

INCOME TAX ACT
(CHAPTER 134, SECTION 43G)

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

ARRANGEMENT OF REGULATIONS

Regulation

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[11th December 1992]

Citation

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations and shall have effect for the year of assessment 1991 and subsequent years of assessment.

Definitions

2. In these Regulations —

“approved offices and associated companies”, in relation to an approved Finance and Treasury Centre, means the offices and associated companies of the approved Finance and Treasury Centre approved under section 43G of the Act;

[S 159/2007 wef 16/04/2007]

“qualifying activities” means the following activities carried out by an approved Finance and Treasury Centre on its own account:

- (a) transacting or investing in stocks and shares of companies which are neither incorporated nor resident in Singapore;
 - (b) transacting or investing in securities, other than stocks and shares but including bonds, notes, certificates of deposit and treasury bills, issued by foreign governments, foreign banks outside Singapore and companies which are neither incorporated nor resident in Singapore;
 - (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;

[S 483/2021 wef 01/07/2021]
 - (d) transacting or investing in Asian Dollar Bonds approved under section 13(1)(v) of the Act;
 - (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;

[S 483/2021 wef 01/07/2021]
 - (ea) investing in foreign currency deposits held outside Singapore with a financial institution outside Singapore;
- [S 483/2021 wef 01/07/2021]*
- (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;
[S 483/2021 wef 01/07/2021]
- (g) transactions involving interest rate or currency swaps entered into before 17th February 2006 —
- (i) for or with banks outside Singapore or persons who are neither residents of nor permanent establishments in Singapore; or
 - (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;
[S 483/2021 wef 01/07/2021]
- (h) transactions in financial futures contracts or options entered into before 17th February 2006 with a member of any exchange specified in the Schedule;
[S 159/2007 wef 17/02/2006]
- (i) factoring, forfaiting and re-invoicing activities for its approved offices and associated companies (whether within or outside Singapore);

- (j) providing credit facilities to its approved offices and associated companies (whether within or outside Singapore);

[S 159/2007 wef 17/02/2006]

- (k) transactions involving derivatives (including transactions involving interest rate or currency swaps and transactions in financial futures contracts or options) entered into on or after 17th February 2006 —

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

[S 483/2021 wef 01/07/2021]

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

[S 483/2021 wef 01/07/2021]

- (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;

[S 483/2021 wef 01/07/2021]

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

[S 483/2021 wef 01/07/2021]

- (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;

[S 483/2021 wef 01/07/2021]

- (iii) with its approved offices and associated companies (whether within or outside Singapore); or

- (iv) with a member of any exchange specified in the Schedule;

[S 437/2007 wef 15/02/2007]

[S 159/2007 wef 17/02/2006]

- (l) transacting or investing in units in any unit trust, where the manager of the unit trust engages wholly in one or more of the activities set out in paragraphs (a) to (h) or (k),

where the funds used by the approved Finance and Treasury Centre for carrying out the activities are obtained from —

- (i) financial institutions in Singapore;
- (ii) its paid-up capital;
- (iii) its accumulated profits derived from qualifying activities and qualifying services approved under section 43G(2) of the Act;
- (iv) its approved offices and associated companies, but excluding such funds borrowed or raised by the approved offices or associated companies, as the case may be, from sources other than —
- (A) financial institutions in Singapore;
- (B) banks outside Singapore;
- (C) non-bank financial institutions outside Singapore which are not offices or associated companies of the approved Finance and Treasury Centre; and
- (D) the issuance of any bond, note, debenture or other debt security which is not beneficially held or funded, directly or indirectly, at any time during the life of the issue by any office or associated company of the approved Finance and Treasury Centre which is not an approved office or associated company of the approved Finance and Treasury Centre;

- (v) the issuance of any bond, note, debenture or other debt security which is not beneficially held or funded, directly or indirectly, at any time during the life of the issue by any office or associated company of the approved Finance and Treasury Centre which is not an approved office or associated company of the approved Finance and Treasury Centre;
- (vi) banks outside Singapore; and
- (vii) non-bank financial institutions outside Singapore which are not its offices or associated companies;

[S 17/2006 wef 18/02/2005]

[S 437/2007 wef 15/02/2007]

