



THE STATUTES OF THE REPUBLIC OF SINGAPORE

ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) ACT

(CHAPTER 86)

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Economic Expansion Incentives (Relief from Income Tax) Act

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An Act relating to incentives for the establishment of pioneer industries and for economic expansion generally, by way of providing relief from income tax.

[15th December 1967]

PART I

PRELIMINARY

Short title

1. This Act may be cited as the Economic Expansion Incentives (Relief from Income Tax) Act.

Act to be construed as one with Income Tax Act

2. This Act shall, unless otherwise expressly provided for in this Act, be construed as one with the Income Tax Act (Cap. 134).

Interpretation

3. In this Act, unless the context otherwise requires —

“approved foreign loan” means a loan which is certified under section 57 to be an approved foreign loan;

“approved royalties, fees or contributions” means royalties, technical assistance fees or contributions to research and

development costs which have been certified under section 61 to be approved royalties, fees or contributions;

“company” means any company incorporated or registered in accordance with the provisions of any written law relating to companies;

“Comptroller” means the Comptroller of Income Tax appointed under the Income Tax Act (Cap. 134);

“foreign loan certificate” means a foreign loan certificate issued under section 57;

“manufacture”, in relation to a product, includes any process or method used in making or developing the product;

“new trade or business” means the trade or business of a pioneer enterprise deemed under section 7 to have been set up and commenced on the day following the end of its tax relief period;

“old trade or business” means the trade or business of a pioneer enterprise carried on by it during its tax relief period in accordance with section 7, and which either ceases within or is deemed, under that section, to cease at the end of that period;

“pioneer certificate” means a pioneer certificate issued under section 5;

“pioneer enterprise” means any company which has been approved by the Minister and to which a pioneer certificate has been issued under section 5;

“pioneer industry” means an industry approved under section 4 to be a pioneer industry;

“pioneer product” means a product approved under section 4 to be a pioneer product;

“production day”, in relation to a pioneer enterprise, means the date specified in its pioneer certificate under section 5 (3) (a) or (5);

“productive equipment” means machinery or plant which would normally qualify for deduction under sections 19, 19A, 20, 21 and 22 of the Income Tax Act;

“royalties, fees or contributions certificate” means a certificate issued under section 61;

“royalties or technical assistance fees” includes —

- (a) any royalties, rentals or other amounts paid as consideration for the use of, or the right to use, copyright, scientific works, patents, designs, plans, secret processes, formulae, trade marks, licences or other like property or rights;
- (b) income derived from the alienation of property or information mentioned in paragraph (a); and
- (c) other amounts paid in consideration of services rendered by a non-resident person or his employee in connection with the use of property or rights belonging to, or the initial operation of any plant, machinery or other apparatus purchased from, the non-resident person,

but does not include royalties, rentals or other amounts paid in respect of the operation of mines, quarries or other places of extraction of natural resources; or fees paid to an individual for the performance of professional services in Singapore other than as an employee;

“tax” means income tax imposed by the Income Tax Act (Cap. 134).

[34/84; 11/2004; 48/2004]

PART II

PIONEER INDUSTRIES

Power to approve an industry and a product as a pioneer industry and a pioneer product

4.—(1) The Minister may, if he considers it expedient in the public interest to do so, approve an industry, which is not being carried on in Singapore on a scale adequate to the economic needs of Singapore and for which in his opinion there are favourable prospects for development, to be a pioneer industry and any specific product of that industry to be a pioneer product.

[48/2004]

(2) The Minister may revoke any approval given under this section but any such revocation shall not affect the operation of any pioneer certificate issued to any pioneer enterprise before the revocation.

[48/2004]

(3) Any industry which has been approved as a pioneer industry or any product which has been approved as a pioneer product before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2) Act 2004 shall be deemed to have been approved under this section.

[48/2004]

Application for and issue and amendment of pioneer certificate

5.—(1) Any company which is desirous of producing a pioneer product may make an application in writing to the Minister to be approved as a pioneer enterprise in such form and with such particulars as may be prescribed.

(2) Where the Minister is satisfied that it is expedient in the public interest to do so and, in particular, having regard to the production or anticipated production of the pioneer product from all sources of production in Singapore, he may approve that company as a pioneer enterprise and issue a pioneer certificate to the company, subject to such conditions as he thinks fit.

(3) Every pioneer certificate issued under this section shall specify —

- (a) the date on or before which it is expected that the pioneer enterprise will commence to produce in marketable quantities the product specified in the certificate; and
- (b) the rate of production of that product which it is expected will be attained on or before that date.

(4) The date specified under subsection (3) (a) shall be deemed to be the production day of the pioneer enterprise for the purposes of this Act.

(5) The Minister may, in his discretion, upon the application of any pioneer enterprise, amend its pioneer certificate by substituting for the production day specified therein such earlier or later date as he thinks fit and thereupon the provisions of this Act shall have effect as if the date so substituted were the production day in relation to that pioneer enterprise.

Tax relief period of pioneer enterprise

6. The tax relief period of a pioneer enterprise shall commence on its production day and shall continue for such period, not exceeding 15 years, as the Minister may determine.

[11/2004; 48/2004]

Provisions governing old and new trade or business

7. For the purposes of the Income Tax Act (Cap. 134) and this Act —

- (a) the old trade or business of a pioneer enterprise shall be deemed to have permanently ceased at the end of its tax relief period;
- (b) the pioneer enterprise shall be deemed to have set up and commenced a new trade or business on the day immediately following the end of its tax relief period;
- (c) the pioneer enterprise shall make up accounts of its old trade or business for a period not exceeding one year, commencing on its production day, for successive periods of one year thereafter and for the period not exceeding one year ending at the date when its tax relief period ends; and
- (d) in making up the first accounts of its new trade or business the pioneer enterprise shall take as the opening figures for those accounts the closing figures in respect of its assets and liabilities as shown in its last accounts in respect of its tax relief period, and its next accounts of its new trade or business shall be made up by reference to the closing figures in such first accounts and any subsequent accounts shall be similarly made up by reference to the closing figures of the preceding accounts of its new trade or business.

Restrictions on trading before end of tax relief period

8.—(1) Where, during its tax relief period, a pioneer enterprise carries on any trade or business other than the trade or business relating to the relevant pioneer product (referred to in this section as separate trade), separate accounts shall be maintained in respect of that separate trade or business and in respect of the same accounting period.

[11/2004]

(2) Where the carrying on of such separate trade results in a loss in any accounting period, the loss shall be brought into the computation of the income of the pioneer enterprise for that period unless the Comptroller, having regard to all the circumstances of the case, is satisfied that the loss was not incurred for the purpose of obtaining a tax advantage.

[22/87]

(3) Where the carrying on of such separate trade results in a profit in any accounting period, and the profit, computed in accordance with the provisions of the Income Tax Act (Cap. 134) as modified by this section, amounts to less than 5% of the full sum receivable from the sale of goods or the provision of services, the statutory income from that source shall be deemed to be 5% (or such lower rate as the Comptroller may specify in any particular case) of the full sum so receivable and the income of the pioneer enterprise shall be abated accordingly.

[22/87; 11/2004]

(4) Where in the opinion of the Comptroller the carrying on of such separate trade is subordinate and incidental to the carrying on of the trade or business relating to the relevant pioneer product, the income or loss arising from such activities shall be deemed to form part of the income or loss of the pioneer enterprise.

(5) In this section, “relevant pioneer product” means the pioneer product specified in its pioneer certificate.

Power to give directions

9. For the purposes of the Income Tax Act and this Act, the Comptroller may direct that —

- (a) any sums payable to a pioneer enterprise in any accounting period which, but for the provisions of this Act, might reasonably and properly have been expected to be payable, in the normal course of business, after the end of that period shall be treated as not having been payable in that period but as having been payable on such date, after that period, as the Comptroller thinks fit and, where that date is after the end of the tax relief period of the pioneer enterprise, as having been so payable, on that date, as a sum payable in respect of its new trade or business; and

- (b) any expense incurred by a pioneer enterprise within one year after the end of its tax relief period which, but for the provisions of this Act, might reasonably and properly have been expected to be incurred, in the normal course of business, during its tax relief period shall be treated as not having been incurred within that year but as having been incurred for the purposes of its old trade or business and on such date, during its tax relief period, as the Comptroller thinks fit.

Ascertainment of income in respect of old trade or business

10.—(1) The income of a pioneer enterprise in respect of its old trade or business shall be ascertained in accordance with the provisions of the Income Tax Act (Cap. 134) after making such adjustments as may be necessary in consequence of any direction given under section 9.

(2) In determining the income of a pioneer enterprise referred to in subsection (1), the allowances provided for in sections 16, 17, 18, 19, 19A, 19B, 20, 21 and 22 of the Income Tax Act shall be taken into account notwithstanding that no claim for such allowances has been made.

[48/2004]

(3) Where the tax relief period of a pioneer enterprise referred to in subsection (1) expires during the basis period for any year of assessment, for the purpose of determining the income in respect of its old trade or business and its new trade or business for that year of assessment, there shall be deducted allowances provided for in sections 16, 17, 18, 19, 19A, 19B, 20, 21 and 22 of the Income Tax Act notwithstanding that no claim for such allowances has been made; and for the purpose of computing such allowances —

- (a) the allowances for that year of assessment shall be computed as if the old trade or business of the pioneer enterprise had not been deemed to have permanently ceased at the end of the tax relief period; and
- (b) the allowances computed in accordance with paragraph (a) shall be apportioned between the old trade or business and the new trade or business of the pioneer enterprise in such manner as appears to the Comptroller to be reasonable in the circumstances.

[36/93; 48/2004]

(4) Where in any year of assessment full effect cannot, by reason of an insufficiency of profits for that year of assessment, be given to the allowances mentioned in subsection (2), then the balance of the allowances shall be added to, and be deemed to form part of, the corresponding allowances, if any, for the next succeeding year of assessment and, if no such corresponding allowances fall to be made for that year, shall be deemed to constitute the corresponding allowances for that year, and so on for subsequent years of assessment.

(5) Notwithstanding subsections (1) and (2), where a pioneer enterprise has incurred or has given a written undertaking to the Minister to incur a capital expenditure of not less than \$150 million and —

- (a) more than 50%, or such other percentage as the Minister may determine, of the paid-up capital of the pioneer enterprise is held by persons permanently resident in Singapore; and
- (b) such capital expenditure has been approved by the Minister as promoting or enhancing the economic or technological development of Singapore,

the capital expenditure so incurred by the pioneer enterprise within its tax relief period in respect of any asset used for the purposes of its new trade or business shall, subject to such conditions as the Minister may impose, be deemed, for the purposes of sections 16, 17, 18, 19, 19A, 19B, 20, 21 and 22 of the Income Tax Act (Cap. 134), to have been incurred on the day immediately following the last day of its tax relief period.

[29/91; 48/2004]

(6) Where a pioneer enterprise referred to in subsection (5) carries on a separate trade or business, and an industrial building, plant or machinery is used both for the purposes of that trade or business and the trade or business relating to the relevant pioneer product, subsection (5) shall apply to that building, plant or machinery.

[29/91; 11/2004]

(7) Where a pioneer enterprise has, before 16th August 1991, incurred a capital expenditure of not less than \$1,000 million, subsection (5) shall apply to that enterprise in respect of that expenditure notwithstanding that the enterprise has not complied with paragraphs (a) and (b) of that subsection.

[29/91; 48/2004]

(8) Where a pioneer enterprise referred to in subsection (5) or (7) is the holder of 2 pioneer certificates in respect of different periods of time, and capital expenditure has been incurred in respect of any industrial building, plant or machinery which is jointly used in carrying on the trade or business of the 2 pioneer industries, no deduction shall be made in respect of such expenditure under any of the provisions contained in sections 16, 17, 18, 19, 19A, 19B, 20, 21 and 22 of the Income Tax Act (Cap. 134) until after the expiration of the tax relief period that is later in time.

[S 143/89; 29/91; 48/2004]

(9) In subsections (5) and (7), “capital expenditure” means capital expenditure in connection with a pioneer product, on factory building (excluding land) in Singapore, on any new plant or new machinery used in Singapore and on intellectual property rights for use in Singapore and, subject to the approval of the Minister, on any secondhand plant or secondhand machinery used in Singapore.

[48/2004]

Application of Part XVI of Income Tax Act

11. Part XVI of the Income Tax Act (relating to returns of income) shall apply in all respects as if the income of a pioneer enterprise in respect of its old trade or business were chargeable to tax.

Comptroller to issue statement of income

12. For each year of assessment, the Comptroller shall issue to the pioneer enterprise a statement showing the amount of income for that year of assessment, and Parts XVII and XVIII of the Income Tax Act (relating to assessments, objections and appeals) shall apply, with the necessary modifications, as if that statement were a notice of assessment given under those provisions.

Exemption from income tax

13.—(1) Subject to section 14 (7), where any statement issued under section 12 has become final and conclusive, the amount of the income shown by the statement shall not form part of the statutory income of the pioneer enterprise for any year of assessment and shall be exempt from tax.

(2) The Comptroller may, in his discretion and before such a statement has become final and conclusive, declare that a specified

part of the amount of such income is not in dispute and such an undisputed amount of income is exempt from tax, pending such a statement becoming final and conclusive.

Certain dividends exempted from income tax

14.—(1) As soon as any amount of income of a pioneer enterprise has become exempt under section 13, that amount shall be credited to an account to be kept by the pioneer enterprise for the purposes of this section.

(2) Where that account is in credit at the date on which any dividends are paid by the pioneer enterprise out of income which has been exempted, an amount equal to those dividends or to that credit, whichever is the less, shall be debited to the account.

