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INCOME TAX ACT 1947

INCOME TAX (PRESCRIBED INTEREST RATE FOR SECTION 93(9)(E)) RULES 2024

ARRANGEMENT OF RULES

Rule

1. Citation and commencement
 2. Definitions
 3. Prescribed interest rate for section 93(9)(e) 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 and commencement

1. These Rules are the Income Tax (Prescribed Interest Rate for Section 93(9)(e)) Rules 2024 and come into operation on 1 April 2024.

Definitions

2. In these Rules —

“3-month compounded SORA”, in relation to a period, means —

- (a) if the period or a part of the period falls within the 6-month period beginning on 1 April of a calendar year, then, for the period or the part (as the case may be) — the compounded average of the SORA values for a 3-month period computed by the Monetary Authority of Singapore using the prescribed methodology, and published —

(i) on its Internet website at <http://www.mas.gov.sg>; or

(ii) where the website is unavailable to the public, in any other form that is readily accessible by the public,

on either of the following days:

(iii) if 1 March of that calendar year is a business day — that day;

(iv) if 1 March of that calendar year is not a business day — the last business day in February of that calendar year; or

(b) if the period or a part of the period falls within the 6-month period beginning on 1 October of a calendar year, then, for the period or the part (as the case may be) — the compounded average of the SORA values for a 3-month period computed by the Monetary Authority of Singapore using the prescribed methodology, and published —

(i) on its Internet website at <http://www.mas.gov.sg>; or

(ii) where the website is unavailable to the public, in any other form that is readily accessible by the public,

on either of the following days:

(iii) if 1 September of that calendar year is a business day — that day;

(iv) if 1 September of that calendar year is not a business day — the last business day in August of that calendar year;

“business day” means any day other than a Saturday, Sunday or public holiday;

“prescribed methodology” means the methodology set out in the document called “Compounded Singapore Overnight Rate

Average Index (“SORA Index”), Compounded SORA and MAS Floating Rate Notes (“MAS FRN”): A User Guide” dated 16 March 2021;

“Singapore Overnight Rate Average” or “SORA” means the volume-weighted average rate of borrowing transactions in the unsecured overnight interbank Singapore dollar cash market in Singapore between 8 a.m. and 6.15 p.m., as published by the Monetary Authority of Singapore —

- (a) on its Internet website at <http://www.mas.gov.sg>; or
- (b) where the website is unavailable to the public, in any other form that is readily accessible by the public.

Prescribed interest rate for section 93(9)(e) of Act

3. For the purposes of section 93(9)(e) of the Act, the prescribed interest rate for any part of any interest period falling on or after 1 April 2024 is 1.5%-point above the 3-month compounded SORA.

Made on 28 March 2024.

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

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