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INCOME TAX ACT 1947

INCOME TAX
(PROVISIONS BY BANKS AND
QUALIFYING FINANCE COMPANIES)
(ADVANCE THAT IS NOT LOAN) RULES 2024

ARRANGEMENT OF RULES

Rule

1. Citation, commencement and application
 2. Exclusion of certain advances under section 14G(6AB)(a)(v) of Act
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In exercise of the powers conferred by section 7(1) of the Income Tax Act 1947, the Minister for Finance makes the following Rules:

Citation, commencement and application

1.—(1) These Rules are the Income Tax (Provisions by Banks and Qualifying Finance Companies) (Advance that is not Loan) Rules 2024 and come into operation on 20 November 2024.

(2) These Rules have effect for the year of assessment 2024 and subsequent years of assessment.

Exclusion of certain advances under section 14G(6AB)(a)(v) of Act

2.—(1) For the purposes of section 14G(5) and (6) of the Act, a reference to a loan does not include an advance made on the discounting or purchase of any bill of exchange by a bank or qualifying finance company which —

- (a) is denominated in Singapore dollars and accepted or endorsed by any bank in Singapore;

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- (b) arises from a genuine trade transaction and is payable within 3 months of acceptance or endorsement; and
- (c) qualifies as a liquid asset —
- (i) for banks licensed in Singapore — under paragraph 8 of the notice commonly known as MAS Notice 649, issued by the Monetary Authority of Singapore, as amended from time to time;
 - (ii) for merchant banks licensed in Singapore — under paragraph 8 of the notice commonly known as MAS Notice 1015, issued by the Monetary Authority of Singapore, as amended from time to time; and
 - (iii) for qualifying finance companies — under paragraph 2 of the notice commonly known as MAS Notice 806, issued by the Monetary Authority of Singapore, as amended from time to time.

(2) For the purpose of this rule, “bank”, “Monetary Authority of Singapore” and “qualifying finance company” have the meanings given by section 14G(7) of the Act.

Made on 17 November 2024.

LAI CHUNG HAN
*Permanent Secretary (Development),
Ministry of Finance,
Singapore.*

[AG/LEGIS/SL/134/2020/97]

(To be presented to Parliament under section 7(2) of the Income Tax Act 1947).