(3) So much of the amount of any dividends so debited to that account as is received by a shareholder of the pioneer enterprise shall, if the Comptroller is satisfied with the entries in the account, be exempt from tax in the hands of the shareholder.

(4) Notwithstanding subsections (3) and (10), no dividend paid on any share of a preferential nature shall be exempt from tax under this section in the hands of the shareholder.

[11/2004]

(5) Any dividends debited to that account shall be treated as having been distributed to the shareholders of the pioneer enterprise or any particular class of those shareholders in accordance with the proportion of their shareholdings in the pioneer enterprise.

[44/2002]

(6) The pioneer enterprise shall deliver to the Comptroller a copy of that account, made up to a date specified by him, whenever called upon to do so by notice in writing sent by him to its registered office, until such time as he is satisfied that there is no further need for maintaining the account.

(7) Notwithstanding section 13 and subsections (1) to (6), where it appears to the Comptroller that —

(a) any amount of exempted income of a pioneer enterprise; or

(b) any dividend exempted in the hands of any shareholder,

ought not to have been exempted by reason of any direction made under section 9 or the revocation under section 99 of a pioneer

certificate issued to the pioneer enterprise, the Comptroller may subject to section 74 of the Income Tax Act (Cap. 134) —

- (i) make such assessment or additional assessment upon the pioneer enterprise or any such shareholder as may appear to be necessary in order to counteract any profit obtained from any such amount; or
- (ii) direct the pioneer enterprise to debit its account, kept in accordance with subsection (1), with such amount as the circumstances require.

[1/95; 44/2002]

(8) Parts XVII and XVIII of the Income Tax Act (relating to assessments, objections and appeals) shall apply, with the necessary modifications, to any direction given under subsection (7) as if it were a notice of assessment given under those provisions.

(9) Section 44 of the Income Tax Act shall not apply in respect of any dividend or part thereof which is debited to the account required to be kept for the purposes of this section.

(10) Where an amount has been received by way of dividends from a company by a shareholder and the amount is exempt from tax under this section, if that shareholder is a company, any dividends paid by that company to its shareholders, to the extent that the Comptroller is satisfied that those dividends are paid out of that amount, shall be exempt from tax in the hands of those shareholders; and section 44 of the Income Tax Act shall not apply to any such dividends or part thereof.

[44/2002]

Carry forward of loss and allowance

15.—(1) Where a pioneer enterprise has, during its tax relief period, incurred a loss for any year, that loss shall be deducted as provided for in section 37 of the Income Tax Act, with the necessary modifications, but only against the income of the pioneer enterprise as ascertained under section 10, except that the balance of any such loss which remains unabsorbed at the end of its tax relief period is available to the new trade or business in accordance with that Act.

[22/87; 11/2004]

(2) Notwithstanding section 7 (a), the balance of any allowance as provided for in section 10 which remains unabsorbed at the end of the

tax relief period of the pioneer enterprise is available to the new trade or business in accordance with the Income Tax Act (Cap. 134).

[22/87]

PART III

PIONEER SERVICE COMPANIES

Interpretation of this Part

16. In this Part, unless the context otherwise requires —

“commencement day”, in relation to a pioneer service company, means the date specified under section 17 (3) or (4) in the certificate issued to that company under that section;

“pioneer service company” means a company which has been issued with a certificate under section 17;

“qualifying activity” means any of the following:

- (a) any engineering or technical services including laboratory, consultancy and research and development activities;
- (b) computer-based information and other computer related services;
- (c) the development or production of any industrial design; and
- (d) such other services or activities as may be prescribed.

[34/84]

Application for and issue and amendment of certificate for pioneer service company

17.—(1) Where a company is engaged in any qualifying activity, the company may apply in the prescribed form to the Minister for approval as a pioneer service company.

[34/84]

(2) The Minister may, if he considers it expedient in the public interest to do so, approve the application and issue the company with a certificate subject to such terms and conditions as he thinks fit.

[34/84]

(3) Every certificate issued under this section shall specify a date as the commencement day from which the company shall be entitled to tax relief under this Part.

[34/84]

(4) The Minister may, in his discretion, upon the application of the company, amend its certificate by substituting for the commencement day specified therein such earlier or later date as he thinks fit and thereupon the provisions of this Part shall have effect as if the date so substituted were the commencement day in relation to that certificate.

[34/84]

Tax relief period of pioneer service company

18. The tax relief period of a pioneer service company, in relation to any qualifying activity specified in any certificate issued to that company under section 17, shall commence on the commencement day and shall continue for a period of 5 years or such longer period, not exceeding 15 years, as the Minister may determine.

[34/84; 48/2004]

Application of sections 7 to 15 to pioneer service company

19. Sections 7 to 15 shall apply to a pioneer service company under this Part and for the purposes of such application —

- (a) any reference to a pioneer enterprise shall be read as a reference to a pioneer service company;
- (b) any reference to a pioneer product shall be read as a reference to a qualifying activity;
- (c) any reference to the production day of a pioneer enterprise shall be read as a reference to the commencement day of a pioneer service company;
- (d) any reference to a pioneer certificate shall be read as a reference to a certificate issued under section 17.

[34/84]

PART IIIA

POST-PIONEER COMPANIES

19A. to 19H. (*Repealed by Act 11/2004*)

PART IIIB***DEVELOPMENT AND EXPANSION INCENTIVE****Interpretation of this Part**

19I. In this Part, unless the context otherwise requires —

“commencement day”, in relation to a development and expansion company, means the date specified under section 19J (3) in the certificate issued to the company under that section;

“development and expansion company” means a company which has been issued with a certificate under section 19J (2);

“qualifying activity” means any of the following:

- (a) the manufacturing or increased manufacturing of any product from any industry that would be of economic benefit to Singapore;
- (b) any qualifying activity as defined in section 16; and
- (c) such other services or activities as may be prescribed.

[36/96]

Application for and issue of certificate to development and expansion company

19J.—(1) Any company engaged in any qualifying activity may apply in the prescribed form to the Minister for approval as a development and expansion company.

[36/96]

(2) The Minister may, if he considers it expedient in the public interest to do so, approve the application and issue the company with a certificate subject to such terms and conditions as he may impose.

[36/96]

(3) Every certificate issued to a development and expansion company under this section shall specify —

- (a) a date as the commencement day from which the company shall be entitled to tax relief under this Part;
- (b) its qualifying activities; and
- (c) the concessionary rate of tax to be levied for the purposes of this Part.

[36/96]

*From year of assessment 1997.

(4) The Minister may, in his discretion, upon an application of a development and expansion company, amend its certificate by substituting for the commencement day specified therein such other date as he thinks fit and thereupon the provisions of this Part shall have effect as if that date were the commencement day in relation to that certificate.

[36/96]

(5) Notwithstanding section 43 of the Income Tax Act (Cap. 134), tax at such concessionary rate, not being less than 5% as the Minister may specify, shall be levied and paid for each year of assessment upon the expansion income derived by a development and expansion company during its tax relief period from its qualifying activities.

[36/96; 44/2002]

(6) The expansion income shall be the income from such qualifying activities (referred to in this section and section 19M as qualifying income) to which the certificate issued under this section relates that exceeds the average corresponding income.

[36/96; 11/2004]

(7) The average corresponding income referred to in subsection (6) shall be determined by taking one-third of the total of the corresponding qualifying income for the 3 years immediately preceding the commencement day specified in the certificate issued under this section.

[36/96; 11/2004]

(8) Where a development and expansion company which has been granted a tax relief period of at least 10 years is granted an extension or a further extension of its tax relief period under section 19K (1) (b) or (2), the Minister shall compute the average corresponding income for each such extension or further extension in accordance with subsection (9).

[48/2004]

(9) The average corresponding income for each extension or further extension referred to in subsection (8) shall be determined by taking one-third of the total of the corresponding qualifying income for the 3 years immediately preceding the date of that extension or further extension of its tax relief period, as the case may be.

[48/2004]

(10) Notwithstanding subsections (7), (8) and (9), the Minister may, if he thinks fit, specify any amount to be the average corresponding income in substitution of the amount determined under those subsections.

[48/2004]

Tax relief period of development and expansion company

19K.—(1) Subject to subsection (3), the tax relief period of a development and expansion company shall commence on its commencement day and shall continue —

- (a) for such period not exceeding 10 years as the Minister may determine; and
- (b) for such further period or periods, not exceeding 5 years for each period, as the Minister may determine, where the Minister is satisfied that it is expedient in the public interest to do so and subject to such terms and conditions as he may impose.

[48/2004]

(2) Subject to subsection (3), the Minister may, if he is satisfied that it is expedient in the public interest to do so and subject to such terms and conditions as he may impose, extend the tax relief period of a development and expansion company after the expiry of the total tax relief period in subsection (1) for such further period or periods, not exceeding 5 years at any one time, as he may determine.

[48/2004]

(3) The total tax relief period of a development and expansion company under subsections (1) and (2) shall not in the aggregate exceed 20 years.

[48/2004]

(4) Any tax relief period initially granted to a development and expansion company before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2) Act 2004 which exceeds 10 years shall be deemed to have been granted under this section.

[48/2004]

(5) Where a development and expansion company has been granted tax relief under Part IIIA in force immediately before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004 in respect of any qualifying activity specified in the certificate issued under section 19J (2), the Minister shall, in extending the tax relief period of the company under subsections (1) and (2), take into account the tax relief period of the company under that Part.

[36/96; 11/2004; 48/2004]

Certain dividends exempted from income tax

19L.—(1) As soon as any amount of income of a development and expansion company has been subject to tax at the concessionary rate under section 19J, the net amount of the income after deduction of the tax shall be credited to a special account (referred to in this section as the account) to be kept by the company for the purposes of this section.

[36/96]

(2) Where the account is in credit at the date on which any dividends are paid by the development and expansion company out of the net amount of income credited to that account, an amount equal to those dividends or to that credit, whichever is the less, shall be debited to the account.

[36/96]

(3) So much of the amount of any dividends so debited to the account as is received by a shareholder of the development and expansion company shall, if the Comptroller is satisfied with the entries in the account, be exempt from tax in the hands of the shareholder.

[36/96]

(4) Notwithstanding subsections (3) and (7), no dividend paid on any share of a preferential nature shall be exempt from tax under this section in the hands of the shareholder.

[11/2004]

(5) Any dividends debited to the account shall be treated as having been distributed to the shareholders of the development and expansion company or any particular class of the shareholders in accordance with the proportion of their shareholdings in the development and expansion company.

[44/2002]

(6) Section 44 of the Income Tax Act (Cap. 134) shall not apply in respect of any dividends or part thereof which are debited to the account.

[36/96]

(7) Where an amount has been received by way of dividends from a company by a shareholder and the amount is exempt from tax under this section, if that shareholder is a company, any dividends paid by that company to its shareholders, to the extent that the Comptroller is satisfied that those dividends are paid out of that amount, shall be exempt from tax in the hands of those shareholders; and section 44 of

the Income Tax Act (Cap. 134) shall not apply to any such dividends or part thereof.

[44/2002]

(8) A development and expansion company shall deliver to the Comptroller a copy of the account made up to any date specified by him whenever called upon to do so by notice in writing.

[36/96]

(9) Notwithstanding subsections (1) to (8), where it appears to the Comptroller that —

(a) any income of a development and expansion company which has been subject to tax at the concessionary rate under section 19J; or

(b) any dividends which have been exempted from tax in the hands of any shareholder,

ought not to have been so taxed or exempted for any year of assessment, the Comptroller may, subject to section 74 of the Income Tax Act —

(i) make an assessment or additional assessment upon the company or any such shareholder as may be necessary in order to make good any loss of tax; or

(ii) direct the company to debit the account with such amount as the circumstances require.

[36/96; 44/2002]

Ascertainment of income from qualifying activities

19M.—(1) Subject to subsections (2) and (3), the qualifying income of a development and expansion company shall be ascertained in accordance with the provisions of the Income Tax Act after making such adjustments as may be necessary in consequence of any direction given under section 19P.

[11/2004]

(2) In determining the qualifying income of a development and expansion company for the basis period for any year of assessment —

(a) the allowances provided for in sections 16 to 22 of the Income Tax Act shall be taken into account notwithstanding that no claim for such allowances has been made;

(b) the allowances referred to in paragraph (a) for that year of assessment shall firstly be deducted against the qualifying income of the company, and any unabsorbed allowances

shall be deducted against the other income of the company subject to tax at a different rate of tax under this Act or the Income Tax Act (Cap. 134) in accordance with subsection (3);

- (c) the balance, if any, of the allowances after the deduction in paragraph (b) shall be available for deduction for any subsequent year of assessment in accordance with sections 22A and 23 of the Income Tax Act and shall be made in the manner provided in that paragraph;
- (d) any loss incurred for that basis period shall be deducted in accordance with subsection (3) against the other income of the company subject to tax at a different rate of tax under this Act or the Income Tax Act;
- (e) the balance, if any, of the losses after the deduction in paragraph (d) shall be available for deduction for any subsequent year of assessment in accordance with section 37 of the Income Tax Act firstly against the qualifying income of the company, and any balance of the losses shall be deducted against the other income of the company subject to tax at a different rate of tax under this Act or the Income Tax Act in accordance with subsection (3);
- (f) any unabsorbed donation for that year of assessment shall be deducted in accordance with subsection (3) against the other income of the company subject to tax at a different rate of tax under this Act or the Income Tax Act; and
- (g) the balance, if any, of the donations after the deduction in paragraph (f) shall be available for deduction for any subsequent year of assessment in accordance with section 37 of the Income Tax Act firstly against the qualifying income of the company, and any balance of the donations shall be deducted against the other income of the company subject to tax at a different rate of tax under this Act or the Income Tax Act in accordance with subsection (3).

