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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (CONCESSIONARY RATE OF TAX FOR SHIPPING-RELATED SUPPORT SERVICES) REGULATIONS 2012

ARRANGEMENT OF REGULATIONS

Regulation

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In exercise of the powers conferred by section 43ZF of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Shipping-related Support Services) Regulations 2012 and shall be deemed to have come into operation on 1st June 2011.

Definitions

2. In these Regulations, unless the context otherwise requires —

“approved development and expansion company” means a company which was, immediately before 1st June 2011, a development and expansion company within the meaning of section 19I of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86) engaged in ship management

services, ship agency, logistics or freight forwarding, being activities prescribed as qualifying activities within the meaning of that section, and which, in the case of a company engaged in logistics or freight forwarding, is a company —

- (a) whose operations are or can be controlled, directly or indirectly, by another company, being one that owns or operates ships;
- (b) which controls or can control, directly or indirectly, the operations of another company that owns or operates ships; or
- (c) whose operations are or can be controlled, directly or indirectly, by a person or persons who control or can control, directly or indirectly, the operations of another company that owns or operates ships;

“approved section 43ZE company” means a company which was, immediately before 1st June 2011, an approved company under section 43ZE of the Act.

Deemed approval of company

3.—(1) An approved section 43ZE company shall be deemed to be an approved company for the purposes of section 43ZF of the Act between 1st June 2011 and 31st May 2016 (both dates inclusive).

(2) An approved development and expansion company shall be deemed to be an approved company for the purposes of section 43ZF of the Act between 1st June 2011 and whichever of the following is the later (both dates inclusive):

- (a) the last day of the tax relief period of the company referred to in section 19K of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86); or
- (b) 31st May 2016.

Deemed approval of shipping-related support services

4.—(1) For the purposes of regulation 3(1), where an approved section 43ZE company carries out any activity referred to in the

definition of “ship broking” or “forward freight agreement trading” in section 43ZE(5) of the Act, before 1st June 2011, all of the activities referred to in the definitions of “ship broking” and “forward freight agreement trading” shall be deemed to be shipping-related support services approved for the company under section 43ZF of the Act.

(2) For the purposes of regulation 3(2), any service or activity which relates to ship management, ship agency, logistics or freight forwarding, being a qualifying activity specified in the certificate issued under section 19J(2) of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86) to an approved development and expansion company before 1st June 2011, shall be deemed to be a shipping-related support service approved for the company under section 43ZF of the Act.

Determination of base amount of deemed approved company

5.—(1) Notwithstanding section 43ZF(4) of the Act —

- (a) the base amount of an approved section 43ZE company referred to in regulation 3(1) shall be the base amount which is calculated in accordance with section 43ZE of the Act and applicable to the company immediately before 1st June 2011; and
- (b) the base amount of an approved development and expansion company referred to in regulation 3(2) shall be the average corresponding income referred to in section 19J(7) of the Economic Expansion Incentives (Relief from Income Tax) Act (Cap. 86) which is applicable to the company immediately before 1st June 2011.

(2) For the avoidance of doubt —

- (a) the base amount referred to in paragraph (1)(a) shall apply to an approved section 43ZE company during the period referred to in regulation 3(1), even if the company is granted approval for any additional shipping-related support services on or after 1st June 2011 under section 43ZF of the Act; and

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- (b) the base amount referred to in paragraph (1)(b) shall apply to an approved development and expansion company during the period referred to in regulation 3(2), even if the company is granted approval for any additional shipping-related support services on or after 1st June 2011 under section 43ZF of the Act.

Made this 4th day of January 2012.

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

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