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**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (EXEMPTION OF INTEREST AND
OTHER PAYMENTS FOR ECONOMIC AND
TECHNOLOGICAL DEVELOPMENT)
(AMENDMENT NO. 2) NOTIFICATION 2018**

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 No. 2) Notification 2018 and comes into operation on 10 December 2018.

Amendment of paragraph 2

2. Paragraph 2 of the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2000 (G.N. No. S 411/2000) is amended by deleting the definition of “financial institution” and substituting the following definition:

““financial institution” means an institution licensed or approved by the Monetary Authority of Singapore, and includes an institution —

- (a) that is a Fund Manager approved under section 43A of the Act;
- (b) that has a Financial and Treasury Centre that is approved under section 43G of the Act; and

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- (c) that is approved as a financial sector incentive (fund management) company under section 43Q of the Act;”.

Deletion and substitution of paragraph 3

3. Paragraph 3 of the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2000 is deleted and the following paragraph substituted therefor:

“Exemption

3.—(1) This paragraph applies to any payment —

- (a) made by a financial institution 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 liable to be made —
 - (i) under —
 - (A) a contract for an interest rate or currency swap transaction, where the contract took effect on a date before 25 February 2000; or
 - (B) a contract for an interest rate or currency swap transaction that was extended or renewed, and the extension or renewal of the contract took effect on a date before 25 February 2000,

where the payment is made on a date that falls within the period from 25 February 2000 to 31 December 2022 (both dates inclusive) (called in this sub-paragraph the relevant period);

- (ii) under a contract for an interest rate or currency swap transaction, where the contract takes effect on a date that falls within the relevant period; or
 - (iii) under a contract for an interest rate or currency swap transaction that is extended or renewed, where —
 - (A) the extension or renewal of the contract takes effect on a date that falls within the relevant period; and
 - (B) the payment is made on or after the date on which such extension or renewal takes effect.
- (2) Subject to paragraph 4, any payment mentioned in sub-paragraph (1) is exempt from tax.”.

Made on 5 December 2018.

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

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