[11/2004]

(3) Section 37B of the Income Tax Act shall apply, with the necessary modifications, in relation to —

- (a) the deduction of the allowances provided for in sections 16 to 22 of that Act; and

- (b) the losses or donations under section 37 of that Act in respect of —
- (i) the qualifying income of a development and expansion company; and
 - (ii) such part of the development and expansion company's income as is subject to tax at a different rate of tax under this Act or the Income Tax Act (Cap. 134).

[11/2004]

(4) For the purpose of the application under subsection (3), any reference in section 37B of the Income Tax Act to income of a company subject to tax at a higher or lower rate of tax or income of the company subject to tax at a higher or lower rate of tax, as the case may be, shall be read as a reference to its qualifying income.

[11/2004]

Ascertainment of income from other trade or business

19N.—(1) Where, during its tax relief period, a development and expansion company carries on any trade or business other than its qualifying activities, separate accounts shall be maintained in respect of that other trade or business and in respect of the same accounting period; and the income from that other trade or business shall be computed and assessed in accordance with the Income Tax Act with such adjustments as the Comptroller thinks reasonable and proper.

[11/2004]

(2) Where, in the opinion of the Comptroller, the carrying on of such other trade or business is subordinate or incidental to the carrying on of the qualifying activities of the development and expansion company, the income or loss arising from such other trade or business shall be deemed to form part of the income or loss of the company from its qualifying activities.

[11/2004]

Deduction of losses

19O. The Minister may, in relation to development and expansion companies, by regulations provide for —

- (a) the manner in which expenses, capital allowances and donations allowable under the Income Tax Act are to be deducted; and

- (b) the deduction of capital allowances, losses and donations otherwise than in accordance with sections 23 and 37 of the Income Tax Act (Cap. 134).

[11/2004]

Power to give directions

19P. For the purposes of this Act and the Income Tax Act, the Comptroller may direct that —

- (a) any sum payable to a development and expansion company in its tax relief period which might reasonably and properly have been expected to be payable, in the normal course of business, after the end of that period shall be treated as not having been payable in that period but as having been payable on such date, after that period, as the Comptroller thinks fit; and
- (b) any expense incurred by a development and expansion company within one year after the end of its tax relief period which might reasonably and properly have been expected to be incurred, in the normal course of business, during its tax relief period shall be treated as not having been incurred within that year but as having been incurred for the purposes of its qualifying activities and on such date, during its tax relief period, as the Comptroller thinks fit.

[11/2004]

PART IV

EXPANSION OF ESTABLISHED ENTERPRISES

20. to 25. *(Repealed by Act 11/2004)*

PART V

EXPANDING SERVICE COMPANIES

26. to 28. *(Repealed by Act 11/2004)*

PART VI**PRODUCTION FOR EXPORT**

29. to 44. (*Repealed by Act 11/2004*)

PART VIA**EXPORT OF SERVICES****Interpretation of this Part**

44A. In this Part, unless the context otherwise requires —

“commencement day”, in relation to an export service company or export service firm, means the date specified under section 44B (3) in the certificate issued to that company or firm under that section;

“export service company” means a company which has been issued with a certificate under section 44B (2);

“export service firm” means a firm which has been issued with a certificate under section 44B (2);

“qualifying services” means any of the following services undertaken with respect to overseas projects for persons who are neither residents of nor permanent establishments in Singapore:

- (a) technical services including construction, distribution, design and engineering services;
- (b) consultancy, management, supervisory or advisory services relating to any technical matter or to any trade or business;
- (c) fabrication of machinery and equipment and procurement of materials, components and equipment;
- (d) data processing, programming, computer software development, telecommunications and other computer services;
- (e) professional services including accounting, legal, medical and architectural services;
- (f) educational and training services; and

(g) any other services as may be prescribed.

[22/87]

Application for and issue of certificate to export service company or export service firm

44B.—(1) Where a company or firm is engaged in any qualifying service, the company or firm may apply in the prescribed form to the Minister for approval as an export service company or export service firm.

[22/87]

(2) The Minister may, if he considers it expedient in the public interest to do so, approve the application and issue the company or firm with a certificate subject to such terms and conditions as he may impose.

[22/87]

(3) Every certificate issued to an export service company or firm under this section shall specify —

- (a) a date as the commencement day from which the company or firm shall be entitled to tax relief under this Part;
- (b) its qualifying services; and
- (c) its base amount of income for the purpose of section 44E (2).

[22/87]

(4) The Minister may, in his discretion, upon the application of an export service company or firm, amend its certificate by substituting for the commencement day specified therein such earlier or later date as he thinks fit and thereupon the provisions of this Part shall have effect as if the date so substituted were the commencement day in relation to that certificate.

[22/87]

Tax relief period of export service company or firm

44C.—(1) The tax relief period of an export service company or firm shall commence on its commencement day and shall continue for such period, not exceeding 10 years, as the Minister may, in his discretion, determine.

[22/87; 1/95]

(2) The Minister may, where he is satisfied that it is expedient in the public interest to do so and subject to such terms and conditions as he may impose, extend the tax relief period of any export service company or firm for such further periods, not exceeding 5 years at any one time, as he may determine.

(3) The tax relief period of an export service company or firm shall not in the aggregate exceed 20 years.

[22/87; 1/95]

Application of certain sections to export service company or firm

44D.—(1) Section 9 shall apply, with the necessary modifications, to an export service company or firm as it applies to a pioneer enterprise.

[22/87]

(2) Section 40 in force immediately before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004 shall apply, with the necessary modifications, to an export service company as it applies to an export enterprise.

[22/87; 11/2004]

(3) Sections 49 and 50 in force immediately before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004 shall apply, with the necessary modifications, to an export service company or firm as they apply to an international trading company and for the purposes of such application, the reference in section 49 (2) in force immediately before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004 to the export sales of qualifying manufactured goods, Singapore domestic produce and qualifying commodities shall be read as a reference to the provision of qualifying services.

[22/87; 11/2004]

Ascertainment of income of export service company or firm

44E.—(1) The income of an export service company or firm in respect of its qualifying services shall be ascertained (after making such adjustments as may be necessary in consequence of a direction under section 9 as made applicable by section 44D) for any accounting period during its tax relief period in accordance with the Income Tax Act (Cap. 134), and, in particular, the following provisions shall apply:

- (a) income from sources other than the qualifying services shall be excluded and separately assessed;
- (b) there shall be deducted in arriving at the income derived from the qualifying services —

- (i) all direct costs and expenses incurred in respect of the qualifying services;
- (ii) all indirect expenses which are reasonably and properly attributable to the qualifying services;
- (c) the allowances provided for in sections 16 to 22 of the Income Tax Act (Cap. 134) attributable to income derived from the qualifying services during the tax relief period shall be taken into account notwithstanding that no claim for those allowances has been made; and
- (d) for the purposes of paragraphs (b) (ii) and (c), the amounts attributable to the qualifying services shall be determined on such basis as the Comptroller thinks reasonable and proper.

[22/87]

(2) The amount of income ascertained under subsection (1) which will qualify for the relief under section 44F shall be the excess of the amount of the income ascertained under subsection (1) over a base amount of income to be determined by the Minister.

[22/87]

Comptroller to issue statement of income

44F.—(1) For each year of assessment, the Comptroller shall issue to an export service company or firm a statement for that year of assessment showing the amount of income ascertained under section 44E (2) which will qualify for the relief provided by this section, and Parts XVII and XVIII of the Income Tax Act (relating to assessments, objections and appeals) shall apply, with the necessary modifications, as if that statement were a notice of assessment given under those provisions.

[22/87]

(2) Subject to section 40 (6) in force immediately before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004, where any statement issued under subsection (1) has become final and conclusive, 90% of the amount of the qualifying income referred to in subsection (1) shall not form part of the statutory income of the export service company or firm for the year of assessment to which the income relates and shall be exempt from tax.

[22/87; 11/2004]

Certification by auditor

44G. The Comptroller may require an auditor to certify the income derived by an export service company or firm from its qualifying services and any direct costs and expenses incurred therefor.

[22/87]

Application of this Part to partnership

44H. Where the export service firm is a partnership, this Part shall apply to the partners subject to such provisions as may be prescribed.

[22/87]

Deduction of allowances and losses

44I. The Minister may by regulations provide, in relation to an export service company or firm, for the deduction of —

- (a) any unabsorbed allowances provided for under sections 16 to 22 of the Income Tax Act (Cap. 134) attributable to income derived from qualifying services by it during its tax relief period otherwise than in accordance with section 23 of that Act; and
- (b) losses incurred by it during its tax relief period otherwise than in accordance with section 37 (3) of the Income Tax Act.

[22/87; 11/2004]

PART VII**INTERNATIONAL TRADE INCENTIVES**

45. to 56. (*Repealed by Act 11/2004*)

PART VIII***FOREIGN LOANS FOR
PRODUCTIVE EQUIPMENT****Application for and issue of approved foreign loan certificate**

57.—(1) Where a company engaged in any industry is desirous of raising a loan of not less than \$200,000 from a non-resident person (referred to in this Part as a foreign lender) by means of a financial agreement whereby credit facilities are granted for the purchase of

*From year of assessment 1967.

productive equipment for the purposes of its trade or business, the company may apply to the Minister for a certificate certifying that foreign loan to be an approved foreign loan.

(2) The Minister may, where he thinks it expedient to do so, consider an application for a foreign loan certificate in respect of a foreign loan of less than \$200,000.

(3) The application shall be in such form and with such particulars as may be prescribed, and shall be accompanied by a copy of the financial agreement.

(4) Where the Minister is satisfied as to the bona fides of such an application and that it is expedient in the public interest to do so, he may issue a certificate certifying the loan specified in the application as an approved foreign loan.

(5) Every certificate issued under subsection (4) shall be in such form and contain such particulars as may be prescribed, and shall be subject to such conditions as the Minister thinks fit.

Restriction on disposal of specified productive equipment

58. Any productive equipment purchased and financed from an approved foreign loan shall not be sold, transferred, or otherwise disposed of without the prior written permission of the Minister, unless the loan has been repaid in full.

Exemption of approved foreign loan interest from tax

59.—(1) Notwithstanding section 43 (1) (b) of the Income Tax Act (Cap. 134), the Minister may, subject to subsection (2), if he is satisfied that it is expedient in the public interest to do so, by an endorsement to that effect on the approved foreign loan certificate, exempt from tax or authorise that tax at such concessionary rate as specified in the certificate be levied and paid upon any interest on an approved foreign loan payable to a foreign lender.

[1/95]

(2) Where a company has contravened section 58 or any conditions imposed by the Minister under section 57 (5), the amount which, but for subsection (1), would have been deductible by the company from the interest paid by it to the foreign lender under section 45 of the Income Tax Act shall be deemed to have been deducted from that interest and shall be a debt due from the company to the Government

and be recoverable in the manner provided by section 89 of the Income Tax Act (Cap. 134).

[1/95]

(3) No action shall be taken by the Comptroller to recover any debt under subsection (2) without the prior sanction of the Minister.

Exemption of additional interest on approved foreign loan from tax

60.—(1) Subject to subsection (3), section 59 shall apply to any additional interest payable on an approved foreign loan by reason of any arrangement whereby the period within which the loan must be repaid in full has been extended.

(2) The rate of interest payable in respect of any such extended period shall not, without the prior sanction of the Minister, be higher than the rate of interest specified in the certificate relating to the approved foreign loan.

(3) Any company making any such arrangement shall give notice thereof in writing to the Minister within 30 days from the date on which the arrangement is made.

PART IX

ROYALTIES, FEES AND DEVELOPMENT CONTRIBUTIONS

Application for and issue of approved royalties, fees or contributions certificate

61.—(1) A company engaged in any industry which is desirous of entering into an agreement or arrangement with a non-resident person whereby royalties or technical assistance fees or contributions to research and development costs are payable to the non-resident person, may apply to the Minister for a certificate certifying those royalties, fees or contributions to be approved royalties, fees or contributions, as the case may be, for the purposes of this Part.

(2) The application shall be in such form containing such particulars as may be prescribed, and shall be accompanied by a copy of the proposed agreement or arrangement certified by the non-resident person.

(3) Where the Minister is satisfied as to the bona fides of any application made under this section and that it is expedient in the public interest to do so, he may issue a certificate in the terms of the application, subject to such conditions as he thinks fit.

Notice of variation of terms of agreement or arrangement

62.—(1) If for any reason any approved royalties, fees or contributions payable by a company cease to become payable before the expiry of the period of agreement or arrangement related thereto, the company shall, within 30 days from the date on which the royalties, fees or contributions cease to become payable, give notice thereof to the Minister.

(2) The company to which a certificate has been issued under section 61 shall not, without the prior sanction of the Minister, amend or otherwise vary the terms of the agreement or arrangement related thereto, except in cases where for the same consideration the amount of the approved royalties, fees or contributions is to be reduced and in that event the company shall notify the Minister accordingly within 30 days from the date on which the amount is reduced.

Relief conditional on no increase in foreign tax

63. (*Repealed by Act 1/95*)

Reduction of tax for approved royalties, fees or contributions

64.—(1) Notwithstanding section 43 (1) (b) of the Income Tax Act (Cap. 134), the Minister may, subject to subsection (2), if he is satisfied that it is expedient in the public interest to do so, by an endorsement to that effect on the approved royalties, fees or contributions certificate, exempt from tax or authorise that tax at such concessionary rate as specified in the certificate be levied and paid upon any approved royalties, fees or contributions received by a non-resident person.