“qualifying services” means the following services provided in Singapore by an approved Finance and Treasury Centre to its approved offices and associated companies:

- (a) arranging credit facilities where the funds for providing the facilities are obtained from —
 - (i) financial institutions in Singapore; and
 - (ii) the accumulated profits of its other approved offices and associated companies;
- [S 17/2006 wef 18/02/2005]*
- (b) providing corporate finance advisory services;
 - (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;

[S 483/2021 wef 01/07/2021]

(d) arranging interest rate or currency swaps before 17th February 2006 with —

(i) a bank that holds a licence under section 7 or 79 of the Banking Act (Cap. 19);

[S 483/2021 wef 01/07/2021]

(ii) a merchant bank approved under section 28 of the Monetary Authority of Singapore Act (Cap. 186) before that date;

[S 483/2021 wef 01/07/2021]

(iii) a person who is neither a resident of nor a permanent establishment in Singapore; or

(iv) a branch office outside Singapore of a company resident in Singapore;

[S 17/2006 wef 18/02/2005]

[S 159/2007 wef 17/02/2006]

(e) managing the funds of any of its approved offices or associated companies for the purpose of any designated investments within the meaning of the Income Tax (Income from Funds Managed for Foreign Investors) Regulations 2003 (G.N. No. S 640/2003) and where the associated company is not resident in Singapore and, unless otherwise approved by the Minister or such person as he may appoint —

(i) *[Deleted by S 483/99, wef Y/A 1999 & Sub Ys/A]*

(ii) not less than 80% of the total number of its issued shares are beneficially owned, directly or indirectly, by persons who are neither citizens of Singapore nor resident in Singapore;

[S 483/99 wef Y/A 1999 & Sub Ys/A]

[S 94/2006 wef 30/01/2006]

- (iii) has no permanent establishment in Singapore other than the approved Finance and Treasury Centre;
- (iv) does not carry on business in Singapore;
- (v) does not beneficially own more than 20% of the total number of issued shares of any company incorporated in Singapore; and
 - [S 94/2006 wef 30/01/2006]
- (vi) does not have 20% or more of the total number of its issued shares beneficially owned, directly or indirectly, by a company which does not fall within sub-paragraph (iii), (iv) or (v);
 - [S 17/2006 wef 03/05/2002]
 - [S 17/2006 wef 18/02/2005]
 - [S 94/2006 wef 30/01/2006]
- (f) performing economic or investment research and analysis;
- (g) providing credit administration and control;
- (h) providing general management and administration;
 - [S 159/2007 wef 17/02/2006]
- (i) providing business planning and co-ordination; and
 - [S 159/2007 wef 17/02/2006]
- (j) arranging derivatives (including arranging interest rate or currency swaps) on or after 17th February 2006 with —
 - (i) a bank that holds a licence under section 7 or 79 of the Banking Act;
 - [S 483/2021 wef 01/07/2021]
 - (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;
 - [S 483/2021 wef 01/07/2021]

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

[S 483/2021 wef 01/07/2021]

- (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

[S 483/2021 wef 01/07/2021]

- (iv) a branch office outside Singapore of a company resident in Singapore;

[S 17/2006 wef 18/02/2005]

[S 437/2007 wef 15/02/2007]

[S 159/2007 wef 16/04/2007]

“unit” and “unit trust” have the same meanings as in section 10B of the Act.

[437/2007 wef 15/02/2007]

Application

2A. These Regulations apply only to any Finance and Treasury Centre that was approved under regulation 3(1), or had the period of its approval extended under regulation 3(2), before 21 February 2017, until the expiry of the period of that approval or extension (as the case may be).

[S 87/2017 wef 10/03/2017]

Approved Finance and Treasury Centre

3.—(1) The Minister or such person as he may appoint may approve the Finance and Treasury Centre of a company for the purposes of section 43G of the Act for a period of 5 years.

[S 87/2017 wef 10/03/2017]

(2) The Minister or such person as he may appoint may in any particular case extend the period specified under paragraph (1) for further periods of 5 years at any one time.

