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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) (NO. 6) NOTIFICATION 2009

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
 2. Definitions
 3. Exemption
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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. 6) Notification 2009 and shall be deemed to have come into operation on 22nd January 2009.

Definitions

2.—(1) In this Notification —

“approved loan”, in relation to a financial sector incentive (headquarter services) company, means a loan or other arrangement similar in nature to a loan, approved for the purposes of paragraph 3 by the Minister, where —

(a) the loan agreement takes effect during the period from 22nd January 2009 to 24th February 2013 (both dates inclusive);

[S 610/2013 wef 24/02/2013]

(b) the loan is denominated in a currency other than the Singapore dollar; and

[S 610/2013 wef 24/02/2013]

(c) the loan is from —

(i) any office or associated company outside Singapore of the financial sector incentive (headquarter services) company, which has been approved for the purposes of this Notification by the Minister or such person as he may appoint;

(ii) any bank outside Singapore; or

(iii) any non-bank financial institution outside Singapore which is not an office or associated company of the financial sector incentive (headquarter services) company;

[S 610/2013 wef 24/02/2013]

(d) *[Deleted by S 610/2013 wef 24/02/2013]*

“approved services”, in relation to a financial sector incentive (headquarter services) company, means the services approved under regulation 5(1) of the Income Tax (Concessionary Rate of Tax for Financial Sector Incentive Companies) Regulations 2005 (G.N. No. S 735/2005);

“associated company”, in relation to a financial sector incentive (headquarter services) company, means a company —

(a) the operations of which are or can be controlled, directly or indirectly, by that financial sector incentive (headquarter services) company;

(b) which controls or can control, directly or indirectly, the operations of that financial sector incentive (headquarter services) company; or

- (c) the operations of which are or can be controlled, directly or indirectly, by a person or persons who control or can control, directly or indirectly, the operations of that financial sector incentive (headquarter services) company;

“financial sector incentive (headquarter services) company” means a company approved as such under section 43J of the Act;

[S 610/2013 wef 24/02/2013]

[S 933/2022 wef 31/12/2021]

[Deleted by S 81/2019 wef 01/01/2019]

“prescribed service” means —

- (a) in relation to a financial sector incentive (headquarter services) company to which the Income Tax (Concessionary Rate of Tax for Financial Sector Incentive Companies) Regulations 2005 (G.N. No. S 735/2005) apply, any service that is specified in regulation 5(1) of those Regulations; or
- (b) in relation to a financial sector incentive (headquarter services) company to which the Income Tax (Concessionary Rate of Tax for Financial Sector Incentive Companies) Regulations 2017 (G.N. No. S 239/2017) apply, any service that is specified in regulation 6(1) of those Regulations;

[S 81/2019 wef 01/01/2019]

“qualifying loan”, in relation to a financial sector incentive (headquarter services) company, means a loan or other arrangement similar in nature to a loan, where —

- (a) the loan agreement takes effect during the period from 22nd January 2009 to 31st December 2028 (both dates inclusive);

[S 81/2019 wef 01/01/2019]

[S 290/2024 wef 01/01/2024]

- (b) the loan is denominated in a currency other than the Singapore dollar;

(c) the loan is from —

- (i) any office or associated company outside Singapore of the financial sector incentive (headquarter services) company, which has been approved for the purposes of this Notification by the Minister or an authorised body;

[S 933/2022 wef 06/12/2022]

- (ii) any bank outside Singapore; or

- (iii) any non-bank financial institution outside Singapore which is not an office or associated company of the financial sector incentive (headquarter services) company.

[S 610/2013 wef 24/02/2013]

(2) For the purposes of sub-paragraph (1), a company shall be deemed to be an associated company in relation to a financial sector incentive (headquarter services) company if —

- (a) at least 25% of the total number of its issued shares are beneficially owned, directly or indirectly, by the financial sector incentive (headquarter services) company; or
- (b) at least 25% of the total number of the issued shares of the financial sector incentive (headquarter services) company are beneficially owned, directly or indirectly, by the first-mentioned company.

Exemption

3.—(1) Subject to sub-paragraph (2), there shall be exempt from tax —

- (a) the interest payable by a company for the time being approved as a financial sector incentive (headquarter services) company on the part of the funds of an approved loan which is used to finance the provision of any of the financial sector incentive (headquarter services) company's approved services, which is provided by the financial sector incentive (headquarter services) company prior to 31st December 2010;

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- (b) the interest payable by a company for the time being approved as a financial sector incentive (headquarter services) company on the part of the funds of an approved loan which is used to finance the provision of any prescribed service, which is provided by the financial sector incentive (headquarter services) company on or after 31st December 2010; and
- (c) the interest payable, on or after 25th February 2013, by a company for the time being approved as a financial sector incentive (headquarter services) company on the part of the funds of a qualifying loan which is used to finance the provision of any prescribed service by the financial sector incentive (headquarter services) company.
- (2) The exemption referred to in sub-paragraph (1)(a) and (b) is subject to the conditions imposed by the Minister and notified to the financial sector incentive (headquarter services) company.

[S 610/2013 wef 24/02/2013]

Made this 16th day of November 2009.

PETER ONG
*Permanent Secretary,
Ministry of Finance,
Singapore.*

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