[1/95]

(2) Where a company has contravened section 62 (2) or any condition imposed by the Minister under section 61 (3), the amount of tax which, but for subsection (1), would have been deductible by the company from the royalties, fees or contributions paid by it to the non-resident person under section 45A of the Income Tax Act shall be deemed to have been deducted from the royalties, fees and

contributions and shall be a debt due from the company to the Government and shall, with the prior sanction of the Minister, be recoverable in the manner provided by section 89 of the Income Tax Act (Cap. 134).

[1/95]

Exemption from tax where investment made in approved enterprise

65. Where, in accordance with section 64, the tax payable on any approved royalties, fees or contributions is at a reduced rate, and it is proved to the satisfaction of the Comptroller that the royalties, fees or contributions, either wholly or in part, have been expended in the acquisition of ordinary share capital in the company from which those payments were received, the amount of income equal to that expenditure shall be exempt from tax.

[22/87]

PART X**INVESTMENT ALLOWANCES****Interpretation of this Part**

66.—(1) In this Part, unless the context otherwise requires —

“approved project” means a project approved by the Minister under section 67 (2);

“chargeable concessionary income” means concessionary income after deducting expenses, donations, allowances or losses allowable under the Income Tax Act against the concessionary income;

“chargeable normal income” means normal income after deducting expenses, donations, allowances or losses allowable under the Income Tax Act against the normal income;

“concessionary income” means income subject to tax at the concessionary rate of tax under section 13H, 43A, 43C, 43D, 43E, 43F, 43G, 43H, 43I, 43J, 43K, 43L, 43N, 43O, 43P, 43Q, 43R or 43S of the Income Tax Act, as the case may be;

“concessionary investment allowance” means an investment allowance given to a company for an approved project from which the concessionary income of the company is derived;

“concessionary investment allowance account” means an account kept by a company for the purpose of calculating the amount of concessionary investment allowance granted under this Part;

“construction operations” means —

- (a) construction, alteration, repair, extension or demolition of buildings and structures;
- (b) construction, alteration, repair, extension or demolition of any works forming, or to form, part of any land; or
- (c) any operations which form an integral part of, or are preparatory to, or are for rendering complete the operations described in paragraph (a) or (b) including site clearance, earth-moving excavation, laying of foundations, site restoration, landscaping and the provision of drains and of roadways and other access works;

“fixed capital expenditure” means capital expenditure to be incurred on an approved project by a company on the following items that are used for carrying out the project —

- (a) factory building (excluding land) in Singapore and, in relation to any project under section 67 (1) (b), (c), (d), (f) or (g), includes a building or structure specially designed for carrying out the project;
- (b) the acquisition of any know-how or patent rights; and
- (c) any new productive equipment (and, subject to the approval of the Minister, any secondhand productive equipment) to be used in Singapore and, in relation to any project under section 67 (1) (h), includes any productive equipment to be used outside Singapore as approved under section 67 (3);

“investment day”, in relation to a company, means the date specified in its certificate as the date from which the company shall qualify for the investment allowance;

“normal income” means income subject to tax at the rate of tax under section 43 (1) (a) of the Income Tax Act (Cap. 134);

“normal investment allowance” means an investment allowance given to a company for an approved project from which the normal income of the company is derived;

“normal investment allowance account” means an account kept by a company for the purpose of calculating the amount of normal investment allowance granted under this Part;

“relevant income”, in relation to a company, means any income which —

- (a) does not form part of the statutory income of the company or is exempt from tax under the provisions of this Act (other than this Part) or the Income Tax Act (Cap. 134); or
- (b) is subject to tax at the concessionary rate under Part IIIA in force immediately before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004 or IIIB;

“research and development” has the same meaning as in section 2 (1) of the Income Tax Act;

“space satellite” means an apparatus placed in orbit relative to the earth for any economic, scientific or technological purpose.

[8/79; 29/80; 17/82; 34/84; 22/87; 1/95; 36/96; 4/98; 44/2002; 11/2004; 48/2004]

(2) For the purposes of this Part, fixed capital expenditure shall not be deemed to be incurred by a company unless —

- (a) in the case of any factory building or productive equipment to be constructed or installed on site, the expenditure is attributable to payment against work done in the construction of the building or the construction or installation of the productive equipment;
- (b) in the case of any productive equipment, other than that to which paragraph (a) or (c) applies, the company has received delivery of the equipment in Singapore;
- (c) in the case of any productive equipment to be used in relation to a project under section 67 (1) (h), the company has received delivery of the equipment.

[8/79; 4/98]

Capital expenditure investment allowance

67.—(1) Where a company proposes to carry out a project —

- (a) for the manufacture or increased manufacture of any product;

- (b) for the provision of specialised engineering or technical services;
- (c) for research and development;
- (d) for construction operations;
- (e) for reducing the consumption of water;
- (f) in relation to any qualifying activity as defined in section 16;
- (g) for the promotion of the tourist industry (other than a hotel) in Singapore;
- (h) for the operation of any space satellite,

the company may apply in the prescribed form to the Minister for the approval of an investment allowance in respect of the fixed capital expenditure for the project.

[8/79; 29/80; 17/82; 34/84; 22/87; 36/96; 4/98]

(2) Where the Minister considers it expedient, having regard to the economic, technical and other merits of the project, he may approve the project and issue the company with a certificate which shall qualify the company for an investment allowance as stipulated in the certificate in respect of the fixed capital expenditure for the approved project subject to such terms and conditions as he thinks fit.

[8/79]

(3) For the purposes of subsection (2), the Minister may approve any investment allowance in respect of the fixed capital expenditure to be incurred on any productive equipment to be used outside Singapore for any project under subsection (1) (h).

[4/98]

(4) Every certificate issued under this section shall specify a date as the investment day from which the company shall be entitled to an investment allowance under this Part.

[8/79]

(5) The Minister may, in his discretion, upon the application of a company, amend its certificate by substituting for the investment day specified therein such earlier or later date as he thinks fit and thereupon the provisions of this Part shall have effect as if the date so substituted were the investment day in relation to that certificate.

Investment allowance

68.—(1) The investment allowance granted under section 67 shall be a specified percentage, not exceeding 100% of the amount (which may be subject to a specified maximum) of the fixed capital expenditure

incurred on each item specified by the Minister under subsection (2) on an approved project if the fixed capital expenditure is incurred —

- (a) within such period (referred to in this Act as the qualifying period), not exceeding 5 years, commencing from the investment day as the Minister may determine; and
- (b) in the case of a project under section 67 (1) (g), within such period (hereinafter referred to as the qualifying period), not exceeding 10 years, commencing from the investment day as the Minister may determine.

[8/79; 17/82; 22/87; 36/96]

(2) The Minister —

- (a) shall specify the items of the fixed capital expenditure for the purposes of subsection (1); and
- (b) may specify the maximum amount of the investment allowance granted for the approved project.

(3) Where any question arises as to whether a particular item qualifies as one of the items under subsection (2) (a), it shall be determined by the Minister whose decision shall be final.

(4) In subsection (1), “specified” means specified by the Minister.

Crediting of investment allowance

69.—(1) Where in the basis period for a year of assessment a company has incurred fixed capital expenditure, the company shall be given for that year of assessment an investment allowance in respect of such amount of the fixed capital expenditure as qualifies for the investment allowance under the terms and conditions of its certificate and in accordance with section 68.

(2) Notwithstanding subsection (1), no investment allowance shall be given to a company for an approved project from which relevant income of the company is derived.

[36/96]

(3) Where any investment allowance is given to a company for an approved project from which only normal income of the company is derived, the investment allowance shall be credited to an account to be called a “normal investment allowance account” which shall be kept by the company for the purposes of this Part.

[1/95]

(4) Where any investment allowance is given to a company for an approved project from which only concessionary income of the company is derived, the investment allowance shall be credited to an account to be called a “concessionary investment allowance account” which shall be kept by the company for the purposes of this Part.

[1/95]

(5) Where a company derives both normal income and concessionary income at the same time from an approved project, the investment allowance shall be credited wholly to the normal investment allowance account or wholly to the concessionary investment allowance account as the Minister, or such person as he may appoint, may direct.

[1/95]

(6) Notwithstanding subsections (1) to (5), where a company has incurred, on or after 1st January 1996, fixed capital expenditure for a project approved under section 67 (1) (e), the Minister may, if he is satisfied that it is expedient in the public interest to do so, direct that an investment allowance be given to the company for such expenditure, and such investment allowance shall be credited into a normal investment allowance account.

[36/96]

(7) Notwithstanding section 71, as from the relevant date, where the income of a company which is derived from an approved project is subject to tax as concessionary income instead of as normal income —

- (a) subject to paragraph (d), any balance in the normal investment allowance account at the end of the basis period for the year of assessment before the transitional year shall only be used for deduction against the chargeable normal income of the company for the transitional year;
- (b) where the company has incurred any fixed capital expenditure before the relevant date, any investment allowance given to the company for the fixed capital expenditure shall be credited to the normal investment allowance account;
- (c) where the company has incurred any fixed capital expenditure on or after the relevant date, any investment allowance given to the company for the fixed capital expenditure shall be credited to the concessionary investment allowance account; and
- (d) the normal investment allowance account for the transitional year shall be debited with the amount of chargeable normal

income for the transitional year not exceeding the credit in that account; and any remaining balance in that account for that year shall be debited from that account and credited to the concessionary investment allowance account for use against the chargeable concessionary income of the company for the transitional year and subsequent years of assessment.

[1/95]

(8) Notwithstanding section 71, as from the relevant date, where the income of a company which is derived from an approved project is subject to tax as normal income instead of as concessionary income —

- (a) subject to paragraph (d), any balance in the concessionary investment allowance account at the end of the basis period for the year of assessment before the transitional year shall only be used for deduction against the chargeable concessionary income of the company for the transitional year;
- (b) where the company has incurred any fixed capital expenditure before the relevant date, any investment allowance given to the company for the fixed capital expenditure shall be credited to the concessionary investment allowance account;
- (c) where the company has incurred any fixed capital expenditure on or after the relevant date, any investment allowance given to the company for the fixed capital expenditure shall be credited to the normal investment allowance account; and
- (d) the concessionary investment allowance account for the transitional year shall be debited with the amount of chargeable concessionary income for the transitional year not exceeding the credit in that account; and any remaining balance in that account for that year shall be debited from that account and credited to the normal investment allowance account for use against the chargeable normal income of the company for the transitional year and subsequent years of assessment.

[1/95]

(9) Notwithstanding section 71 (4), where the Comptroller is satisfied that a company has permanently ceased to derive any concessionary income in the basis period for any year of assessment —

- (a) the concessionary investment allowance account shall be debited with the amount of chargeable concessionary income of the company for that year of assessment not exceeding the credit in that account;
- (b) any remaining balance in the concessionary investment allowance account shall be debited from that account; and
- (c) an adjusted amount of any remaining balance referred to in paragraph (b) shall be credited to the normal investment allowance account for use against the chargeable normal income of the company for that year of assessment and subsequent years of assessment, and for this purpose “adjusted amount” means the amount ascertained in accordance with the formula

$$A \times \frac{B}{C}$$

where A is the amount of any remaining balance referred to in paragraph (b);

B is the concessionary rate of tax for that year of assessment at which the concessionary income is subject to tax; and

C is the rate of tax under section 43 (1) (a) of the Income Tax Act (Cap. 134) for that year of assessment.

[1/95]

(10) In this section —

“relevant date” means the date in the basis period relating to any transitional year on which the income of an approved project is subject to tax as concessionary income instead of as normal income, or vice versa;

“transitional year” means any year of assessment relating to the basis period in which the income of an approved project is from the relevant date subject to tax as concessionary income instead of as normal income, or vice versa.

[1/95]

Prohibition to sell, lease out or dispose of assets

70.—(1) During its qualifying period or within 2 years after the end of its qualifying period, a company shall not, without the written

approval of the Minister, sell, lease out or otherwise dispose of any assets in respect of which an investment allowance has been given.

(2) Where during its qualifying period, or within 2 years after the end of its qualifying period, a company has sold, leased out or otherwise disposed of any assets in respect of which an investment allowance has been given, an amount equal to the aggregate of the investment allowance given in respect of that asset shall be recovered in the following manner:

- (a) where the investment allowance given had been credited to the normal investment allowance account —
 - (i) the amount shall be deducted from that account; and
 - (ii) where that account is insufficient to give full effect to the recovery, an assessment or additional assessment in respect of the amount unrecovered shall be made upon the company or any shareholder of the company and the tax exempt account, kept in accordance with section 72, shall be debited accordingly; and
- (b) where the investment allowance given had been credited to the concessionary investment allowance account —
 - (i) the amount shall be deducted from that account; and
 - (ii) where that account is insufficient to give full effect to the recovery, an assessment or additional assessment in respect of the amount unrecovered shall be made upon the company or any shareholder of the company and the tax exempt account, kept in accordance with section 72, shall be debited accordingly.

[1/95; 11/2004; 48/2004]

(3) Notwithstanding subsection (2), the Minister may waive wholly or partly the recovery of the investment allowance.

[1/95]

Exemption from income tax

71.—(1) Subject to subsection (2), where for any year of assessment a normal investment allowance account of a company is in credit and the company has for that year of assessment any chargeable normal income —

- (a) an amount of the chargeable normal income, not exceeding the credit in the normal investment allowance account, shall

be exempt from tax and the normal investment allowance account shall be debited with such amount; and

- (b) any remaining balance in the normal investment allowance account shall be carried forward to be used by the company in the first subsequent year of assessment when the company has chargeable normal income, and so on for subsequent years of assessment until the credit in the normal investment allowance account has been fully used.

