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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) (AMENDMENT) NOTIFICATION 2020

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

Citation and commencement

1. This Notification is the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (Amendment) Notification 2020 and is deemed to have come into operation on 19 February 2020.

Amendment of paragraph 2

2. Paragraph 2 of the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 2) Notification 2018 (G.N. No. S 801/2018) (called in this Notification the principal Notification) is amended —

(a) by deleting the definition of “approved exchange” and substituting the following definitions:

““approved clearing house”, “approved exchange”, “derivatives contract”, and “member” in relation to an approved clearing house or an approved exchange, have the meanings given by section 2(1) of the Securities and Futures Act (Cap. 289);”;

(b) by deleting the word “means” in the definition of “specified contract” and substituting the words “, in relation to paragraph 3, means”; and

(c) by deleting the full-stop at the end of the definition of “specified contract” and substituting a semi-colon, and by inserting immediately thereafter the following definition:

““specified contract”, in relation to paragraph 4, means any of the following:

- (a) a contract for trading in gold futures on an approved exchange;
- (b) a contract for trading in financial futures on an approved exchange;
- (c) a contract for trading in spot foreign exchange (other than a contract that involves the Singapore dollar) on an approved exchange;
- (d) any other derivatives contract that is traded on an approved exchange;
- (e) any derivatives contract that is cleared or settled by an approved clearing house.”.

Amendment of paragraph 3

3. Paragraph 3 of the principal Notification is amended —

- (a) by deleting the words “(called in this sub-paragraph the relevant period)” in sub-paragraph (1)(c)(i);
- (b) by deleting the words “the relevant period” in sub-paragraph (1)(c)(ii) and (iii)(A) and substituting in each case the words “the period from 20 February 2018 to 18 February 2020 (both dates inclusive)”; and

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- (c) by deleting the paragraph heading and substituting the following paragraph heading:

“Exemption for interest payment under specified contract effective before 20 February 2018 or on date between 20 February 2018 and 18 February 2020”.

New paragraph 4

4. The principal Notification is amended by inserting, immediately after paragraph 3, the following paragraph:

“Exemption for interest payment under specified contract effective on date between 19 February 2020 and 31 December 2022

- 4.—(1) This paragraph applies to any interest payment —
- (a) made by an approved exchange, an approved clearing house, a member of an approved exchange or a member of an approved clearing house, to a person who is not resident in Singapore;
 - (b) that is not derived through any operation carried on by the person through the person’s permanent establishment in Singapore; and
 - (c) that is a margin deposit interest payment required to be made —
 - (i) under a specified contract that takes effect on a date that falls within the period from 19 February 2020 to 31 December 2022 (both dates inclusive); or
 - (ii) under a specified contract that is extended or renewed, where —
 - (A) the extension or renewal takes effect on a date that falls within the period mentioned in sub-paragraph (i); and

(B) the payment is made on or after the date on which the extension or renewal takes effect.

(2) A payment mentioned in sub-paragraph (1) is exempt from tax.”.

Made on 11 July 2020.

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

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