
First published in the *Government Gazette*, Electronic Edition, on 27 February 2017 at 5 pm.

No. S 73

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX
(EXEMPTION OF INTEREST AND OTHER
PAYMENTS ON ECONOMIC AND TECHNOLOGICAL
DEVELOPMENT LOANS) NOTIFICATION 2017**

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation and commencement
 2. Exemption in relation to syndicated loan
 3. Exemption in relation to loan
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In exercise of the powers conferred by section 13(4) of the Income Tax Act, the Minister for Finance makes the following Notification:

Citation and commencement

1.—(1) This Notification is the Income Tax (Exemption of Interest and Other Payments on Economic and Technological Development Loans) Notification 2017.

(2) Paragraph 2 is deemed to have come into operation on 11 May 2015.

(3) Paragraph 3 is deemed to have come into operation on 16 July 2015.

Exemption in relation to syndicated loan

2.—(1) The interest payable by Mercator Lines (S) Ltd —

- (a) to the lenders mentioned in the first column of the following table;

(b) in respect of the respective loan amounts mentioned in the second column of the table; and

(c) that accrued during the respective periods mentioned in the third column of the table,

under a syndicated loan agreement dated 4 June 2007 for the purposes of financing the purchase of the vessels “Garv Prem”, “Gaurav Prem”, “Sri Prem Veena” and “Garima Prem”, is exempt from tax:

Lender	Loan Amount US\$	Period (both dates inclusive)
Broad Peak Master Fund II, Ltd	9,102,564	12 June 2015 to 31 October 2015
Deutsche Bank Trust AG	3,641,025	8 June 2015 to 31 October 2015
EOC Lux Securities Sarl, (Carval)	3,641,025	17 June 2015 to 31 October 2015
SC Lowy Primary Investments, Ltd	5,097,435	18 May 2015 to 31 October 2015
SC Lowy Primary Investments, Ltd	7,646,154	10 June 2015 to 31 October 2015
SSG Capital Partners I, LP	12,743,589	11 May 2015 to 31 October 2015
SSG Capital Partners III, LP	12,743,589	10 June 2015 to 31 October 2015

(2) The exemption under sub-paragraph (1) is subject to the conditions specified in the letter of approval dated 11 July 2016 issued by the Ministry of Finance and addressed to the Maritime and Port Authority of Singapore and the Inland Revenue Authority of Singapore.

Exemption in relation to loan

3.—(1) The interest mentioned in sub-paragraph (2) that is payable by Mercator Lines (S) Ltd in respect of a loan amount of US\$2,678,400 —

- (a) that was originally payable to DVB Group Merchant Bank (Asia) Ltd under a loan agreement dated 9 February 2009; and
- (b) that became payable to SSG Capital Partners III, LP by reason of an instrument entitled “Transfer Certificate” dated 16 July 2015,

for the purpose of acquiring the vessel “Kesari Prem”, is exempt from tax.

(2) The interest to which sub-paragraph (1) applies —

- (a) is the interest that accrued during the period from 16 July 2015 to 31 October 2015 (both dates inclusive); and
- (b) excludes interest payable on the amount of US\$251,500 that was due and payable to DVB Group Merchant Bank (Asia) Ltd on 13 May 2015 under the loan agreement but became payable to SSG Capital Partners III, LP by reason of the instrument entitled “Transfer Certificate”.

(3) The exemption in sub-paragraph (1) is subject to the conditions specified in the letter of approval dated 11 July 2016 issued by the Ministry of Finance and addressed to the Maritime and Port Authority of Singapore and the Inland Revenue Authority of Singapore.

Made on 10 February 2017.

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

[R32.012.0006.Pt26.V66; AG/LEGIS/SL/134/2015/1 Vol. 2]