[1/95]

(2) Where, for any year of assessment, a company has any chargeable concessionary income and the normal investment allowance account is in credit, the company may elect for any amount of the chargeable concessionary income, not exceeding the credit in the normal investment allowance account, to be exempt from tax and the normal investment allowance account to be debited with such amount.

[1/95]

(3) A company shall make the election under subsection (2) for any year of assessment at the time of lodgment of the return of income for that year of assessment, except that the election for the year of assessment 1994 shall be made before 1st April 1995.

[1/95]

(4) Where, for any year of assessment, a concessionary investment allowance account of a company is in credit and the company has, for that year of assessment any chargeable concessionary income —

- (a) an amount of the chargeable concessionary income, not exceeding the credit in the concessionary investment allowance account, shall be exempt from tax and the concessionary investment allowance account shall be debited with such amount; and
- (b) any remaining balance in the concessionary investment allowance account shall be carried forward to be used by the company in the first subsequent year of assessment when the company has chargeable concessionary income, and so on for subsequent years of assessment until the credit in the concessionary investment allowance account has been fully used.

[1/95]

(5) Any amount of chargeable normal income of a company debited from the normal investment allowance account under section 69 (7) (d) or any amount of chargeable concessionary income of a company

debited from the concessionary investment allowance account under section 69 (8) (d) or (9) (a) shall be exempt from tax.

[1/95]

Certain dividends exempted from income tax

72.—(1) As soon as any amount of chargeable income of a company which has been granted an investment allowance has become exempt under section 71, that amount shall be credited to a tax exempt account to be kept by the company for the purposes of this Part.

[48/2004]

(2) Where a tax exempt account is in credit at the date on which any dividends are paid by a company, out of income which has been so exempted, an amount equal to those dividends or to that credit, whichever is the less, shall be debited to the account.

[48/2004]

(3) So much of the amount of any dividends so debited to the tax exempt account as is received by a shareholder of the company shall, if the Comptroller is satisfied with the entries in the account, be exempt from tax in the hands of the shareholder.

[48/2004]

(4) Notwithstanding subsections (3) and (7), no dividends paid on any share of a preferential nature shall be exempt from tax under this section in the hands of the shareholder.

[48/2004]

(5) Any dividends debited to the tax exempt account shall be treated as having been distributed to the shareholders of the company or any particular class of the shareholders in accordance with the proportion of their shareholdings in the company.

[48/2004]

(6) The company shall deliver to the Comptroller a copy of the account, made up to a date specified by him, whenever called upon to do so by notice in writing sent by him to its registered office, until such time as he is satisfied that there is no further need for maintaining the account.

[48/2004]

(7) Where an amount has been received by way of dividend from a company by a shareholder and the amount is exempt from tax under this Part, if that shareholder is a company, any dividends paid by that company to its shareholders, to the extent that the Comptroller is satisfied that those dividends are paid out of that amount, shall be exempt from tax in the hands of those shareholders.

[48/2004]

Recovery of tax exempted

73. Notwithstanding any other provisions of this Part, where it appears to the Comptroller that —

(a) any amount of exempted income of a company; or

(b) any dividend exempted in the hands of any shareholder, ought not to have been exempted by reason of the revocation under section 99 of the certificate issued under section 67 to the company, the Comptroller may subject to section 74 of the Income Tax Act (Cap. 134) —

(i) make such assessment or additional assessment upon the company or any such shareholder as may appear to be necessary in order to recover such tax as may have been exempted under this Part; or

(ii) direct the company to debit its tax exempt account with such amount as the circumstances require.

[1/95]

Application of Parts XVII and XVIII of Income Tax Act

74.—(1) Parts XVII and XVIII of the Income Tax Act (relating to assessments, objections and appeals) shall apply, with the necessary modifications, to any direction given under section 73 as if it were a notice of assessment given under those provisions.

(2) Section 44 of the Income Tax Act shall not apply in respect of any dividend or part thereof which is exempted from tax under this Part.

PART XI**WAREHOUSING AND
SERVICING INCENTIVES**

75. to 84. (*Repealed by Act 11/2004*)

PART XII**INTERNATIONAL CONSULTANCY SERVICES**

85. to 92. (*Repealed by Act 11/2004*)

PART XIII**INVESTMENTS IN
NEW TECHNOLOGY COMPANIES**

93. to 97. (*Repealed by Act 11/2004*)

PART XIII A**OVERSEAS INVESTMENT AND
VENTURE CAPITAL INCENTIVES**

97A. to 97G. (*Repealed by Act 11/2004*)

PART XIII B**OVERSEAS ENTERPRISE INCENTIVE****Interpretation of this Part**

97H. In this Part, unless the context otherwise requires —

“qualifying activity” means any of the following activities in an overseas project:

- (a) manufacturing activities or services;
- (b) infrastructure development and management;
- (c) tourism development and management;
- (d) services referred to in paragraphs (a) to (f) of the definition of “qualifying services” in section 44A; and
- (e) any other activities or services as may be prescribed;

“qualifying income” means —

- (a) dividends received from any qualifying investment, specified in the certificate issued under section 97I (2), in any overseas company to the extent that the Comptroller is satisfied that such dividends are paid out of income of the overseas company derived from any qualifying activity; and
- (b) income derived from Singapore or received in Singapore from outside Singapore from any qualifying activity;

“overseas enterprise” means a company approved as an overseas enterprise under section 97I (2) and in respect of which not less than 50% of the paid-up capital is beneficially owned by citizens or permanent residents of Singapore throughout the period during which it —

- (a) holds shares in an overseas company in the case of dividends received from qualifying investment in that overseas company; or
 - (b) carries out any qualifying activity in the case of income derived from that qualifying activity,
- unless the Minister otherwise decides.

[36/93]

Application for and issue of certificate to overseas enterprise

97I.—(1) Any company, incorporated and resident in Singapore, which is desirous of expanding its business by investing in an overseas company or carrying out any qualifying activity may make an application to the Minister to be approved as an overseas enterprise in such form and with such particulars as may be prescribed.

[36/93]

(2) Where the Minister is satisfied in respect of any application under subsection (1) that the investment in the overseas company or qualifying activity would promote or enhance the economic or technological development of Singapore, he may approve the company as an overseas enterprise and issue a certificate to the company subject to such conditions as he may impose.

[36/93]

(3) Every certificate issued to an overseas enterprise under this section shall specify —

- (a) a date as the commencement day from which the company shall be entitled to tax relief under this Part; and
- (b) the qualifying investment in an overseas company or qualifying activity.

[36/93]

(4) The Minister may, in his discretion, upon the application of an overseas enterprise, amend its certificate by substituting for the commencement day specified therein such earlier or later date as he thinks fit and thereupon the provisions of this Part shall have effect as if the date so substituted were the commencement day in relation to that certificate.

[36/93]

Tax relief period of overseas enterprise

97J. The tax relief period of an overseas enterprise shall commence on its commencement day and shall continue for such period or periods, not exceeding 10 years in the aggregate, as the Minister may determine.

[36/93]

Separate accounts for qualifying activity

97K. An overseas enterprise shall maintain separate accounts in respect of each qualifying activity.

[36/93]

Power to give directions

97L. For the purposes of the Income Tax Act (Cap. 134) and this Act, the Comptroller may direct that —

- (a) any sums payable to an overseas enterprise in any accounting period which, but for the provisions of this Act, might reasonably and properly have been expected to be payable in the normal course of business, after the end of that period shall be treated as not having been payable in that period but as having been payable —
 - (i) on such date, after that period, as the Comptroller thinks fit; and
 - (ii) where the date determined under paragraph (i) is after the end of the tax relief period of the overseas enterprise as having been so payable, on the date immediately after the end of its tax relief period, as a sum payable in respect of its trade or business; and
- (b) any expense incurred by an overseas enterprise within one year after the end of its tax relief period which, but for the provisions of this Act, might reasonably and properly have been expected to be incurred, in the normal course of business, during its tax relief period shall be treated as not having been incurred within that year but as having been incurred for the purpose of its trade or business and on such date, during its tax relief period, as the Comptroller thinks fit.

[36/93]

Qualifying income

97M. The qualifying income of an overseas enterprise for any accounting period during its tax relief period shall be ascertained in accordance with the provisions of the Income Tax Act (Cap. 134) after making such adjustments as may be necessary in consequence of a direction given under section 97L and, in particular, the following provisions shall apply:

- (a) income other than the qualifying income shall be excluded and separately assessed;
- (b) there shall be deducted in arriving at the qualifying income —
 - (i) all direct costs and expenses incurred in respect of that qualifying income;
 - (ii) all indirect expenses which are reasonably and properly attributable to that qualifying income; and
 - (iii) donations allowable under the Income Tax Act which the Comptroller may allocate as he thinks fit;
- (c) the allowances provided for in sections 16 to 22 (where applicable) of the Income Tax Act attributable to the qualifying income during the tax relief period shall be taken into account notwithstanding that no claim for those allowances has been made;
- (d) where in any year of assessment full effect cannot, by reason of an insufficiency of qualifying income for that year of assessment, be given to those allowances, the balance of the allowances shall be added to, and be deemed to form part of, the corresponding allowances, if any, for the next succeeding year of assessment, and, if no such corresponding allowances fall to be made for that year, shall be deemed to constitute the corresponding allowances for that year, and so on for subsequent years of assessment, and shall, during the tax relief period, only be made against the qualifying income and the balance of such allowances shall not be available as a deduction against any other income or be available for transfer under section 37C of the Income Tax Act (Cap. 134);
- (e) for the purposes of paragraphs (b) (ii) and (c), the amounts attributable to the qualifying income shall be determined on such basis as the Comptroller thinks reasonable and proper;

- (f) where the overseas enterprise has, during its tax relief period, incurred a loss or has unabsorbed donation for any year in respect of its qualifying activity, that loss or donation shall during the tax relief period, subject to section 37 of the Income Tax Act, only be deducted against the qualifying income and the balance of such loss or donation shall not be available as a deduction against any other income or be available for transfer under section 37C of that Act;
- (g) for the purposes of paragraphs (b), (c) and (f), expenses, donations, allowances and losses attributable to any qualifying income derived from outside Singapore shall only be deducted against such income and the balance of such expenses, donations, allowances and losses shall not be available as a deduction against any other income or be available for transfer under section 37C of the Income Tax Act; and
- (h) subject to sections 23 and 37 of the Income Tax Act, any allowances, losses and donations attributable to any qualifying income derived from Singapore which remain unabsorbed at the end of its tax relief period shall be available for deduction in its post tax relief period.

[36/93; 44/2002]

Application of Part XVI of Income Tax Act

97N. Part XVI of the Income Tax Act (relating to returns of income) shall apply in all respects as if the qualifying income of an overseas enterprise were chargeable to tax.

[36/93]

Statement of qualifying income

97O. For each year of assessment, the Comptroller shall issue to the overseas enterprise a statement showing the amount of qualifying income for that year of assessment, and Parts XVII and XVIII of the Income Tax Act (Cap. 134) (relating to assessments, objections and appeals) shall apply, with the necessary modifications, as if that statement were a notice of assessment given under those provisions.

[36/93]

Exemption from income tax

97P.—(1) Subject to section 97Q (8) where any statement issued under section 97O has become final and conclusive, the amount of the

qualifying income shown by the statement shall not form part of the statutory income of the overseas enterprise for any year of assessment and shall be exempt from tax.

[36/93]

(2) The Comptroller may, in his discretion and before such a statement has become final and conclusive, declare that a specified part of the amount of such income is not in dispute and such an undisputed amount of income is exempt from tax, pending such a statement becoming final and conclusive.

[36/93]

Certain dividends exempted from income tax

97Q.—(1) As soon as any amount of qualifying income has become exempt from tax under section 97P, that amount shall be credited to an account to be kept by the overseas enterprise for the purposes of this section.

[36/93]

(2) Where that account is in credit at the date on which any dividends are paid by the overseas enterprise out of income which has been exempted, an amount equal to those dividends or to that credit, whichever is the less, shall be debited to the account.

[36/93]

(3) So much of the amount of any dividends so debited to that account as is received by a shareholder of the overseas enterprise shall, if the Comptroller is satisfied with the entries in the account, be exempt from tax in the hands of the shareholder.

[36/93]

(4) Where an amount has been received by way of dividends from a company by a shareholder and the amount is exempt from tax under this Part, if that shareholder is a company, any dividends paid by that company to its shareholders, to the extent that the Comptroller is satisfied that those dividends are paid out of that amount, shall be exempt from tax in the hands of those shareholders; and section 44 of the Income Tax Act (Cap. 134) shall not apply to any such dividends or part thereof.

[44/2002]

(5) Notwithstanding subsections (3) and (4), no dividend paid on any share of a preferential nature shall be exempt from tax under this section in the hands of the shareholder.

[11/2004]

(6) Any dividends debited to the account shall be treated as having been distributed to the shareholders of the overseas enterprise or any

particular class of the shareholders in accordance with the proportion of their shareholdings in the overseas enterprise.

[44/2002]

(7) The overseas enterprise or any company to which this section applies shall deliver to the Comptroller a statement of the account made up to any date specified by him, if the Comptroller so requires by written notice.

