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INCOME TAX ACT
(CHAPTER 134)

INCOME TAX
(CONCESSIONARY RATE OF TAX FOR
FOREIGN INCOME OF APPROVED
CONTAINER INVESTMENT ENTERPRISE)
ORDER 2017

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In exercise of the powers conferred by section 13(12) of the Income Tax Act, the Minister for Finance makes the following Order:

Citation and commencement

1.—(1) This Order is the Income Tax (Concessionary Rate of Tax for Foreign Income of Approved Container Investment Enterprise) Order 2017 and, except for paragraphs 5 and 6, is deemed to have come into operation on 1 April 2008.

(2) Paragraph 6 is deemed to have come into operation on 2 April 2008.

(3) Paragraph 5 is deemed to have come into operation on 18 December 2012.

Definitions

2. In this Order —

“approved company”, in relation to an ACIE, means a company of which the ACIE is a shareholder, that is approved under paragraph 3;

“approved container investment enterprise”, or ACIE, means a container investment enterprise approved under section 43ZA of the Act;

“approved partnership”, in relation to an ACIE, means a partnership of which the ACIE is a partner, that is approved under paragraph 3;

“container” has the same meaning as in section 43ZA(7) of the Act.

Approval

3.—(1) The Minister or such other person as the Minister may appoint may approve a company or partnership of an ACIE for the purposes of this Order.

(2) The Minister or appointed person may only approve a company or partnership if the Minister or appointed person is satisfied that —

- (a) the company or partnership is incorporated, registered or formed outside Singapore;
- (b) the company or partnership carries on a business relating to the leasing, for the international transportation of goods, of one or more containers owned by it, or intends to carry on such business;
- (c) the company or partnership carries on that business, or intends to carry on that business, from a place outside Singapore;

- (d) the company or partnership intends to pay dividends or partnership profits derived from such business to the ACIE, and these payments will promote or enhance the economic development of Singapore; and
- (e) the containers which the company or partnership owns or which it intends to acquire for that business are controlled and managed, or will be controlled and managed, by the ACIE.

Concessionary tax rate for income relating to leasing containers and related foreign exchange and risk management activities

4.—(1) Tax at the rate specified for any income of an ACIE under section 43ZA(1) of the Act, is levied and must be paid on the income described in sub-paragraph (2) of the ACIE that is received in Singapore during the period of the ACIE's approval.

(2) The income to which sub-paragraph (1) applies is dividends of an approved company of the ACIE, or partnership profits of an approved partnership of the ACIE, that are paid out of income derived by the approved company or approved partnership, during the company's or partnership's period of approval, from any of the following activities:

- (a) the leasing during the qualifying period of any container owned by the approved company or approved partnership, that is acquired before or during the period of the company's or partnership's approval and is used for the international transportation of goods;
- (b) foreign exchange and risk management activities that are carried out in connection with and incidental to the activity mentioned in sub-paragraph (a).

(3) Sub-paragraph (1) also applies to the income of the ACIE described in sub-paragraph (2) that is —

- (a) received in Singapore after the date the ACIE's approval has expired or been withdrawn; or
- (b) paid out of income derived by an approved company or approved partnership of the ACIE from any of the activities mentioned in sub-paragraph (2) after the date the approval of the approved company or approved partnership has expired or been withdrawn,

if the ACIE has fulfilled all of the conditions specified under section 43ZA(4) of the Act for its approval by the date of expiry or before the date of the withdrawal of the approval.

(4) Sub-paragraph (1) does not apply to income that is paid out of income derived —

- (a) at any time before 24 February 2015 from the leasing of a container under a finance lease that is treated as a sale under regulations made under section 10D(1) of the Act; or
- (b) from any activity carried out by a permanent establishment of the approved company or approved partnership in Singapore.

(5) In sub-paragraph (1), the qualifying period of a container is the period specified under section 43ZA(5) of the Act during which income from the leasing of the container, or the class of containers to which the container belongs, is subject to the concessionary tax rate under section 43ZA(1) of the Act.

Concessionary tax rate for income relating to leasing intermodal equipment and related foreign exchange and risk management activities

5.—(1) Tax at the rate specified for any income of an ACIE under section 43ZA(1) of the Act, is levied and must be paid on the income described in sub-paragraph (2) of the ACIE that is received in Singapore during the period of the ACIE's approval.

(2) The income to which sub-paragraph (1) applies is dividends of an approved company of the ACIE, or partnership profits of an

approved partnership of the ACIE, that are paid out of income derived by the approved company or approved partnership during the company's or partnership's period of approval, from any of the following activities:

- (a) the leasing during the qualifying period of any intermodal equipment owned by the approved company or approved partnership, that is acquired before or during the period of the company's or partnership's approval, where the leasing is incidental to the activity mentioned in paragraph 4(2)(a);
- (b) foreign exchange and risk management activities that are carried out in connection with and incidental to the activity mentioned in sub-paragraph (a).

(3) Sub-paragraph (1) applies to the income of an ACIE that is paid out of income derived by an approved company or approved partnership of the ACIE from any of the activities mentioned in sub-paragraph (2) in the basis period for the year of assessment 2013 or a subsequent year of assessment.

(4) Sub-paragraph (1) also applies to the income of an ACIE described in sub-paragraph (2) that is —

- (a) received in Singapore after the date the ACIE's approval has expired or been withdrawn; or
- (b) paid out of income derived by an approved company or approved partnership of the ACIE from any of the activities mentioned in sub-paragraph (2) after the date the approval of the approved company or approved partnership has expired or been withdrawn,

if the ACIE has fulfilled all the conditions specified under section 43ZA(4) of the Act for its approval by the date of expiry or before the date of the withdrawal of the approval.

(5) Sub-paragraph (1) does not apply to income that is paid out of income derived —

- (a) at any time before 24 February 2015 from the leasing of an intermodal equipment under a finance lease that is treated

as a sale under regulations made under section 10D(1) of the Act; or

(b) from any activity carried out by a permanent establishment of the approved company or approved partnership in Singapore.

(6) In this paragraph —

“intermodal equipment” has the same meaning as in section 43ZA(7) of the Act;

“qualifying period”, in relation to an intermodal equipment, means the period specified under section 43ZA(5) of the Act during which income from the leasing of the equipment, or the class of intermodal equipment to which that equipment belongs, is subject to the concessionary tax rate under section 43ZA(1) of the Act.

Cessation of effect of Income Tax (Concessionary Rate of Tax for Foreign Income of Approved Container Investment Enterprise) Order 2010

6. With effect from 2 April 2008, the Income Tax (Concessionary Rate of Tax for Foreign Income of Approved Container Investment Enterprise) Order 2010 (G.N. No. S 699/2010) ceases to have any effect.

Cessation of effect

7. This Order ceases to have any effect starting on 12 December 2018.

[S 34/2023 wef 12/12/2018]

Made on 6 June 2017.

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

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