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**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX
(EXEMPTION OF INCOME ARISING FROM
FUNDS MANAGED IN SINGAPORE BY FUND MANAGER)
(AMENDMENT) REGULATIONS 2020**

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

Citation and commencement

1.—(1) These Regulations are the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) (Amendment) Regulations 2020 and, except for regulation 10(*d*), are deemed to have come into operation on 20 February 2018.

(2) Regulation 10(*d*) is deemed to have come into operation on 1 April 2015.

Amendment of regulation 2

2. Regulation 2 of the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 (G.N. No. S 414/2010) (called in these Regulations the principal Regulations) is amended by deleting the definition of “committed funds” and substituting the following definition:

““committed funds”, in relation to a person (including a company), partnership (including a limited partnership and a limited liability partnership), trust fund or an investment vehicle that is not a legal entity, means the funds which, by a written contractual agreement between investors and the person, partnership, trustee of the trust

fund or taxable entity of the investment vehicle, the investors are obliged to contribute to the person, partnership, trust fund or investment vehicle;”.

Amendment of regulation 3

3. Regulation 3 of the principal Regulations is amended —

(a) by deleting sub-paragraphs (a) and (b) of paragraph (1) and substituting the following sub-paragraphs:

“(a) in the case of an approved person that is not a partner of an approved partnership (including a limited partnership and a limited liability partnership) — any specified income derived by the approved person from funds managed in Singapore by a fund manager in respect of designated investments; and

(b) in the case of an approved person that is a partner of an approved partnership (including a limited partnership and a limited liability partnership) — the share to which the partner is entitled in any specified income derived by the approved partnership from funds managed in Singapore by a fund manager in respect of designated investments.”; and

(b) by deleting sub-paragraphs (b) to (e) of paragraph (2) and substituting the following sub-paragraphs:

“(b) at the time of the application for approval of the person (not being an individual, a body of persons or a Hindu joint family), partnership (including a limited partnership and a limited liability partnership), trust fund or investment vehicle that is not a legal entity under section 13X of the Act —

(i) the amount of its funds; or

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- (ii) if the person, partnership, trust fund or investment vehicle is a private equity fund, a real estate fund or an infrastructure fund, the amount of its committed funds,

managed in Singapore by a fund manager is at least \$50 million;

- (c) for that year of assessment, no part of the income of the approved person (other than any income derived before the approval of the person, partnership, trust fund or investment vehicle under section 13X of the Act) —

- (i) is exempt from tax under section 13C, 13CA, 13G, 13H, 13O, 13P, 13Q, 13R, 13W or 13Y of the Act;

- (ii) is subject to a concessionary rate of tax under section 43E, 43G or 43Q of the Act; or

- (iii) is entitled to any tax relief or concessionary rate of tax under Part III or IIIB of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86);

- (d) the investment strategy remains unchanged from the date the person, partnership, trust fund or investment vehicle is approved under section 13X of the Act unless the effective date for the change in the strategy is before 1 April 2019, and the Minister or the Monetary Authority of Singapore is satisfied that the change is made for a bona fide commercial purpose; and

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- (e) conditions specified in the letter of approval issued by the Monetary Authority of Singapore approving the person, partnership, trust fund or investment vehicle (as the case may be) under section 13X of the Act.”.

Amendment of regulation 3A

4. Regulation 3A of the principal Regulations is amended —

- (a) by inserting, immediately after paragraph (1), the following paragraph:

“(1A) For the purpose of section 13X(1)(b) of the Act, subject to the conditions in paragraph (2) and regulations 4, 5 and 6, the following income is exempt from tax for any year of assessment:

- (a) in the case of a person (other than a company) that is the approved master fund or an approved feeder fund of an approved master-feeder fund structure — any specified income derived by the person from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments;
- (b) in the case of a partner of a partnership (excluding a limited partnership but including a limited liability partnership), where the partnership is the approved master fund or an approved feeder fund of an approved master-feeder fund structure — the share to which the partner of the partnership is entitled in any specified income derived by the partnership from funds of the master fund or the feeder fund that are managed in

Singapore by a fund manager in respect of designated investments;

- (c) in the case of a taxable entity in relation to the approved master fund or an approved feeder fund of an approved master-feeder fund structure, where the master fund or feeder fund is not a legal entity — any specified income derived by the taxable entity from funds of the master fund or the feeder fund that are managed in Singapore by a fund manager in respect of designated investments.”;
- (b) by deleting the words “paragraph (1)” in paragraph (2) and substituting the words “paragraphs (1) and (1A)”;
- (c) by deleting sub-paragraph (a) of paragraph (2) and substituting the following sub-paragraph:
 - “(a) throughout the basis period for that year of assessment, the funds of the following are managed in Singapore by a fund manager:
 - (i) in the case of sub-paragraph (a) of paragraph (1) — the company or trust fund mentioned in that sub-paragraph;
 - (ii) in the case of sub-paragraph (b) of paragraph (1) — the limited partnership mentioned in that sub-paragraph;
 - (iii) in the case of sub-paragraph (a) of paragraph (1A) — the person mentioned in that sub-paragraph;
 - (iv) in the case of sub-paragraph (b) of paragraph (1A) — the partnership mentioned in that sub-paragraph;

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- (v) in the case of sub-paragraph (c) of paragraph (1A) — the master fund or feeder fund mentioned in that sub-paragraph;”.

