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**No. S 465**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX (EXEMPTION OF INTEREST AND OTHER  
PAYMENTS ON ECONOMIC AND TECHNOLOGICAL  
DEVELOPMENT LOANS) (NO. 6) NOTIFICATION 2014**

**ARRANGEMENT OF PARAGRAPHS**

Paragraph

1. Citation and commencement
  2. Exemption of interest and commitment fees payable by Wellard Ships Pte. Ltd.
  3. Exemption of interest payable by F.H. Bertling Galicia Shipping Pte. Ltd.
  4. Exemption of interest payable by Mercator Lines (Singapore) Limited
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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.—(1)** This Notification may be cited as the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) (No. 6) Notification 2014.

(2) Paragraph 2 shall be deemed to have come into operation on 25th July 2013.

(3) Paragraph 3 shall be deemed to have come into operation on 22nd July 2013.

(4) Paragraph 4 shall be deemed to have come into operation on 2nd August 2013.

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**Exemption of interest and commitment fees payable by Wellard Ships Pte. Ltd.**

2.—(1) There shall be exempt from tax the interest and commitment fees payable by Wellard Ships Pte. Ltd. to NIBC Bank N.V. on a loan granted under the Loan Agreement dated 28th October 2011 and the Transfer Certificate dated 6th August 2013, for partially financing the construction and pre-delivery financing of the vessel “Ocean Shearer”.

(2) The exemption under sub-paragraph (1) —

- (a) is subject to the terms and conditions specified in the letter of approval dated 27th September 2013, issued by the Ministry of Finance and addressed to the Maritime and Port Authority of Singapore; and
- (b) shall not apply to any interest and commitment fees payable after the earliest of the following:
  - (i) 31st December 2023;
  - (ii) the date of termination of the loan;
  - (iii) the date on which the vessel referred to in sub-paragraph (1) is transferred or disposed of by Wellard Ships Pte. Ltd.;
  - (iv) the date on which both of the following conditions are satisfied:
    - (A) the registry of the vessel referred to in sub-paragraph (1) is closed, deemed to be closed or suspended under the Merchant Shipping Act (Cap. 179);
    - (B) Wellard Ships Pte. Ltd. ceases to be an approved international shipping enterprise under section 13F of the Act because of the revocation or withdrawal of the approval.

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**Exemption of interest payable by F.H. Bertling Galicia Shipping Pte. Ltd.**

3.—(1) There shall be exempt from tax the interest payable by F.H. Bertling Galicia Shipping Pte. Ltd. to NIBC Bank N.V. on a loan granted under the Loan Agreement dated 25th February 2013 and the Transfer Certificate dated 14th August 2013, for partially financing the construction of the vessel “MV Alentejo”.

(2) The exemption under sub-paragraph (1) —

(a) is subject to the terms and conditions specified in the letter of approval dated 27th September 2013 issued by the Ministry of Finance and addressed to the Maritime and Port Authority of Singapore; and

(b) shall not apply to any interest payable after the earliest of the following:

(i) 15th December 2019;

(ii) the date of termination of the loan;

(iii) the date on which the vessel referred to in sub-paragraph (1) is transferred or disposed of by F.H. Bertling Galicia Shipping Pte. Ltd.;

(iv) the date on which both of the following conditions are satisfied:

(A) the registry of the vessel referred to in sub-paragraph (1) is closed, deemed to be closed or suspended under the Merchant Shipping Act (Cap. 179);

(B) F.H. Bertling Galicia Shipping Pte. Ltd. ceases to be an approved international shipping enterprise under section 13F of the Act because of the revocation or withdrawal of the approval.

**Exemption of interest payable by Mercator Lines (Singapore) Limited**

4.—(1) There shall be exempt from tax the interest payable by Mercator Lines (Singapore) Limited to NIBC Bank N.V. on a loan

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granted under the Loan Agreement dated 4th June 2007 and the Transfer Certificate dated 26th July 2013, for partially financing the acquisition of the following vessels:

- (a) “Garv Prem”;
- (b) “Gaurav Prem”;
- (c) “Sri Prem Veena”;
- (d) “Garima Prem”.

(2) The amount of interest payable by Mercator Lines (Singapore) Limited to NIBC Bank N.V. under the Loan Agreement referred to in sub-paragraph (1) on any date (referred to in this sub-paragraph as the reference date) that is exempt from tax under sub-paragraph (1) shall be determined in accordance with the following formula:

$$\frac{(A - B)}{A} \times C,$$

where A is the amount of the loan granted under the Loan Agreement referred to in sub-paragraph (1);

B is the part of the loan used by Mercator Lines (Singapore) Limited to partially finance the acquisition of those vessels referred to in sub-paragraph (1)(a) to (d) which have been transferred or disposed of by Mercator Lines (Singapore) Limited as of the reference date; and

C is the amount of interest that is payable by Mercator Lines (Singapore) Limited to NIBC Bank N.V. under the Loan Agreement referred to in sub-paragraph (1) on the reference date.

(3) The exemption under sub-paragraph (1) —

- (a) is subject to the terms and conditions specified in the letter of approval dated 27th September 2013 issued by the Ministry of Finance and addressed to the Maritime and Port Authority of Singapore; and

- (b) shall not apply to any interest payable after the earliest of the following:
- (i) 23rd June 2017;
  - (ii) the date of termination of the loan;
  - (iii) the date on which Mercator Lines (Singapore) Limited ceases to be an approved international shipping enterprise under section 13F of the Act because of the revocation or withdrawal of the approval.

Made this 30th day of June 2014.

LIM SOO HOON  
*Permanent Secretary*  
*(Finance) (Performance),*  
*Ministry of Finance,*  
*Singapore.*

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