
First published in the *Government Gazette*, Electronic Edition, on 29th June 2006 at 5:00 pm.

No. S 385

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) (NO. 3) NOTIFICATION 2006

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
 2. Definitions
 3. Exemption
 4. Cancellation
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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) (No. 3) Notification 2006 and shall be deemed to have come into operation on 1st January 2004.

Definitions

2. In this Notification —

“Approved Derivatives Trader” has the same meaning as in the Income Tax (Concessionary Rate of Tax for Derivatives Activities) Regulations 2003 (G.N. No. S 637/2003) in force immediately before 1st January 2004;

“financial derivatives” has the same meaning as in the Income Tax (Concessionary Rate of Tax for Financial Sector

Incentive Companies) Regulations 2005 (G.N. No. S 735/2005);

“financial sector incentive (derivatives market) company” means a company approved as a financial sector incentive (derivatives market) company under the Income Tax (Concessionary Rate of Tax for Financial Sector Incentive Companies) Regulations 2005 (G.N. No. S 735/2005) during the period from 1st January 2004 to 19th May 2007 (both dates inclusive), and includes an Approved Derivatives Trader before 1st January 2004 deemed to be approved as a financial sector incentive (derivatives market) company under those Regulations;

[S 800/2018 wef 10/12/2018]

“related party”, in relation to any financial sector incentive (derivatives market) company, means any person who —

- (a) controls the financial sector incentive (derivatives market) company, whether directly or indirectly;
- (b) is controlled by the financial sector incentive (derivatives market) company, whether directly or indirectly; or
- (c) together with the financial sector incentive (derivatives market) company, is controlled by a common person, whether directly or indirectly.

[S 800/2018 wef 10/12/2018]

Exemption

3.—(1) This paragraph applies to any payment —

- (a) made by a financial sector incentive (derivatives market) company to a person who is not resident in Singapore;
- (b) that is not derived through any operation carried on by the person through the person’s permanent establishment in Singapore; and
- (c) that is liable to be made under a contract for over-the-counter financial derivatives, where —

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- (i) the contract takes effect on a date on or before 31 December 2018; or
 - (ii) the contract is extended or renewed, and the extension or renewal of the contract takes effect on a date on or before 31 December 2018.
- (2) Any payment mentioned in sub-paragraph (1) is exempt from tax, subject to —
- (a) such conditions as may be imposed by the Minister; and
 - (b) the giving by the financial sector incentive (derivatives market) company of such declaration (in relation to transactions with related parties) as may be required by the Comptroller or the Monetary Authority of Singapore for the purpose of this Notification.

[S 800/2018 wef 10/12/2018]

Cancellation

4. The Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 4) Notification 2003 (G.N. No. S 644/2003) is cancelled.

Made this 22nd day of June 2006.

LIM SIONG GUAN
*Permanent Secretary,
Ministry of Finance,
Singapore.*

[MF(R) 32.18.2183 Vol. 7; AG/LEG/SL/134/2005/8 Vol. 1]