[44/2002]

(8) Notwithstanding section 97P and subsections (1) to (7), where it appears to the Comptroller that —

(a) any amount of exempted income of an overseas enterprise;
or

(b) any dividend exempted in the hands of any shareholder, ought not to have been exempted by reason of a direction under section 97L, having been made with respect to the overseas enterprise, after any income of that enterprise has been exempted under the provisions of this Act or the revocation under section 99 of a certificate issued to the overseas enterprise, the Comptroller may, subject to section 74 of the Income Tax Act —

(i) make such assessment or additional assessment upon the overseas enterprise or any such shareholders as may appear to be necessary in order to counteract any profit or income obtained from any such amount which ought not to have been exempted; or

(ii) direct the overseas enterprise or any such shareholders to debit its account with such amount as the circumstances require.

[36/93; 1/95; 4/98; 44/2002]

(9) Parts XVII and XVIII of the Income Tax Act (Cap. 134) (relating to assessments, objections and appeals) shall apply, with the necessary modifications, to any direction given under subsection (8) as if it were a notice of assessment given under those provisions.

[36/93]

(10) Section 44 of the Income Tax Act shall not apply to any dividends or part thereof which are exempt from tax under this section.

[4/98]

Certification of income by auditor

97R. The Comptroller may require an auditor to certify the income derived by an overseas enterprise from its qualifying activity, any direct

costs and expenses incurred therefor and any dividends from qualifying investment in an overseas company to have been paid out of income from its qualifying activity for the purposes of section 97P.

[36/93]

PART XIIC

ENTERPRISE INVESTMENT INCENTIVE

Interpretation of this Part

97S. In this Part, unless the context otherwise requires —

“eligible investor”, in relation to a start-up company, means a person who holds such qualifying shares in the company as specified in a letter issued by the company to the person under section 97U (2);

“start-up company” means a company approved as a start-up company under section 97T (2).

[44/2002; 48/2004]

Application for and issue of certificate to start-up company

97T.—(1) Any company which —

- (a) is incorporated in Singapore and not listed on the Singapore Exchange or elsewhere;
- (b) has a paid-up capital of not less than \$10,000; and
- (c) is solely or primarily engaged in Singapore in innovative and high growth activities with substantial developmental contents in relation to any product, process or service,

may make an application to the Minister to be approved as a start-up company.

[44/2002; 48/2004]

(2) Where the Minister is satisfied that the activities of the company are in an area of high growth potential and, if introduced in Singapore, would promote or enhance the economic or technological development of Singapore, the Minister may approve the company as a start-up company for a period not exceeding 5 years and issue a certificate to the company subject to such conditions as he may impose.

[44/2002; 48/2004]

(3) No approval under subsection (2) shall be given on or after 1st September 2009.

[44/2002]

Allotment of qualifying shares by company

97U.—(1) A start-up company may, on or after 27th February 2004, allot to any person shares of the company as qualifying shares if the following conditions are satisfied:

- (a) the shares are not shares of a preferential nature;
- (b) the purchase price of the shares allotted to the person at any one time is not less than \$1,000;
- (c) the shares are not shares allotted to or acquired by the person under a share option or share award scheme;
- (d) the shares are not acquired by the person through a conversion of any loan or debt securities;
- (e) the shares are paid in cash by the person; and
- (f) at the time the shares are allotted to the person, the total amount paid to the company for all qualifying shares by eligible investors (including the amount paid for those shares by that person) has not in the aggregate exceeded \$3 million.

[44/2002; 48/2004]

(2) Where a start-up company has allotted any qualifying shares under subsection (1) to any person, the company shall issue to the person a letter for the purposes of this Part.

[44/2002; 48/2004]

(3) Every letter issued by a start-up company to any person under subsection (2) shall specify —

- (a) the date on which the qualifying shares are allotted to the person; and
- (b) the number of qualifying shares allotted to the person and the purchase price of such shares.

[44/2002; 48/2004]

(4) A start-up company shall keep and maintain records of the persons to whom letters under subsection (2) are issued and such other particulars as may be required by the Minister for the purposes of this section.

[44/2002; 48/2004]

(5) Any letter issued under subsection (2) shall not be transferable.

[44/2002]

(6) Where a start-up company is listed at any time whether or not during or after the period referred to in section 97T (2) on the Singapore Exchange or elsewhere or where the certificate issued under section 97T (2) to a start-up company is revoked under

section 99, any qualifying shares allotted by the company to any person shall, as from the date of such listing or revocation, as the case may be, be deemed not to be qualifying shares and the person shall be deemed not to be an eligible investor.

[44/2002; 48/2004]

Deduction of losses allowable to eligible investor

97V.—(1) Subject to this section, where, in any basis period for any year of assessment, any eligible investor has incurred any loss arising from —

(a) the sale of qualifying shares held by him in a start-up company; or

(b) the liquidation of the start-up company,

the loss shall be allowed as a deduction against the statutory income of the eligible investor for that year of assessment in accordance with section 37 of the Income Tax Act (Cap. 134) as if the loss were incurred from a trade or business carried on by the eligible investor.

[44/2002; 48/2004]

(2) For the purposes of this section —

(a) any gain made or loss incurred on the sale of any qualifying share which occurred during the period of less than one year from the date of allotment to the eligible investor of such share shall be disregarded;

(b) any gain made or loss incurred on the sale of any qualifying share, or from the liquidation of the start-up company which occurred after 6 years from the date of allotment of such share to the eligible investor shall be disregarded;

(c) no deduction under this section shall be allowed for any year of assessment unless —

(i) the total losses in respect of the sale of any qualifying share, or from the liquidation of the start-up company up to the end of the basis period for that year of assessment exceed the total gains made in respect of the sale of any qualifying share, or from the liquidation of the start-up company up to the end of that basis period; and

(ii) the Comptroller is satisfied that the loss was not incurred for the purpose of obtaining a tax advantage;

- (d) the amount of deduction under this section shall not exceed the excess of the total losses over the total gains referred to in paragraph (c) (i); and
- (e) in computing the gain or loss from the sale of any qualifying share by an eligible investor, the shares allotted to him on an earlier date shall be deemed to have been sold first.

[44/2002; 48/2004]

(3) Where in the basis period for any year of assessment an eligible investor makes a gain from the sale of any qualifying share, or from the liquidation of a start-up company and where any loss from the sale of any qualifying share of that start-up company has been allowed as a deduction to the eligible investor under this section for any previous year of assessment, such gain shall, so far as it is not chargeable to tax as a revenue or trading receipt, be deemed to be income of the eligible investor chargeable to tax for that year of assessment, subject to the following provisions:

- (a) no gain shall be so deemed to be income unless the total amount of the losses allowed for the previous years of assessment exceed the total amount of the gains deemed to be income for previous years of assessment;
- (b) the amount of the gain chargeable to tax shall not exceed the excess of the total amount of the losses allowed for previous years of assessment over the total amount of the gains deemed to be income for previous years of assessment; and
- (c) the losses and gains referred to in subsection (2) (a) and (b) shall be disregarded.

[44/2002; 48/2004]

(4) Where in the basis period for any year of assessment an eligible investor incurs a loss from the sale of any qualifying share or from the liquidation of a start-up company and where any gain made from the sale of any qualifying shares of that start-up company, so far as it is not chargeable to tax as a revenue or trading receipt, has not been deemed to be income of the eligible investor chargeable to tax under this section for any previous year of assessment, such loss shall be allowed as a deduction against the statutory income of the eligible investor for that year of assessment under this section subject to the following provisions:

- (a) the amount of deduction shall not exceed the excess of the loss over the total amount of gains not deemed to be income for previous years of assessment;
- (b) the total amount of gains not deemed to be income for previous years of assessment shall be reduced by the excess of loss for that basis period over the deduction referred to in paragraph (a); and
- (c) the losses and gains referred to in subsection (2) (a) and (b) shall be disregarded.

[44/2002; 48/2004]

(5) For the purposes of this section, the loss shall be the excess of the purchase price of the qualifying shares —

- (a) over the proceeds from the sale; and where the value of net asset backing of the start-up company as determined by the Comptroller at the date of sale of such shares is greater than the sale proceeds, that value shall be deemed to be the proceeds from the sale; or
- (b) over the proceeds from the liquidation of the start-up company,

as the case may be.

[44/2002; 48/2004]

(6) For the purposes of this section, the gain shall be the excess of —

- (a) the proceeds from the sale; and where the value of net asset backing of the start-up company as determined by the Comptroller at the date of sale of such shares is greater than the sale proceeds, that value shall be deemed to be the proceeds from the sale; or
- (b) the proceeds from the liquidation of the start-up company,

as the case may be, over the purchase price of the shares.

[44/2002; 48/2004]

(7) Section 37B of the Income Tax Act (Cap. 134) shall not apply to any loss allowed under subsection (1).

[44/2002; 48/2004]

Power of Comptroller to give directions

97W. For the purposes of the Income Tax Act and this Act, the Comptroller may direct that —

- (a) any loss incurred in respect of the sale of any qualifying share by an eligible investor on any day during the period from the first day of the second year to the last day of the sixth year (both dates inclusive) from the date of allotment of such share, which, but for the provisions of this Act, might reasonably and properly have been expected to be incurred in the normal course of business before or after that period, shall be treated as not having been incurred on that day but as having been incurred on such day before or after that period as the Comptroller thinks fit; and
- (b) any gain made in respect of the sale of any qualifying share by an eligible investor before the second year or after the sixth year from the date of allotment of such share, which, but for the provisions of this Act, might reasonably and properly have been expected to be made in the normal course of business on any day during the period from the first day of the second year to last day of the sixth year (both dates inclusive) from the date of allotment of such share, shall be treated as not having been made on that day but as having been made on such day during that period as the Comptroller thinks fit.

[44/2002]

Prohibition of other activity

97X. A start-up company shall not, without the written approval of the Minister, carry out any activity other than the activity to which its certificate relates.

[44/2002; 48/2004]

Recovery of tax

97Y. Notwithstanding anything in this Part, where it appears to the Comptroller that any deduction under section 97V ought not to have been given to an eligible investor by reason of a direction made under section 97W or the revocation under section 99 of the certificate issued under section 97T (2) to a start-up company or the loss was incurred for the purpose of obtaining a tax advantage, the Comptroller may, subject to section 74 of the Income Tax Act (Cap. 134), make such assessment or additional assessment upon the eligible investor as may be necessary in order to recover any tax which should have been payable by the eligible investor.

[44/2002; 48/2004]

Savings provision

97Z.—(1) Notwithstanding the amendment of sections 97S to 97V, 97X and 97Y by the Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2) Act 2004, sections 97S to 97V, 97X and 97Y in force immediately before 27th February 2004 shall continue to apply and have effect to any technopreneur start-up company approved before that date.

[48/2004]

(2) In this section, “technopreneur start-up company” means a company approved as a technopreneur start-up company under section 97T (2) in force immediately before the date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2) Act 2004.

[48/2004]

PART XIIIID**INTEGRATED INDUSTRIAL
CAPITAL ALLOWANCES****Interpretation of this Part**

97ZA. In this Part, unless the context otherwise requires —

“approved project” means a project approved by the Minister under section 97ZB (2);

“commencement day”, in relation to a company, means the date specified in the approval letter issued to the company under section 97ZB (2) as the date from which it shall qualify for the integrated industrial capital allowance;

“fixed capital expenditure” means capital expenditure (including capital expenditure on alteration to any building incidental to the installation of any productive equipment) to be incurred by a company on or after 1st March 2003 on —

(a) any new productive equipment; and

(b) subject to the approval of the Minister, any secondhand productive equipment (but does not include equipment sold and repurchased by the company),

to be provided to and used by an overseas subsidiary of the company for an approved project;

“overseas subsidiary” means a company —

- (a) which is incorporated outside Singapore;
- (b) whose principal activity is solely or primarily to carry out any approved project outside Singapore; and
- (c) in respect of which all (or such other percentage as the Minister may determine) of its paid-up capital is beneficially owned throughout the qualifying period by a company qualifying for the integrated industrial capital allowance under section 97ZB in respect of the approved project.

[11/2004]

Integrated industrial capital allowance

97ZB.—(1) Where a company incorporated and resident in Singapore proposes to carry out a project through any overseas subsidiary —

- (a) for the manufacture or increased manufacture of any product; or
- (b) for the provision of specialised engineering or technical services,

the company may apply in the prescribed form to the Minister for the approval of an integrated industrial capital allowance in respect of the fixed capital expenditure for the project.

[11/2004]

(2) Where the Minister considers it expedient, having regard to the economic, technical and other merits of the project, he may approve the project and issue a letter to the company which shall qualify the company for an integrated industrial capital allowance in respect of the fixed capital expenditure for the approved project subject to such terms and conditions as the Minister thinks fit.

[11/2004]

(3) Every letter issued to a company under subsection (2) shall specify —

- (a) a period not exceeding 5 years (referred to in this Part as the qualifying period) commencing from the commencement day; and
- (b) the items of the fixed capital expenditure to be incurred by the company for the purpose of subsection (1).

[11/2004]

(4) Where any question arises as to whether a particular item qualifies as one of the items under subsection (3) (b), it shall be determined by the Minister whose decision shall be final.

[11/2004]

(5) No approval under this section shall be granted to any company on or after 1st March 2013.

[11/2004]

Deduction of integrated industrial capital allowance

97ZC.—(1) Subject to this section, where in the basis period for any year of assessment a company incurs fixed capital expenditure within the qualifying period which qualifies for the integrated industrial capital allowance under section 97ZB, sections 19 and 19A of the Income Tax Act (Cap. 134) shall apply, with the necessary modifications, as if the fixed capital expenditure is incurred in the provision and use of machinery or plant for the purposes of a trade, profession or business carried on by the company.

