

**INCOME TAX ACT  
(CHAPTER 134, SECTION 43N)**

**INCOME TAX (CONCESSIONARY RATE OF TAX OR  
EXEMPTION FOR  
INCOME DERIVED FROM DEBT SECURITIES)  
REGULATIONS**

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[2nd November 1999]

**Citation**

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations.

**Definitions**

2. In these Regulations —

“Authority” means the Monetary Authority of Singapore;

*[S 239/2016 wef 28/06/2013]*

“debt securities”, “Islamic debt securities”, “primary dealer” and “Singapore Government securities” have the same meanings as in section 43N of the Act;

*[S 51/2006 wef 01/01/2005]*

“break cost”, “financial institution”, “prepayment fee”,  
“qualifying debt securities” and “redemption premium”  
have the same meanings as in section 13(16) of the Act.

*[S 398/2008 wef 15/02/2007]*

### **Concessionary rate of tax**

**3. Tax shall be payable at the rate of 10% on —**

(a) any interest derived by a company on or after  
28th February 1998 from any qualifying debt securities  
issued during the period from 28th February 1998 to  
25th April 1999;

*[S 214/2001 wef 10/04/2001]*

(aa) subject to section 43N(2) of the Act, regulation 7 and the  
conditions specified in the Income Tax (Qualifying Debt  
Securities) Regulations 2001 (G.N. No. S 212/2001), any  
interest derived by a company on or after 26th April 1999  
from any qualifying debt securities issued during the  
period from 26th April 1999 to 31st December 2023;

*[S 239/2016 wef 01/01/2014]*

*[S 267/2009 wef 01/01/2009]*

*[S 349/2005 wef 01/01/2004]*

*[S 349/2005 wef 03/12/2003]*

*[S 214/2001 wef 10/04/2001]*

*[S 868/2018 wef 27/12/2018]*

(ab) subject to section 43N(2) of the Act, regulation 7 and the  
conditions specified in the Income Tax (Qualifying Debt  
Securities) Regulations (Rg 35), any discount derived by a  
company from any qualifying debt securities which are —

(i) issued during the period from 27th February 2004 to  
16th February 2006 and mature within one year from  
the date of issue; or

(ii) issued during the period from 17th February 2006 to 31st December 2023;

*[S 239/2016 wef 01/01/2014]*

*[S 267/2009 wef 01/01/2009]*

*[S 98/2007 wef 17/02/2006]*

*[S 868/2018 wef 27/12/2018]*

(ac) subject to section 43N(2) of the Act, regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations (Rg 35), any amount payable to any company from any Islamic debt securities which are qualifying debt securities, and issued during the period from 1st January 2005 to 31st December 2023;

*[S 239/2016 wef 01/01/2014]*

*[S 267/2009 wef 01/01/2009]*

*[S 51/2006 wef 01/01/2005]*

*[S 868/2018 wef 27/12/2018]*

(ad) subject to section 43N(2) of the Act, regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations (Rg 35), any break cost, prepayment fee or redemption premium derived by a company on or after 15th February 2007 from any qualifying debt securities issued during the period from 15th February 2007 to 31st December 2023;

*[S 239/2016 wef 01/01/2014]*

*[S 267/2009 wef 01/01/2009]*

*[S 398/2008 wef 15/02/2007]*

*[S 868/2018 wef 27/12/2018]*

(b) any income derived by a financial institution from trading in any debt securities during the period from 28th February 1998 to 31st December 2003; and

*[S 349/2005 wef 03/12/2003]*

(c) any income derived by any financial institution during the period commencing from the first day of its basis period for the year of assessment 2001 to 31st December 2003 from —

- (i) providing services as an intermediary in connection with any transaction involving interest rate or currency swaps; and
- (ii) trading in interest rate or currency swaps.