Amendment of regulation 3B

5. Regulation 3B of the principal Regulations is amended —

- (a) by inserting, immediately after paragraph (1), the following paragraph:

“(1A) For the purpose of section 13X(1)(c) of the Act, subject to the conditions in paragraph (2) and regulations 4, 5 and 6, the following income is exempt from tax for any year of assessment:

- (a) in the case of a person (other than a company) that is an approved feeder fund of an approved master-feeder fund-SPV structure — any specified income derived by the person from funds of the person managed in Singapore by a fund manager in respect of designated investments;
- (b) in the case of a partner of a partnership (excluding a limited partnership but including a limited liability partnership), where the partnership is an approved feeder fund of an approved master-feeder fund-SPV structure — the share to which the partner is entitled in any specified income derived by the partnership from funds of the partnership managed in Singapore by a fund manager in respect of designated investments;
- (c) in the case of a taxable entity in relation to an approved feeder fund of an approved master-feeder fund-SPV structure, where the approved feeder fund is not a legal entity — any specified income derived by

the taxable entity from funds of the approved feeder fund managed in Singapore by a fund manager in respect of designated investments.”; and

- (b) by deleting the words “paragraph (1)” in paragraph (2) and substituting the words “paragraphs (1) and (1A)”.

Amendment of regulation 3D

6. Regulation 3D(2) of the principal Regulations is amended —

- (a) by inserting, immediately after sub-paragraph (i) of sub-paragraph (a), the following sub-paragraph:

“(ia) where the approved person is a partner of an approved partnership (excluding a limited partnership but including a limited liability partnership) — any partner of the partnership or, if no partner is personally present in Singapore, the attorney, agent, manager or factor of the partnership;”;

- (b) by deleting the word “and” at the end of sub-paragraph (a)(ii);

- (c) by inserting, immediately after sub-paragraph (iii) of sub-paragraph (a), the following sub-paragraphs:

“(iv) where the approved person is a taxable entity of an approved investment vehicle that is not a legal entity — the taxable entity; and

(v) where the approved person is a person other than a company — the person;”;

- (d) by inserting, immediately after sub-paragraph (i) of sub-paragraph (b), the following sub-paragraph:

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- “(ia) where the approved master fund of the approved master-feeder fund structure is a partnership (excluding a limited partnership but including a limited liability partnership) — any partner of the partnership or, if no partner is personally present in Singapore, the attorney, agent, manager or factor of the partnership;”;
- (e) by deleting the word “and” at the end of sub-paragraph (b)(ii); and
- (f) by inserting, immediately after sub-paragraph (iii) of sub-paragraph (b), the following sub-paragraphs:
- “(iv) where the approved master fund of the approved master-feeder fund structure is not a legal entity (other than a trust fund) — the taxable entity of the approved master fund; and
- (v) where the approved master fund of the approved master-feeder fund structure is a person other than a company — the master fund;”.

Amendment of regulation 4

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

- (a) by deleting the words “company, trustee or partner” in sub-paragraph (b) and substituting the words “person, partner, trustee or taxable entity”; and
- (b) by inserting, immediately after the word “partner” in sub-paragraph (c), the words “, person (other than a company), taxable entity”.

Amendment of regulation 5

- 8.** Regulation 5 of the principal Regulations is amended —
- (a) by deleting the words “approved limited partnership” in paragraphs (2)(b)(i) and (3)(b)(i) and substituting in each case the words “approved partnership (including a limited partnership and a limited liability partnership)”;
 - (b) by deleting the word “or” at the end of paragraphs (2)(b)(i) and (3)(b)(i);
 - (c) by deleting the words “section 13X(1)(b)” in paragraphs (2)(b)(ii) and (3)(b)(ii) and substituting in each case the words “section 13X(1)(b)(ii)”;
 - (d) by deleting the comma at the end of paragraphs (2)(b)(ii) and (3)(b)(ii) and substituting in each case the word “; or”;
and
 - (e) by inserting, immediately after sub-paragraph (ii) of paragraphs (2)(b) and (3)(b), the following sub-paragraph:
 - “(iii) a partner of a partnership (excluding a limited partnership but including a limited liability partnership) mentioned in section 13X(1)(b)(ii) or (c)(ib) of the Act.”.