[11/2004]

(2) Notwithstanding subsection (1), no integrated industrial capital allowance shall be made to any company for an approved project unless the claim for the integrated industrial capital allowance in respect of any fixed capital expenditure incurred within the qualifying period is made by the company by the year of assessment relating to the basis period during which the qualifying period ends.

[11/2004]

(3) For any year of assessment, the integrated industrial capital allowance referred to in subsection (1) shall be made to a company as a deduction only against the following income (and not against any other income) of the company in the following order:

- (a) firstly, against the income derived from the carrying on of an approved project subject to tax as concessionary income;
- (b) secondly, against the income derived from the carrying on of an approved project subject to tax as normal income; and
- (c) lastly, against the income received in Singapore from the provision of the productive equipment to the overseas subsidiary.

[11/2004]

(4) Sections 22A and 23 of the Income Tax Act (Cap. 134) shall apply, with the necessary modifications, in relation to the set-off order and carry forward of the integrated industrial capital allowances.

[11/2004]

(5) Notwithstanding subsection (3), where a company ceases permanently to carry on an approved project through the overseas subsidiary in the basis period for any year of assessment, any balance of the integrated industrial capital allowance remaining unabsorbed shall be available as a deduction against any other income of the company for the year of assessment which relates to the basis period in which the project permanently ceases and any subsequent year of assessment in accordance with section 23 of the Income Tax Act, with the necessary modifications.

[11/2004]

(6) Where a company sells or disposes of any productive equipment after the qualifying period in respect of which any integrated industrial capital allowance has been made under subsection (1), there shall be made on the company for the year of assessment relating to the basis period in which the sale or disposal occurs, a balancing allowance or a balancing charge determined in accordance with section 20 or 21 of the Income Tax Act, with the necessary modifications.

[11/2004]

(7) Section 37B of the Income Tax Act shall apply, with the necessary modifications, in relation to the deduction of the integrated industrial capital allowance against the income of a company for any year of assessment which is subject to tax as concessionary income and normal income.

[11/2004]

(8) Any balance of the integrated industrial capital allowance remaining unabsorbed for any year of assessment shall not be available for transfer by the company under section 37C of the Income Tax Act (Cap. 134).

[11/2004]

(9) In this section —

“concessionary income” means income subject to tax at the concessionary rate under Part IIIB;

“normal income” means income subject to tax at the rate of tax under section 43 (1) (a) of the Income Tax Act.

[11/2004]

Prohibition to sell, lease out or dispose of productive equipment

97ZD.—(1) During its qualifying period, a company shall not, without the written approval of the Minister, sell, lease out (except to the overseas subsidiary) or otherwise dispose of any productive

equipment in respect of which an integrated industrial capital allowance has been made to the company.

[11/2004]

(2) Where, during its qualifying period, a company has, without the written approval of the Minister, sold, leased out (except to the overseas subsidiary) or otherwise disposed of any productive equipment in respect of which an integrated industrial capital allowance has been made, the company shall be deemed to have derived an amount of income for that year of assessment equal to the deduction which has been made under section 97ZC as if the integrated industrial capital allowance were not made.

[11/2004]

(3) The Minister may waive, wholly or partly, the recovery of the integrated industrial capital allowance under subsection (2).

[11/2004]

(4) Where the Minister waives, wholly or partly, the recovery of the integrated industrial capital allowance under subsection (3), section 97ZC (6) shall apply in respect of the sale or disposal of the productive equipment made by the company during the qualifying period.

[11/2004]

Recovery of tax

97ZE. Notwithstanding anything in this Part, where it appears to the Comptroller that any deduction under section 97ZC ought not to have been made to a company by reason of the revocation under section 99 of a letter issued under section 97ZB to the company, the Comptroller may, subject to section 74 of the Income Tax Act (Cap. 134), make such assessment or additional assessment upon the company as may be necessary in order to recover any tax which should have been payable by the company.

[11/2004]

PART XIIIIE

RESEARCH AND DEVELOPMENT AND INTELLECTUAL PROPERTY MANAGEMENT HUB

Interpretation of this Part

97ZF.—In this Part, unless the context otherwise requires —

“approval year”, in relation to an approved company, means the basis period in which the Minister approves the company for the tax exemption on its remitted income under this Part;

“approved company” means a company approved under section 97ZG (2);

“relevant foreign income”, in relation to an approved company, means any royalty or interest derived by the company from any territory outside Singapore where the payment of the royalty or interest is not borne by, directly or indirectly, or deductible against any income of, a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore);

“remitted income” means the total amount of relevant foreign income received in Singapore in any basis period by an approved company;

“research and development” has the same meaning as in section 2 (1) of the Income Tax Act;

“year of receipt” means the basis period in which any remitted income is received by an approved company.

[11/2004]

Application for and issue of letter of approval

97ZG.—(1) Any company which is desirous of undertaking any research and development project in Singapore or elsewhere may apply in the prescribed form to the Minister to be approved for the tax exemption under this Part on any remitted income during its tax relief period.

[11/2004]

(2) Where the Minister considers it expedient, having regard to the economic, technical and other merits of the research and development project, he may approve the company for the tax exemption under this Part and issue a letter of approval to the company subject to the following conditions:

- (a) the whole amount of any remitted income is used by the company by the end of the 5th basis period commencing from the year of receipt of the remitted income on any

- research and development project undertaken by it in Singapore or elsewhere;
- (b) at least 20% of any remitted income is used by the company by the end of the 5th basis period commencing from the year of receipt of the remitted income on any research and development project undertaken by it in Singapore;
 - (c) any research and development project undertaken by the company in Singapore on which any remitted income is used is not an approved research and development project under section 14E of the Income Tax Act (Cap. 134);
 - (d) any intellectual property right resulting from any research and development project undertaken by the company on which any remitted income is used is owned and commercialised by the company; and
 - (e) such other conditions as the Minister may impose.

(3) No approval under subsection (2) shall be given after 31st May 2008.

[11/2004]

Exemption from income tax

97ZH.—(1) Where any remitted income is received by an approved company during its tax relief period, the remitted income shall be exempt from tax.

[11/2004]

- (2) The tax relief period of an approved company shall be —
- (a) where the company receives any remitted income in the approval year, 5 consecutive basis periods commencing from the approval year; or
 - (b) where the company does not receive any remitted income in the approval year, 5 consecutive basis periods commencing from the basis period immediately after the approval year.

[11/2004]

Certain dividends exempted from income tax

97ZI.—(1) Where any remitted income of an approved company which is resident in Singapore is exempt from tax under section 97ZH, an amount equal to that amount of remitted income shall be credited

to a tax exempt account (referred to in this section as the account) to be kept by the company for the purpose of this section.

[11/2004]

(2) Where the account is in credit at the date on which any dividends are paid by an approved company out of income which has been so exempted, an amount equal to those dividends or to that credit, whichever is the less, shall be debited to the account.

[11/2004]

(3) So much of the amount of any dividends so debited to the account as is received by a shareholder of an approved company shall, if the Comptroller is satisfied with the entries in the account, be exempt from tax in the hands of the shareholder.

[11/2004]

(4) Any dividends debited to the account shall be treated as having been distributed to the shareholders of the approved company or any particular class of the shareholders in accordance with the proportion of their shareholdings in the company.

[11/2004]

(5) Section 44 of the Income Tax Act (Cap. 134) shall not apply to any dividends or part thereof which are exempt from tax under this section.

[11/2004]

(6) Where an amount has been received by way of dividends from a company by a shareholder and the amount is exempt from tax under this section, if that shareholder is a company, any dividends paid by that company to its shareholders, to the extent that the Comptroller is satisfied that those dividends are paid out of that amount, shall be exempt from tax in the hands of those shareholders, and section 44 of the Income Tax Act (Cap. 134) shall not apply to any such dividend or part thereof.

[11/2004]

(7) Notwithstanding subsections (3) and (6), no dividend paid on any share of a preferential nature shall be exempt from tax under this section in the hands of the shareholder.

[11/2004]

(8) An approved company shall deliver to the Comptroller a copy of the account, made up to any date specified by him, whenever called upon to do so by the Comptroller by notice in writing.

[11/2004]

(9) Notwithstanding anything in this Part, where it appears to the Comptroller that —

- (a) any amount of remitted income of an approved company exempted from tax; or
- (b) any dividend exempted from tax in the hands of any shareholder,

ought not to have been so exempted by reason of the revocation under section 99 of a letter of approval issued under section 97ZG to the company, the Comptroller may, subject to section 74 of the Income Tax Act —

- (i) direct the company to debit the account with such amount as the circumstances require; or
- (ii) make such assessment or additional assessment upon the company or any such shareholder as may be necessary in order to make good any loss of tax.

[11/2004]

(10) Parts XVII and XVIII of the Income Tax Act (relating to assessment, objections and appeals) shall apply, with the necessary modifications, to any direction given under subsection (9) as if it were a notice of assessment given under those provisions.

[11/2004]

Recovery of tax for breach of condition

97ZJ.—(1) If an approved company fails to comply with the condition in paragraph (a) of section 97ZG (2) in respect of any remitted income, there shall be deemed to be income of the company chargeable with tax under the Income Tax Act, for the year of assessment relating to the 5th basis period commencing from the year of receipt of the remitted income, an amount ascertained in accordance with the formula

$$(A - B) \times \frac{C}{D}$$

where A is the whole amount of the remitted income;

B is the amount of the remitted income used by the end of the 5th basis period commencing from the year of receipt of the remitted income by the company on any research and development project undertaken by it;

C is the rate of tax under section 43 (1) (a) of the Income Tax Act (Cap. 134) for the year of assessment relating to the year of receipt of the remitted income; and

D is the rate of tax under section 43 (1) (a) of the Income Tax Act for the year of assessment relating to the 5th basis period commencing from the year of receipt of the remitted income.

[11/2004]

(2) If an approved company fails to comply with the condition in paragraph (b) of section 97ZG (2) in respect of any remitted income, there shall be deemed to be income of the company chargeable with tax under the Income Tax Act, for the year of assessment relating to the 5th basis period commencing from the year of receipt of the remitted income, an amount ascertained in accordance with the formula

$$(A - E) \times \frac{C}{D}$$

where A, C and D have the same meanings as in subsection (1); and

E is 5 times the amount of the remitted income used by the end of the 5th basis period commencing from the year of receipt of the remitted income by the company on any research and development project undertaken by it in Singapore.

[11/2004]

(3) If an approved company fails to comply with the conditions in paragraphs (a) and (b) of section 97ZG (2) in respect of any remitted income, there shall be deemed to be income of the company chargeable with tax under the Income Tax Act, for the year of assessment relating to the 5th basis period commencing from the year of receipt of the remitted income, an amount equal to the higher of the amounts determined under subsections (1) and (2).

[11/2004]

(4) If an approved company fails to comply with —

(a) the condition in paragraph (c) or (d) of section 97ZG (2) only; or

(b) the conditions in paragraphs (c) and (d) of section 97ZG (2) only,

in respect of one or more research and development projects undertaken by it, there shall be deemed to be income of the company chargeable with tax under the Income Tax Act (Cap. 134), for the year of assessment relating to the 5th basis period commencing from the year of receipt of any remitted income which has been used by

the company on each of such projects, an amount ascertained in accordance with the formula

$$(F_1 + F_2 + F_3 + F_4 + F_5) \times \frac{C}{D}$$

where F_1 , F_2 , F_3 , F_4 and F_5 is the amount of remitted income used by the company on each of such research and development projects in the 1st, 2nd, 3rd, 4th and 5th basis periods, respectively, from the year of receipt of the remitted income to the 5th basis period from the year of receipt of the remitted income; and

C and D have the same meanings as in subsection (1).

[11/2004]

(5) If an approved company fails to comply with the conditions in —

- (a) paragraphs (a) and (c) of section 97ZG (2) only;
- (b) paragraphs (a) and (d) of section 97ZG (2) only; or
- (c) paragraphs (a), (c) and (d) of section 97ZG (2) only,

there shall be deemed to be income of the company chargeable with tax under the Income Tax Act, for the year of assessment relating to the 5th basis period commencing from the year of receipt of any remitted income used by the company on the research and development project or projects for which the company fails to comply with the condition in paragraph (c) or (d) of section 97ZG (2), or the conditions in paragraphs (c) and (d) of section 97ZG (2), as the case may be, an amount equal to the aggregate of —

- (i) the amount determined under subsection (1); and
- (ii) the amount determined under subsection (4).

[11/2004]

(6) If an approved company fails to comply with the conditions in —

- (a) paragraphs (b) and (c) of section 97ZG (2) only;
- (b) paragraphs (b) and (d) of section 97ZG (2) only; or
- (c) paragraphs (b), (c) and (d) of section 97ZG (2) only,

there shall be deemed to be income of the company chargeable with tax under the Income Tax Act (Cap. 134), for the year of assessment

relating to the 5th basis period commencing from the year of receipt of any remitted income used by the company on the research and development project or projects for which the company fails to comply with the condition in paragraph (c) or (d) of section 97ZG (2), or the conditions in paragraphs (c) and (d) of section 97ZG (2), as the case may be, an amount equal to the aggregate of —

- (i) the amount determined under subsection (2) that relates to the research and development project or projects for which the company fails to comply with the condition in paragraph (c) or (d) of section 97ZG (2), or the conditions in paragraphs (c) and (d) of section 97ZG (2), as the case may be;
- (ii) the amount determined under subsection (2) that relates to the research and development project or projects for which the company complies with the condition in paragraph (c) or (d) of section 97ZG (2), or the conditions in paragraphs (c) and (d) of section 97ZG (2), as the case may be; and
- (iii) the amount determined under subsection (4), reduced by the amount determined under sub-paragraph (i).