*[S 349/2005 wef 03/12/2003]*

### **Tax exemption**

#### **4. There shall be exempt from tax —**

- (a) any income derived by a financial institution on or after 28th February 1998 from arranging, underwriting and distributing any qualifying debt securities issued during the period from 28th February 1998 to 25th April 1999;

*[S 214/2001 wef 10/04/2001]*

- (aa) subject to regulation 7 and the conditions specified in the Income Tax (Qualifying Debt Securities) Regulations 2001 (G.N. No. S 212/2001), any income derived by a financial institution before 1st January 2004 from arranging, underwriting and distributing any qualifying debt securities issued during the period from 26th April 1999 to 31st December 2003; and

*[S 349/2005 wef 03/12/2003]*

*[S 214/2001 wef 10/04/2001]*

- (b) notwithstanding regulation 3(b), any income derived by a primary dealer from trading in any Singapore Government securities during the period from 27th February 1999 to 31st December 2023.

*[S 239/2016 wef 01/01/2014]*

*[S 267/2009 wef 01/01/2009]*

*[S 868/2018 wef 27/12/2018]*

### **Determination of income chargeable to tax at concessionary rate**

- #### **5. For the purposes of regulation 3, the Comptroller shall determine —**

- (a) the income chargeable to tax of a company or financial institution, as the case may be, 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 activities specified in these regulations may be deducted under the Act in ascertaining the chargeable income of a company or financial institution, as the case may be.

*[S 51/2006 wef 26/01/2006]*

### **Determination of income exempted from tax**

6.—(1) In determining the income of a financial institution or a primary dealer to be exempted from tax under regulation 4 —

- (a) the Comptroller shall have regard to such expenses and capital allowances allowable under the Act as are, in his opinion, to be deducted in ascertaining such income;

*[S 520/2013 wef Y/A 2013 & Sub. Ys/A]*

- (b) there shall be deducted from that income any allowances under section 19, 19A, 20, 21 or 22 attributable to that income notwithstanding that no claim for those allowances has been made;
- (c) any balance of the allowances mentioned in sub-paragraph (b) and any losses incurred in respect of any activity the income from which would be exempted from tax under regulation 4 shall only be deducted against income from the same activity exempted under that regulation, and any balance of such allowances and losses shall not be deducted against any other income; and
- (d) any balance of the allowances and losses mentioned in sub-paragraph (c) remaining unabsorbed as at the end of the period for which the exemption from tax under regulation 4 applies shall, subject to paragraph (2), be available as a deduction against any other income for the year of assessment which relates to the basis period in which the tax exemption ceases and any subsequent year of

assessment in accordance with section 23 or 37 of the Act, as the case may be.

(2) Section 37B of the Act shall apply to any amount of allowances and losses available as a deduction against any other income as provided under paragraph (1)(d) as if they were unabsorbed allowances or losses in respect of the income of a company subject to tax at a lower rate of tax under that section; and for this purpose the rate of tax shall be taken to be the concessionary rate of tax in accordance with regulations made under section 43N of the Act.

*[S 98/2007 wef 13/02/2007]*

### **Requirement to submit return**

7.—(1) The concessionary rate of tax referred to in regulation 3(aa) shall not apply to any interest derived by a company from any qualifying debt securities issued during the period from 26th April 1999 to 31st December 2023, where the issuer of such securities, or such other person as the Authority may direct, has not furnished to the Authority in respect of the issue of the debt securities —

(a) a return on those securities within such period as the Authority may specify; and

*[S 239/2016 wef 28/06/2013]*

(b) such other particulars in connection with those securities as the Authority may require.

*[S 239/2016 wef 01/01/2014]*

*[S 239/2016 wef 28/06/2013]*

*[S 267/2009 wef 01/01/2009]*

*[S 868/2018 wef 27/12/2018]*

(1A) The concessionary rate of tax referred to in regulation 3(ab) shall not apply to the discount derived by a company from any qualifying debt securities issued during the period from 27th February 2004 to 31st December 2023, where the issuer of such securities, or such other person as the Authority may direct, has not furnished to the Authority in respect of the issue of the debt securities —

- (a) a return on those securities within such period as the Authority may specify; and

*[S 239/2016 wef 28/06/2013]*

- (b) such other particulars in connection with those securities as the Authority may require.

