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No. S 801

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (EXEMPTION OF INTEREST AND OTHER PAYMENTS FOR ECONOMIC AND TECHNOLOGICAL DEVELOPMENT) (NO. 2) NOTIFICATION 2018

ARRANGEMENT OF PARAGRAPHS

Paragraph

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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. This Notification is the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) (No. 2) Notification 2018 and is deemed to have come into operation on 20 February 2018.

Definitions

2. In this Notification —

[Deleted by S 555/2020 wef 19/02/2020]

“approved clearing house”, “approved exchange”, “derivatives contract”, and “member” in relation to an approved clearing house or an approved exchange, have the meanings given by section 2(1) of the Securities and Futures Act 2001;

[S 555/2020 wef 19/02/2020]

[S 325/2024 wef 31/12/2021]

“specified contract”, in relation to paragraph 3, means any of the following:

- (a) a contract for trading in gold futures on an approved exchange;
- (b) a contract for trading in financial futures on an approved exchange;
- (c) a contract for trading in spot foreign exchange (other than a contract that involves the Singapore dollar) on an approved exchange;

[S 555/2020 wef 19/02/2020]

[S 555/2020 wef 19/02/2020]

“specified contract”, in relation to paragraph 4, means any of the following:

- (a) a contract for trading in gold futures on an approved exchange;
- (b) a contract for trading in financial futures on an approved exchange;
- (c) a contract for trading in spot foreign exchange (other than a contract that involves the Singapore dollar) on an approved exchange;
- (d) any other derivatives contract that is traded on an approved exchange;
- (e) any derivatives contract that is cleared or settled by an approved clearing house.

[S 555/2020 wef 19/02/2020]

Exemption for interest payment under specified contract effective before 20 February 2018 or on date between 20 February 2018 and 18 February 2020

- 3.—(1) This paragraph applies to any interest payment —
- (a) made by a member of an approved exchange to a person who is not resident in Singapore;
 - (b) that is not derived through any operation carried on by the person through the person's permanent establishment in Singapore; and
 - (c) that is a margin deposit interest payment required to be made —
 - (i) under —
 - (A) a specified contract that took effect on a date before 20 February 2018; or
 - (B) a specified contract that was extended or renewed, and the extension or renewal took effect on a date before 20 February 2018,

where the payment is made on a date that falls within the period from 20 February 2018 to 31 December 2026 (both dates inclusive);

[S 555/2020 wef 19/02/2020]
[S 325/2024 wef 01/01/2023]
 - (ii) under a specified contract that takes effect on a date that falls within the period from 20 February 2018 to 18 February 2020 (both dates inclusive); or
[S 555/2020 wef 19/02/2020]
 - (iii) under a specified contract that is extended or renewed, where —
 - (A) the extension or renewal takes effect on a date that falls within the period from 20 February 2018 to 18 February 2020 (both dates inclusive); and
[S 555/2020 wef 19/02/2020]

(B) the payment is made on or after the date on which such extension or renewal takes effect.

(1A) However, this paragraph does not apply to a margin deposit interest payment required to be made —

(a) under a specified contract mentioned in sub-paragraph (1)(c)(ii) or (iii) that is varied with effect from a date on or after 4 November 2022; and

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

[S 325/2024 wef 04/11/2022]

(2) Any payment to which this paragraph applies is exempt from tax.

[S 325/2024 wef 04/11/2022]

[S 555/2020 wef 19/02/2020]

Exemption for interest payment under specified contract effective on date between 19 February 2020 and 31 December 2026 or varied on a date between 4 November 2022 and 31 December 2026

4.—(1) This paragraph applies to any interest payment —

(a) made by an approved exchange, an approved clearing house, a member of an approved exchange or a member of an approved clearing house, to a person who is not resident in Singapore;

(b) that is not derived through any operation carried on by the person through the person's permanent establishment in Singapore; and

(c) that is a margin deposit interest payment required to be made —

(i) under a specified contract that takes effect on a date that falls within the period from 19 February 2020 to 31 December 2026 (both dates inclusive);

[S 325/2024 wef 04/11/2022]

[S 325/2024 wef 01/01/2023]

(ii) under a specified contract that is extended or renewed, where —

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- (A) the extension or renewal takes effect on a date that falls within the period mentioned in sub-paragraph (i); and
- (B) the payment is made on or after the date on which the extension or renewal takes effect; or
[S 325/2024 wef 04/11/2022]
- (iii) under a specified contract that is varied, where —
- (A) the variation takes effect on a date that falls within the period from 4 November 2022 to 31 December 2026 (both dates inclusive); and
- (B) the payment is made on or after the date on which the variation takes effect.
[S 325/2024 wef 04/11/2022]
- (2) A payment mentioned in sub-paragraph (1) is exempt from tax.
[S 555/2020 wef 19/02/2020]
[S 325/2024 wef 04/11/2022]
[S 325/2024 wef 01/01/2023]

Made on 5 December 2018.

TAN CHING YEE
*Permanent Secretary,
Ministry of Finance,
Singapore.*

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