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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS ON ECONOMIC AND TECHNOLOGICAL DEVELOPMENT LOANS) (NO. 2) NOTIFICATION 2014

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
 2. 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 on Economic and Technological Development Loans) (No. 2) Notification 2014 and shall be deemed to have come into operation on 24th April 2012.

Exemption

2.—(1) There shall be exempt from tax, the interest payable on or after 24th April 2012 by Deep Drilling 3 Pte Ltd to ICICI Bank Limited, Bahrain Branch on a loan granted under the Loan Agreement dated 2nd February 2011 (referred to in this Notification as “the loan”), a portion of which is for the purpose of refinancing a bond issued under the Loan Agreement dated 24th April 2006 that is used in part to finance the construction of the rig “Deep Driller” (referred to in this Notification as “the rig”).

(2) The amount of interest that is exempt from tax under sub-paragraph (1) shall be computed in accordance with the formula:

$$\frac{136,282,857.65}{140,000,000.00} \times A,$$

where A is the amount of interest payable by Deep Drilling 3 Pte Ltd to ICICI Bank Limited, Bahrain Branch on or after 24th April 2012 on the portion of the loan used to refinance the part of the bond used to finance the construction of the rig.

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

(a) is subject to the terms and conditions specified in the letter of approval dated 18th July 2013 issued by the Ministry of Finance and addressed to Deep Drilling 3 Pte Ltd; and

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

(i) 8th February 2020;

(ii) the date of termination of the Loan Agreement dated 2nd February 2011 referred to in sub-paragraph (1);

(iii) the date on which Deep Drilling 3 Pte Ltd transfers or disposes of the rig.

Made this 3rd day of February 2014.

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

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