*[S 239/2016 wef 01/01/2014]*

*[S 239/2016 wef 28/06/2013]*

*[S 267/2009 wef 01/01/2009]*

*[S 349/2005 wef 27/02/2004]*

*[S 868/2018 wef 27/12/2018]*

(1B) The concessionary rate of tax referred to in regulation 3(ac) shall not apply to any amount payable to a company from any Islamic debt securities which are qualifying debt securities, and issued during the period from 1st January 2005 to 31st December 2023, where the issuer of such securities, or such other person as the Authority may direct, has not furnished to the Authority in respect of the issue of the debt securities —

- (a) a return on those securities within such period as the Authority may specify; and

*[S 239/2016 wef 28/06/2013]*

- (b) such other particulars in connection with those securities as the Authority may require.

*[S 239/2016 wef 01/01/2014]*

*[S 239/2016 wef 28/06/2013]*

*[S 267/2009 wef 01/01/2009]*

*[S 51/2006 wef 01/01/2005]*

*[S 868/2018 wef 27/12/2018]*

(1C) The concessionary rate of tax referred to in regulation 3(ad) shall not apply to any break cost, prepayment fee or redemption premium derived by a company from any qualifying debt securities issued during the period from 15th February 2007 to 31st December 2023, where the issuer of such securities, or such other person as the Authority may direct, has not furnished to the Authority in respect of the issue of the debt securities —

- (a) a return on those securities within such period as the Authority may specify; and

*[S 239/2016 wef 28/06/2013]*

- (b) such other particulars in connection with those securities as the Authority may require.

*[S 239/2016 wef 01/01/2014]*

*[S 239/2016 wef 28/06/2013]*

*[S 267/2009 wef 01/01/2009]*

*[S 398/2008 wef 15/02/2007]*

*[S 868/2018 wef 27/12/2018]*

(2) The tax exemption referred to in regulation 4(aa) shall not apply to any income derived by a financial institution from arranging, underwriting and distributing any qualifying debt securities during the period from 26th April 1999 to 31st December 2003, where the issuer of such securities, or such other person as the Comptroller may direct, has not furnished to the Comptroller in respect of the issue of the debt securities —

- (a) a return on those securities within such period as the Comptroller may specify; and

- (b) such other particulars in connection with those securities as the Comptroller may require.

*[S 349/2005 wef 03/12/2003]*

LEGISLATIVE HISTORY  
INCOME TAX (CONCESSIONARY RATE OF TAX OR  
EXEMPTION FOR  
INCOME DERIVED FROM DEBT SECURITIES)  
REGULATIONS  
(CHAPTER 134, RG 32)

This Legislative History is provided for the convenience of users of the Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations. It is not part of these Regulations.

**1. G. N. No. S 479/1999 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations 1999**

Date of commencement : 2 November 1999

**2. G. N. No. S 427/2000 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2000**

Date of commencement : 28 September 2000

**3. 2001 Revised Edition — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) Regulations**

Date of operation : 31 January 2001

**4. G. N. No. S 214/2001 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2001**

Date of commencement : 10 April 2001

**5. G. N. No. S 349/2005 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2005**

Date of commencement : 3 December 2003

**6. G. N. No. S 349/2005 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2005**

Date of commencement : 1 January 2004

- 7. G. N. No. S 349/2005 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2005**
- Date of commencement : 27 February 2004
- 8. G. N. No. S 51/2006 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2006**
- Date of commencement : 1 January 2005
- 9. G. N. No. S 51/2006 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2006**
- Date of commencement : 26 January 2006
- 10. G. N. No. S 98/2007 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2007**
- Date of commencement : 17 February 2006
- 11. G. N. No. S 98/2007 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2007**
- Date of commencement : 13 February 2007
- 12. G. N. No. S 398/2008 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2008**
- Date of commencement : 15 February 2007
- 13. G. N. No. S 267/2009 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2009**
- Date of commencement : 1 January 2009
- 14. G. N. No. S 239/2016 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2016**
- Date of commencement : 28 June 2013
- 15. G.N. No. S 520/2013 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2013**
- Date of commencement : 13 August 2013

**16. G. N. No. S 239/2016 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2016**

Date of commencement : 1 January 2014

**17. G.N. No. S 868/2018 — Income Tax (Concessionary Rate of Tax or Exemption for Income Derived from Debt Securities) (Amendment) Regulations 2018**

Date of commencement : 27 December 2018