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INCOME TAX ACT
(CHAPTER 134)

INCOME TAX
(EXEMPTION OF CERTAIN INCOME OF
PRESCRIBED SOVEREIGN FUND ENTITIES AND
APPROVED FOREIGN GOVERNMENT-OWNED ENTITIES)
REGULATIONS 2012

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In exercise of the powers conferred by section 13Y 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 (Exemption of Certain Income of Prescribed Sovereign Fund Entities and Approved Foreign Government-Owned Entities) Regulations 2012 and shall be deemed to have come into operation on 1st April 2010.

Definitions

2. In these Regulations, “designated investments” and “specified income” have the same meanings as in the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (G.N. No. S 6/2010), with references to a “prescribed person” therein read as references to a “prescribed sovereign fund entity” or an “approved foreign government-owned entity”, as the case may be.

[S 152/2020 wef 11/04/2016]

Prescribed sovereign fund entity

3.—(1) For the purposes of section 13V of the Act, a sovereign fund entity of a foreign country is a prescribed sovereign fund entity if —

(a) the funds of the sovereign fund entity, being either of the following, are managed in Singapore by an approved foreign government-owned entity of that foreign country:

(i) the funds of the government of that foreign country;

(ii) the funds of a provident fund of that foreign country;
and

[S 32/2023 wef 01/04/2010]

(b) apart from its investment activities in relation to the funds referred to in paragraph (a), the sovereign fund entity does not engage in any other commercial activity in Singapore.

[S 32/2023 wef 01/04/2010]

[S 936/2022 wef 31/12/2021]

(2) In paragraph (1), “foreign country” means —

(a) in relation to a foreign government-owned entity — the foreign country referred to in paragraph (a), (b) or (c) (whichever is applicable) of the definition of “foreign government-owned entity” in section 13V(4) of the Act; or

[S 32/2023 wef 31/12/2021]

(b) in relation to a sovereign fund entity — the foreign country referred to in paragraph (a), (b), (c) or (d) (whichever is

applicable) of the definition of “sovereign fund entity” in section 13V(4) of the Act.

[S 32/2023 wef 01/04/2010]

[S 32/2023 wef 31/12/2021]

(3) To avoid doubt —

(a) in the case of a foreign government-owned entity mentioned in paragraph (d) of the definition of “foreign government-owned entity” in section 13V(4) of the Act, the foreign country is that mentioned in paragraph (c) of that definition; and

[S 32/2023 wef 31/12/2021]

(b) in the case of a sovereign fund entity mentioned in paragraph (e) of the definition of “sovereign fund entity” in section 13V(4) of the Act, the foreign country is that mentioned in paragraph (d) of that definition.

[S 32/2023 wef 01/04/2010]

[S 32/2023 wef 31/12/2021]

Period of approval of approved foreign government-owned entity

4.—(1) The period of an approval of any foreign government-owned entity by the Minister or such person as the Minister may appoint (referred to in this regulation as the appointed person) for the purposes of section 13V of the Act commences on the date of the approval and continues for such period not exceeding 10 years as the Minister or the appointed person may determine.

[S 936/2022 wef 31/12/2021]

(2) The approval is subject to the terms and conditions specified in the letter of approval issued to the approved foreign government-owned entity.

(3) Subject to paragraph (4), the Minister or an appointed person may, subject to such terms and conditions as the Minister or the appointed person may impose, renew the approval of any foreign government-owned entity referred to in paragraph (1) for such period not exceeding 10 years, as the Minister or the appointed person may determine.

(4) The Minister or appointed person may only renew the approval under paragraph (2) at any time in the period referred to in section 13V(2) of the Act.

[S 100/2015 wef 01/04/2014]

[S 936/2022 wef 31/12/2021]

Exemption from tax of income under section 13V of Act

5. Subject to regulations 6 and 7, there shall be exempt from tax the following income for any year of assessment:

- (a) in relation to a prescribed sovereign fund entity, any specified income derived by the prescribed sovereign fund entity in respect of any designated investments using its funds that are managed in Singapore by an approved foreign government-owned entity;
- (b) in relation to an approved foreign government-owned entity —
 - (i) any specified income derived by the approved foreign government-owned entity in respect of any designated investments using its funds that are managed in Singapore; and
 - (ii) any income derived by the approved foreign government-owned entity from managing in Singapore its funds or the funds of a prescribed sovereign fund entity, as the case may be, for the purpose of any designated investments, or from providing any investment advisory services in Singapore to the prescribed sovereign fund entity in respect of any designated investments.

[S 936/2022 wef 31/12/2021]

Determination of amount of income exempted from tax

6. In determining the amount of income of a prescribed sovereign fund entity or an approved foreign government-owned entity to be exempt from tax —

- (a) there shall be deducted from the income referred to in regulation 5 any expenses allowable under the Act which

are attributable to that income, and any balance of the expenses shall be disregarded; and

[S 514/2013 wef Y/A 2013 & subsq Ys/A]

- (b) there shall be deducted from the income referred to in regulation 5 any allowances under section 19, 19A, 20, 21 or 22 of the Act attributable to that income notwithstanding that no claim for those allowances has been made, and any balance of the allowances shall be disregarded.

No deduction in respect of loss arising from designated investments

7. Notwithstanding anything in these Regulations, no deduction shall be allowed under the Act to a prescribed sovereign fund entity or an approved foreign government-owned entity in respect of any loss arising from any transaction in respect of any designated investments, if the gains or profits from such transaction would have been exempt from tax under regulation 5.

Annual declaration

8.—(1) Subject to paragraph (2), an approved foreign government-owned entity shall, within 4 months after the end of each basis period, submit a declaration to the Comptroller and the Monetary Authority of Singapore, in such form as the Comptroller or the Monetary Authority of Singapore may specify, that the conditions subject to which the entity is approved under regulation 4 are met for that basis period.

(2) Notwithstanding paragraph (1), the Comptroller and the Monetary Authority of Singapore may specify such other period within which the declaration is to be submitted to them in any particular case.

Made this 31st day of January 2012.

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

[R32.19.4 V .36; AG/LLRD/SL/134/2010/20 Vol. 1]