[S 87/2017 wef 10/03/2017]

Concessionary rate of tax

4.—(1) Tax shall be payable at the concessionary rate specified in section 43G(1A) of the Act on the income of a company derived from the operation of its approved Finance and Treasury Centre —

- (a) in respect of the provision of qualifying services which have been approved under section 43G(2)(a) of the Act; and
- (b) in respect of qualifying activities which have been approved under section 43G(2)(b) of the Act.

[S 87/2017 wef 10/03/2017]

(2) Paragraph (1) shall apply in relation to an approved Finance and Treasury Centre from such date as the Minister or such person as he may appoint may specify.

Determination of income chargeable to tax

5. For the purposes of regulation 4, the Comptroller shall determine —

- (a) the income chargeable to tax at the concessionary rate specified in section 43G(1A) of the Act of a company derived from the operation of its approved Finance and Treasury Centre having regard to such expenses, capital allowances and donations allowable under the Act as are, in his opinion, to be deducted in ascertaining such income; and
- (b) the manner and extent to which any losses arising from the qualifying services and qualifying activities approved under section 43G(2) of the Act may be deducted under the Act in ascertaining the chargeable income of a

[S 87/2017 wef 10/03/2017]

company derived from the operation of its approved Finance and Treasury Centre.

[S 17/2006 wef 11/01/2006]

THE SCHEDULE

Regulation 2

PART 1

EXCHANGES

1. Australian Securities Exchange Limited
2. Board of Trade of the City of Chicago, Inc.
3. Chicago Mercantile Exchange, Inc.
4. Commodity Exchange, Inc.
5. Eurex Deutschland
6. ICE Futures Europe
7. ICE Futures Singapore Pte Ltd
8. New York Mercantile Exchange, Inc.
9. Singapore Exchange Derivatives Trading Limited
10. Tokyo Stock Exchange

PART 2

EXCHANGES FOR PAST TRANSACTIONS

1. Chicago Board of Trade
2. Chicago Mercantile Exchange
3. Commodity Exchange, Incorporated (New York)
4. Deutsche Terminboerse
5. London International Financial Futures Exchange
6. Marche a Terme International de France
7. New York Mercantile Exchange
8. New Zealand Futures and Options Exchange
9. Sydney Futures Exchange

[S 87/2017 wef 10/03/2017]

LEGISLATIVE HISTORY
INCOME TAX (CONCESSIONARY RATE OF TAX FOR
APPROVED FINANCE AND TREASURY CENTRE)
REGULATIONS
(CHAPTER 134, RG 18)

This Legislative History is provided for the convenience of users of the Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations. It is not part of these Regulations.

1. G. N. No. S 503/1992 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations 1992

Date of commencement : 11 December 1992

2. 1993 Revised Edition — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations

Date of operation : 1 April 1993

3. G. N. No. S 420/1993 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 1993

Date of commencement : 22 October 1993

4. G. N. No. S 182/1996 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 1996

Date of commencement : 28 February 1995

5. G. N. No. S 182/1996 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 1996

Date of commencement : 26 April 1996

6. 1998 Revised Edition — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) Regulations

Date of operation : 15 September 1998

7. G. N. No. S 483/1999 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 1999

Date of commencement : 5 November 1999

8. G. N. No. S 492/2003 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2003

Date of commencement : 1 December 1999

9. G. N. No. S 492/2003 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2003

Date of commencement : 5 September 2000

10. G. N. No. S 17/2006 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2006

Date of commencement : 3 May 2002

11. G. N. No. S 17/2006 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2006

Date of commencement : 18 February 2005

12. G. N. No. S 17/2006 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2006

Date of commencement : 11 January 2006

13. G. N. No. S 94/2006 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment No. 2) Regulations 2006

Date of commencement : 30 January 2006

14. G. N. No. S 159/2007 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2007

Date of commencement : 17 February 2006

15. G. N. No. S 437/2007 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment No. 2) Regulations 2007

Date of commencement : 15 February 2007

16. G. N. No. S 159/2007 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2007

Date of commencement : 16 April 2007

17. G. N. No. S 82/2014 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2014

Date of commencement : 14 February 2014

18. G.N. No. S 87/2017 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2017

Date of commencement : 10 March 2017

19. G.N. No. S 483/2021 — Income Tax (Concessionary Rate of Tax for Approved Finance and Treasury Centre) (Amendment) Regulations 2021

Date of commencement : 1 July 2021