Amendment of regulation 6

- 9.** Regulation 6 of the principal Regulations is amended —
- (a) by deleting the words “approved limited partnership is made up to, the approved limited partnership fails to comply with any condition imposed under these Regulations, there shall be deemed to be income of each partner or former partner of that limited partnership who had previously enjoyed the exemption from tax for the year of assessment in which the Comptroller discovers such non-compliance —” in paragraph (1) and substituting the words “approved partnership (including one that is a limited partnership or limited liability partnership) is made up to, the approved partnership fails to comply with any

condition imposed under these Regulations, the following is deemed to be income, during the basis period for the year of assessment in which the Comptroller discovers such non-compliance, of each partner or former partner of the approved partnership who had previously enjoyed the exemption from tax:";

- (b) by deleting the word "and" at the end of paragraph (1)(a);
- (c) by deleting the word "limited" in paragraph (1)(b) and in the definitions of "A", "B" and "C" in paragraph (3);
- (d) by deleting the words "section 13X(1)(c)" in paragraph (4)(b) and substituting the words "section 13X(1)(c)(i)";
- (e) by inserting, immediately after paragraph (4), the following paragraph:

“(5) This regulation applies in relation to the following as it applies in relation to an approved partnership (excluding an approved limited partnership but including an approved limited liability partnership):

- (a) a partnership (excluding a limited partnership but including a limited liability partnership) which is the approved master fund or an approved feeder fund of an approved master-feeder fund structure mentioned in section 13X(1)(b)(ii) of the Act;
 - (b) a partnership (excluding a limited partnership but including a limited liability partnership) which is an approved feeder fund of an approved master-feeder fund-SPV structure mentioned in section 13X(1)(c)(ib) of the Act.”; and
- (f) by deleting the word "limited" in the regulation heading.

Amendment of regulation 7

10. Regulation 7 of the principal Regulations is amended —

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

“(2A) The persons mentioned in paragraph (2B) must —

(a) within 4 months after the end of the basis period of a person (other than a company) approved as an approved person under section 13X of the Act, an approved partnership (excluding a limited partnership but including a limited liability partnership) or the taxable entity of an approved investment vehicle that is not a legal entity (other than a trust fund); or

(b) within any other time specified by the Comptroller or the Monetary Authority of Singapore,

submit a declaration to the Monetary Authority of Singapore, in the form specified by the Comptroller or the Monetary Authority of Singapore, that the conditions in paragraph (2C) have been met for the basis period.

(2B) For the purposes of paragraph (2A), the persons are —

(a) in the case of a person (other than a company) approved as an approved person under section 13X of the Act — the person;

(b) in the case of an approved partnership (excluding a limited partnership but including a limited liability partnership) — any partner of the partnership or, if no

partner is personally present in Singapore, the attorney, agent, manager or factor of the partnership; and

- (c) in the case of a taxable entity of an approved investment vehicle that is not a legal entity (other than a trust fund) — the taxable entity.

(2C) The conditions in paragraph (2A) are —

(a) the conditions subject to which —

- (i) the person (other than a company) was approved as an approved person under section 13X of the Act;
- (ii) the approved partnership (excluding a limited partnership but including a limited liability partnership) was approved as such for the purposes of section 13X of the Act; or
- (iii) the approved investment vehicle that is not a legal entity (other than a trust fund) was approved as such for the purposes of section 13X of the Act; and

(b) the conditions specified in regulation 3(2)(a), (c), (d) and (e).”;

(b) by inserting, immediately after paragraph (4), the following paragraphs:

“(4A) The persons mentioned in paragraph (4B) must —

- (a) within 4 months after the end of the basis period of the approved master fund (being a person (other than a company), a partnership (excluding a limited partnership but including a limited liability partnership) or an approved

master fund that is not a legal entity) of an approved master-feeder fund structure mentioned in section 13X(1)(b) of the Act; or

- (b) within any other time specified by the Comptroller or the Monetary Authority of Singapore,

submit a declaration to the Monetary Authority of Singapore, in the form specified by the Comptroller or the Monetary Authority of Singapore, that the conditions in paragraph (5) have been met for the basis period.

(4B) For the purposes of paragraph (4A), the persons are —

- (a) where the approved master fund is a person (other than a company) — the person;
- (b) where the approved master fund is a partnership (excluding a limited partnership but including a limited liability partnership) — any partner of the partnership or, if no partner is personally present in Singapore, the attorney, agent, manager or factor of the partnership; and
- (c) where the approved master fund is not a legal entity — the taxable entity.”;
- (c) by deleting the words “and (4)” in paragraph (5) and substituting the words “, (4) and (4A)”;
- (d) by deleting the words “section 13(1)(b)” in paragraph (5)(a) and substituting the words “section 13X(1)(b)”.

Made on 11 August 2020.

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

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