence under section 7 or 79 of”;

(g) by inserting, immediately after the words “Monetary Authority of Singapore Act (Cap. 186)” in paragraph (d)(ii) of the definition of “qualifying services”, the words “before that date”; and

(h) by deleting sub-paragraphs (i), (ii) and (iii) of paragraph (j) of the definition of “qualifying services” and substituting the following sub-paragraphs:

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- “(i) a bank that holds a licence under section 7 or 79 of the Banking Act;
- (ii) a merchant bank that holds a merchant bank licence, or is treated as having been granted a merchant bank licence, under the Banking Act;
- (iii) a person who is not resident in Singapore and who does not have a permanent establishment in Singapore;
- (iiia) a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore where the services are not provided to that person through that operation; or”.

[G.N. Nos. S 483/99; S 492/2003; S 17/2006; S 94/2006; S 159/2007; S 437/2007; S 82/2014; S 87/2017]

Made on 15 June 2021.

TAN CHING YEE
*Permanent Secretary,
Ministry of Finance,
Singapore.*

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