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First published in the Government *Gazette*, Electronic Edition, on 24th February 2012 at 5:00 pm.

## No. S 72

### INCOME TAX ACT (CHAPTER 134)

### INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) NOTIFICATION 2012

#### 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) Notification 2012 and shall be deemed to have come into operation on 1st April 2011.

#### **Definitions**

2. In this Notification —

“bank” means a bank that holds a bank licence under section 7 or 79 of the Banking Act 1970;

“finance company” means a finance company licensed under the Finance Companies Act 1967;

“merchant bank” means a merchant bank that, under the Banking Act 1970 —

- (a) holds a merchant bank licence; or
- (b) is treated as having been granted a merchant bank licence;

“qualifying payment” means any of the following which is deemed under section 12(6) of the Act to be derived from Singapore:

- (a) any interest, commission, fee or other payment;
- (b) any income derived from loans.

*[S 330/2024 wef 15/04/2024]*

### **Exemption**

**3.—**(1) Subject to sub-paragraphs (3) and (4), a qualifying payment which is made to a person referred to in sub-paragraph (6) by —

- (a) a bank;

*[S 330/2024 wef 15/04/2024]*

(aa) *[Deleted by S 330/2024 wef 15/04/2024]*

- (b) a merchant bank; or

*[S 330/2024 wef 15/04/2024]*

- (c) a finance company,

*[S 330/2024 wef 15/04/2024]*

shall be exempt from tax if the qualifying payment —

- (i) is liable to be made during the period from 1st April 2011 to 31 December 2026 (both dates inclusive) under —

*[S 937/2022 wef 01/04/2021]*

- (A) a contract which took effect before 1st April 2011;
- (B) a contract which is extended or renewed, where the extension or renewal took effect before 1st April 2011; or
- (C) a debt security which was issued before 1st April 2011;

- (ii) is liable to be made under a contract which takes effect on a date which falls within the period from 1st April 2011 to 31 December 2026 (both dates inclusive);

*[S 937/2022 wef 01/04/2021]*

(iii) is liable to be made —

(A) under a contract which is extended or renewed, where the extension or renewal takes effect on a date which falls within the period from 1st April 2011 to 31 December 2026 (both dates inclusive); and

*[S 937/2022 wef 01/04/2021]*

(B) on or after the date on which such extension or renewal takes effect;

*[S 330/2024 wef 04/11/2022]*

(iiia) is liable to be made —

(A) under a contract which is varied, where the variation takes effect on a date which falls within the period from 4 November 2022 to 31 December 2026 (both dates inclusive); and

(B) on or after the date on which the variation takes effect; or

*[S 330/2024 wef 04/11/2022]*

(iv) is liable to be made under a debt security which is issued on a date which falls within the period from 1st April 2011 to 31 December 2026 (both dates inclusive).

*[S 937/2022 wef 01/04/2021]*

*[S 937/2022 wef 31/12/2021]*

*[S 330/2024 wef 15/04/2024]*

(2) Subject to sub-paragraphs (3) and (5), a qualifying payment which is made to a person referred to in sub-paragraph (6) by a person (referred to in this Notification as an approved payer) who —

(a) holds a capital markets services licence under the Securities and Futures Act 2001 for dealing in capital markets products and advising on corporate finance;

*[S 330/2024 wef 08/10/2018]*

*[S 937/2022 wef 31/12/2021]*

(b) is involved or will be involved in the underwriting of debt or equity issuances; and

(c) is approved for the purposes of this Notification by the Minister or an authorised body, subject to such conditions

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as the Minister or authorised body, as the case may be, may impose,

shall be exempt from tax if the qualifying payment —

- (i) is liable to be made during the period from the date on which the approval referred to in sub-paragraph (c) is given (referred to in this Notification as the approval date) to 31 December 2026 (both dates inclusive) under —

*[S 937/2022 wef 01/04/2021]*

(A) a contract which took effect before the approval date;

(B) a contract which is extended or renewed, where the extension or renewal took effect before the approval date;

*[S 330/2024 wef 04/11/2022]*

(BA) a contract which is varied, where the variation took effect before the approval date, being a date that is on or after 4 November 2022; or

*[S 330/2024 wef 04/11/2022]*

(C) a debt security which was issued before the approval date;

- (ii) is liable to be made under a contract which takes effect on a date which falls within the period from the approval date to 31 December 2026 (both dates inclusive);

*[S 937/2022 wef 01/04/2021]*

(iii) is liable to be made —

(A) under a contract which is extended or renewed, where the extension or renewal takes effect on a date which falls within the period from the approval date to 31 December 2026 (both dates inclusive); and

*[S 937/2022 wef 01/04/2021]*

(B) on or after the date on which such extension or renewal takes effect;

*[S 330/2024 wef 04/11/2022]*

(iiia) is liable to be made —

(A) under a contract which is varied, where the variation takes effect on a date which falls within the period

from 4 November 2022 or the approval date (whichever is later) to 31 December 2026 (both dates inclusive); and

(B) on or after the date on which the variation takes effect; or

*[S 330/2024 wef 04/11/2022]*

(iv) is liable to be made under a debt security which is issued on a date which falls within the period from the approval date to 31 December 2026 (both dates inclusive).

*[S 937/2022 wef 01/04/2021]*

*[S 937/2022 wef 06/12/2022]*

*[S 330/2024 wef 15/04/2024]*

(3) The exemptions referred to in sub-paragraphs (1) and (2) shall not apply to any qualifying payment made by a bank, merchant bank, finance company or an approved payer, as the case may be, in connection with an arrangement referred to in section 33(1) of the Act.

*[S 330/2024 wef 15/04/2024]*

(4) Sub-paragraph (1) does not apply to any qualifying payment liable to be made —

(a) under a contract mentioned in sub-paragraph (1)(ii), (iii) or (iiia), that is varied with effect from a date on or after 1 January 2027; and

(b) on or after the date on which such variation takes effect.

*[S 330/2024 wef 15/04/2024]*

(5) Sub-paragraph (2) does not apply to any qualifying payment liable to be made —

(a) under a contract mentioned in sub-paragraph (2)(ii), (iii) or (iiia), that is varied with effect from a date on or after 1 January 2027; and

(b) on or after the date on which such variation takes effect.

*[S 330/2024 wef 15/04/2024]*

(6) The person referred to in sub-paragraphs (1) and (2), to whom the qualifying payment is made, is —

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- (a) a person who is not resident in Singapore and who does not have a permanent establishment in Singapore; or
- (b) a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, where —
- (i) the contract under which the qualifying payment is made is not entered into through that operation; or
  - (ii) the debt security under which the qualifying payment is made is not acquired by that person through that operation.

*[S 330/2024 wef 15/04/2024]*

Made this 21st day of February 2012.

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

[MOF (R)32.5.001 V7; AG/LLRD/SL/134/2010/5 Vol. 1]