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**No. S 206**

INCOME TAX ACT  
(CHAPTER 134)

INCOME TAX  
(EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR  
ECONOMIC AND TECHNOLOGICAL DEVELOPMENT)  
NOTIFICATION 2011

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
  2. Exemption
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In exercise of the powers conferred by section 13(4) of the Income Tax Act, the Minister for Finance hereby makes the following Notification:

**Citation and commencement**

1. This Notification may be cited as the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2011 and shall be deemed to have come into operation on 1st January 2009.

**Exemption**

2.—(1) There shall be exempt from tax the interest payable by a shipping enterprise on an approved loan taken from a lender that is neither a resident nor permanent establishment in Singapore, being a loan taken for the acquisition by the enterprise of —

- (a) one or more ships registered or provisionally registered, or to be registered or provisionally registered, under the Merchant Shipping Act (Cap. 179); or

- (b) all the shares of a special purpose vehicle that has sole legal and beneficial ownership of one or more ships registered or provisionally registered under the Merchant Shipping Act, or that is to have sole legal and beneficial ownership of one or more ships to be registered or provisionally registered under that Act,

subject to such conditions as may be imposed by the Minister and notified to the enterprise.

(2) The Minister may impose different conditions for different classes of shipping enterprises or in different circumstances.

(3) In this paragraph —

“approved loan” means a loan or other arrangement similar in nature to a loan in a currency other than Singapore dollar, that is approved between 1st January 2009 and 31st May 2011 for the purposes of sub-paragraph (1) by the Minister;

“interest” includes any front-end and commitment fee for the loan, and any interest rate swap payments and currency swap payments in connection with the loan;

“shipping enterprise” means a company that owns or operates one or more ships;

“special purpose vehicle” means a company whose only business is or is to be the owning or operating of the ship or ships referred to in paragraph 2(1)(b).

(4) In this paragraph, a ship shall not be regarded as registered or provisionally registered under the Merchant Shipping Act (Cap. 179) if its registry under that Act is closed or deemed to be closed or is suspended.

Made this 18th day of April 2011.

CHAN LAI FUNG  
*Permanent Secretary*  
*(Finance) (Performance),*  
*Ministry of Finance,*  
*Singapore.*

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