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**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX
(EXEMPTION UNDER SECTION 13ZA(3))
RULES 2020**

ARRANGEMENT OF RULES

Rule

1. Citation and commencement
 2. Definitions
 3. Exemption for provision of place of residence or allowance for accommodation
 4. Exemption for provision of basic necessities or allowance for basic necessities
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In exercise of the powers conferred by section 7(1) of the Income Tax Act, the Minister for Finance makes the following Rules:

Citation and commencement

1. These Rules are the Income Tax (Exemption under Section 13ZA(3)) Rules 2020 and come into operation on 7 December 2020.

Definitions

2. In these Rules, “COVID-19” and “COVID-19 event” have the meanings given by section 13ZA(6) of the Act.

Exemption for provision of place of residence or allowance for accommodation

3.—(1) The conditions for exemption from tax for the matters mentioned in section 13ZA(3)(a) of the Act are —

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- (a) the provision of the place of residence in Singapore, or the allowance for accommodation in Singapore, to the individual is for either of the following purposes only:
- (i) to enable the individual (being one who ordinarily resides outside Singapore) to reside in Singapore to ensure the continuity of the employer's trade or business at any time during the period from 1 February 2020 to 31 December 2020 (both dates inclusive);
 - (ii) because there is a high risk of the individual contracting COVID-19 due to the nature of the individual's employment or due to the fact that the individual is required to travel out of Singapore for his or her employment at any time during the period from 1 February 2020 to 31 December 2020 (both dates inclusive) — to reduce, as a result of the risk, the risk of the individual in turn infecting others with COVID-19; and
- (b) before 1 February 2020, the individual's employer did not provide to the individual or an employee with the same job scope as the individual a place of residence in Singapore, or an allowance for accommodation in Singapore.

Example

An individual has a high risk of contracting COVID-19 due to the nature of the individual's employment if he or she is required to provide care to individuals who have contracted or are suspected to have contracted COVID-19.

(2) The prescribed amount mentioned in section 13ZA(3)(a) of the Act is \$75.

Exemption for provision of basic necessities or allowance for basic necessities

4.—(1) The conditions for exemption from tax for the matters mentioned in section 13ZA(3)(b) of the Act are —

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- (a) the provision of the basic necessities, or the allowance for basic necessities, to the individual is for any of the following purposes only:
- (i) to enable the individual (being one who ordinarily resides outside Singapore) to reside in Singapore to ensure the continuity of the employer's trade or business at any time during the period from 1 February 2020 to 31 December 2020 (both dates inclusive);
 - (ii) because there is a high risk of the individual contracting COVID-19 due to the nature of the individual's employment or due to the fact that the individual is required to travel out of Singapore for his or her employment at any time during the period from 1 February 2020 to 31 December 2020 (both dates inclusive) — to reduce that risk, or the resulting risk of the individual infecting others with COVID-19;
 - (iii) because a requirement of the individual's employment that is imposed at any time during the period from 1 February 2020 to 31 December 2020 (both dates inclusive) in order to ensure business continuity in light of a COVID-19 event exposes the individual to an elevated risk of contracting COVID-19 — to reduce that risk; and

Example

An individual has an elevated risk of contracting COVID-19 because of a requirement of his or her employment, if the individual is required to report to a workplace that is not his or her place of residence during the period from 7 April 2020 to 1 June 2020 (being the period known as the Circuit Breaker).

- (b) before 1 February 2020, the individual's employer did not provide to the individual or an employee with the same job scope as the individual basic necessities, or an allowance for basic necessities, for consumption or use in Singapore, except to enable the individual to carry out his or her duties

outside of his or her hours of duties or in exceptional circumstances.

(2) The prescribed amount mentioned in section 13ZA(3)(b) of the Act is \$50.

Made on 7 December 2020.

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

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(To be presented to Parliament under section 7(2) of the Income Tax Act).