[11/2004]

(7) If an approved company fails to comply with the conditions in —

- (a) paragraphs (a), (b) and (c) of section 97ZG (2) only;
- (b) paragraphs (a), (b) and (d) of section 97ZG (2) only; or
- (c) paragraphs (a), (b), (c) and (d) of section 97ZG (2),

there shall be deemed to be income of the company chargeable with tax under the Income Tax Act (Cap. 134), for the year of assessment relating to the 5th basis period commencing from the year of receipt of any remitted income used by the company on the research and development project or projects for which the company fails to comply with the condition in paragraph (c) or (d) of section 97ZG (2), or the conditions in paragraphs (c) and (d) of section 97ZG (2), as the case may be, an amount equal to the aggregate of —

- (i) an amount determined under subsection (3) that relates to the research and development project or projects for which the company fails to comply with the condition in paragraph (c) or (d) of section 97ZG (2), or the conditions in paragraphs (c) and (d) of section 97ZG (2), as the case may be;

- (ii) the amount determined under subsection (3) that relates to the research and development project or projects for which the company complies with the condition in paragraph (c) or (d) of section 97ZG (2), or the conditions in paragraphs (c) and (d) of section 97ZG (2), as the case may be; and
- (iii) the amount determined under subsection (4), reduced by the amount determined under sub-paragraph (i).

[11/2004]

PART XIIIIF

OVERSEAS INVESTMENT INCENTIVE

Interpretation of this Part

97ZK. In this Part, unless the context otherwise requires —

“accounting period”, in relation to an eligible investee company, means an accounting period of 12 months (or such other period as the Minister may determine) during which the eligible investee company is designated as such, and any subsequent period of 12 months (or such other period as the Minister may determine) where the eligible investee company remains designated as such for the whole or part of the period;

“chargeable income”, in relation to an eligible holding company, means the income of the company chargeable to tax after deducting —

(a) expenses, allowances, losses, donations and any qualifying deductions available for transfer under section 37C of the Income Tax Act (Cap. 134); and

(b) allowances and losses allowable under this Act;

“eligible holding company” means a company which is approved as an eligible holding company under section 97ZL (2) (a);

“eligible investee company” means an overseas company which is designated as an eligible investee company under section 97ZL (2) (b);

“new overseas market”, in relation to an eligible holding company, means an investment in any place, product or technology in a country outside Singapore which is different from the place,

product or technology which the company is engaged in before its approval as an eligible holding company;

“overseas company” means a company —

- (a) that carries on any trade or business in a country outside Singapore;
- (b) that is not incorporated in Singapore and not listed on the Singapore Exchange or elsewhere; and
- (c) in respect of which at least 50% (or such other percentage as the Minister may determine) of its paid-up capital (excluding any part of the paid-up capital held by an eligible holding company before the date of commencement specified in the letter of approval referred to in section 97ZL (2) (a)) is held by an eligible holding company throughout the period referred to in section 97ZL (2) (b);

“qualifying year of assessment”, in relation to an eligible holding company, means any year of assessment relating to the relevant accounting period of the company;

“relevant accounting period”, in relation to an eligible holding company, means the basis period of the company that ends on the same date or a date no later than one year from the end of the corresponding accounting period of the eligible investee company.

[11/2004]

Application for and issue of letter of approval

97ZL.—(1) Any company, incorporated and resident in Singapore, desirous of investing in an overseas company on or after 1st January 2004 for the purpose of acquiring for use in Singapore any technology from the overseas company or for the purpose of gaining access to any new overseas market may make an application in the prescribed form to the Minister to be approved as an eligible holding company.

[11/2004]

(2) Where the Minister is satisfied in respect of any application under subsection (1) that the technology acquired, if introduced in Singapore or the access which would be gained to the new overseas market, would promote or enhance the technological or economic development of Singapore, he may —

- (a) approve the applicant company as an eligible holding company and issue a letter of approval to the company subject to such terms and conditions as he may impose; and
- (b) designate the overseas company as an eligible investee company for a period of 3 years from the date of commencement specified in the letter of approval referred to in paragraph (a).

[11/2004]

(3) No approval under this section shall be given after 31st December 2006.

[11/2004]

Deferment of payment of tax

97ZM.—(1) Where an eligible holding company is liable to pay any tax on its chargeable income for any qualifying year of assessment and where the eligible investee company incurs any qualifying loss from the carrying on of any trade or business during the accounting period that ends on the same date or a date no earlier than one year from the end of the relevant accounting period of the eligible holding company to which that qualifying year of assessment relates, the payment of a specified amount of the tax for that qualifying year of assessment by the eligible holding company shall be deferred.

[11/2004]

(2) The specified amount of tax the payment of which may be deferred for any qualifying year of assessment by an eligible holding company under subsection (1) shall be ascertained in accordance with the formula

$$\frac{A}{B} \times C$$

where A is the amount of qualifying loss of the eligible investee company incurred during the accounting period of the company as determined under section 97ZN;

B is the amount of chargeable income of the eligible holding company for the qualifying year of assessment relating to the relevant accounting period which ends on the same date or a date no later than one year from the end of the accounting period of the eligible investee company during which the qualifying loss is incurred; and

C is the amount of tax payable by the eligible holding company for the qualifying year of assessment relating to

the relevant accounting period which ends on the same date or a date no later than one year from the end of the accounting period of the eligible investee company during which the qualifying loss is incurred.

[11/2004]

(3) The specified amount of tax deferred by an eligible holding company under subsection (1) for any qualifying year of assessment shall be paid by the company to the Comptroller not later than 2 years from the date of the notice of assessment on which tax for that qualifying year of assessment was imposed, and where more than one assessment is issued to the company for that qualifying year of assessment, the specified amount of tax shall be paid not later than 2 years from the date of the earliest of the notices of assessment.

[11/2004]

(4) Where an eligible investee company incurs a qualifying loss from the carrying on of any trade or business in any accounting period, but the eligible holding company is not liable to pay any tax for the qualifying year of assessment relating to the relevant accounting period which ends on the same date or a date no later than one year from the end of the accounting period of the eligible investee company, the amount of such loss shall not be used to compute the specified amount of tax the payment of which may be deferred for any subsequent qualifying year of assessment by the eligible holding company.

[11/2004]

(5) If, at the time the qualifying loss of an eligible investee company is ascertained for any accounting period, the eligible holding company has made any payment of any part of the tax payable for the qualifying year of assessment relating to the relevant accounting period which ends on the same date or a date no later than one year from the end of the accounting period of the eligible investee company, the amount of tax that the eligible holding company may defer under subsection (1) for that qualifying year of assessment shall be limited to the amount of the tax remaining unpaid by the company as at the date the qualifying loss is ascertained.

[11/2004]

(6) Where the specified amount of tax deferred by an eligible holding company under subsection (1) for any qualifying year of assessment has been ascertained and any subsequent revision of assessment is made on the company for that qualifying year of assessment, the specified amount of tax to be deferred by the

company under subsection (1) for that qualifying year of assessment shall be re-ascertained in accordance with the formula specified in subsection (2) for the subsequent revision of assessment, except that the references to the amount in B and C shall be read as references to the revised amount, in each case.

[11/2004]

Ascertainment of qualifying loss

97ZN.—(1) The qualifying loss of an eligible investee company for any accounting period shall be the lowest of the following amounts:

(a) the amount determined in accordance with the formula

$$D \times \frac{E}{F} \times G$$

where D is the amount of loss before tax as disclosed in the audited financial statements of the eligible investee company for that accounting period;

E is —

- (i) the number of days from the date the eligible investee company is designated as such to the end of the accounting period, if the accounting period is the first accounting period of the company;
- (ii) the number of days from the first day of the accounting period to the last day the eligible investee company remains designated as such, if the accounting period is the last accounting period of the company; or
- (iii) the number of days in the accounting period of the eligible investee company, in any other case;

F is the number of days in that accounting period of the eligible investee company; and

G is the percentage of paid-up capital (excluding any part of the paid-up capital held by the eligible holding company before the date of commencement specified in the letter of approval referred to in section 97ZL (2) (a)) of the eligible investee company that is held by the eligible holding company during that accounting period

of the eligible investee company, and where the percentage of paid-up capital (excluding any part of the paid-up capital held by the eligible holding company before the date of commencement specified in the letter of approval referred to in section 97ZL (2) (a)) changes during that accounting period, the average percentage held over such accounting period;

- (b) the amount of paid-up capital (excluding any part of the paid-up capital held by the eligible holding company before the date of commencement specified in the letter of approval referred to in section 97ZL (2) (a)) held by the eligible holding company in the eligible investee company during that accounting period of the eligible investee company, and where the amount of paid-up capital (excluding any part of the paid-up capital held by the eligible holding company before the date of commencement specified in the letter of approval referred to in section 97ZL (2) (a)) changes during that accounting period, the average amount held over such accounting period; or
- (c) the amount of chargeable income of the eligible holding company for the qualifying year of assessment relating to the relevant accounting period which ends on the same date or a date no later than one year from the end of that accounting period of the eligible investee company.

[11/2004]

(2) The amount of qualifying loss of an eligible investee company for any accounting period shall be certified by the external auditor of the company unless the Minister otherwise directs.

[11/2004]

Payment of tax deferred

97ZO. Notwithstanding anything in this Part, where it appears to the Comptroller that any amount of tax the payment of which has been deferred by an eligible holding company for any qualifying year of assessment under section 97ZM (1) ought not to have been deferred by reason of the revocation under section 99 of the letter of approval issued under section 97ZL to the company, the company shall pay the amount of tax deferred to the Comptroller immediately upon receipt of a notice in writing from the Comptroller to do so.

[11/2004]

PART XIV

MISCELLANEOUS PROVISIONS

Prohibition of publication of application and certificate or letter

98.—(1) The contents of any application made by, or of any certificate or letter issued to, any company under any of the provisions of this Act shall not, except at the instance of the company, be published.

[11/2004]

(2) The Minister may cause to be published by notification in the *Gazette* the name of any company to which any such certificate or letter has been issued or whose certificate or letter has been revoked, and the industry and product or produce to which the certificate or letter relates.

[11/2004]

Revocation of certificate or letter

99.—(1) Where the Minister is satisfied that any company to which a certificate or letter has been issued under the provisions of this Act has contravened —

(a) any of the provisions of this Act; or

(b) any terms or conditions imposed on the certificate or letter, he may, by notice in writing, require the company within 30 days from the date of service of the notice to show cause why the certificate or letter should not be revoked.

[11/2004]

(2) If the Minister is satisfied that, having regard to all the circumstances of the case it is expedient to do so, he may revoke the certificate or letter.

[11/2004]

(3) Where a certificate or letter is revoked under subsection (2), the Minister shall specify the date, which may be the date of the certificate or letter, from which its revocation shall be operative and the provisions of this Act shall cease to have effect in relation to the certificate or letter from that date.

[11/2004]

Provisions of Income Tax Act not affected

100. Except as otherwise provided, nothing in this Act shall exempt any company to which a certificate has been issued under the

provisions of this Act from making any return to the Comptroller or from complying with the provisions of the Income Tax Act (Cap. 134) in any respect so as to establish the liability to tax, if any, of the company.

Action of officers no offence

101. Nothing done by an officer of the Government in the course of his duties shall be deemed to be an offence under this Act.

[107]

Regulations

102.—(1) The Minister may make such regulations as may be necessary or expedient for the purpose of carrying out the provisions of this Act.

(2) Without prejudice to the generality of subsection (1), the Minister may make regulations for or with respect to all or any of the following matters:

- (a) any matters required by this Act to be prescribed;
- (b) the procedure relating to applications for and the issue of certificates under this Act;
- (c) the terms and conditions to be imposed on any certificate issued under this Act; and
- (d) the furnishing of such information, including progress and sales reports and statements of accounts, as may be required for the purposes of this Act.

(3) The Minister may in writing authorise any person or authority to prescribe such forms as are required to be or may be prescribed under this Act.

(4) All regulations made under this section shall be presented to Parliament as soon as possible after publication in the *Gazette*.

[108]

Savings provision

103. Notwithstanding the repeal of Parts IIIA, IV, XI and XIII A by the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004, the repealed Parts IIIA, IV, XI and XIII A shall continue to apply to and have effect on any approved company approved before and its qualifying activities conducted before the

date of commencement of the Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004 as if that Act had not been enacted.

[109

[11/2004]

LEGISLATIVE HISTORY
ECONOMIC EXPANSION INCENTIVES
(RELIEF FROM INCOME TAX) ACT
(CHAPTER 86)

**1. Act 36 of 1967 — Economic Expansion Incentives (Relief from Income Tax)
Act 1967**

Date of First Reading	:	14.11.67 (Bill No. 32/67 published on 17.11.67)
Date of Second and Third Readings	:	5.12.67
Date of commencement	:	15.12.67

**2. Act 31 of 1970 — Economic Expansion Incentives (Relief from Income Tax)
(Amendment) Act 1970**

Date of First Reading	:	26.6.70 (Bill No. 26/70 published on 3.7.70)
Date of Second and Third Readings	:	22.7.70
Date of commencement	:	10.11.70

**3. Act 27 of 1975 — Economic Expansion Incentives (Relief from Income Tax)
(Amendment) Act 1975**

Date of First Reading	:	29.7.75 (Bill No. 39/75 published on 5.8.75)
Date of Second and Third Readings	:	19.8.75
Date of commencement	:	1.9.75

**4. Act 8 of 1979 — Economic Expansion Incentives (Relief from Income Tax)
(Amendment) Act 1979**

Date of First Reading	:	5.3.79 (Bill No. 10/79 published on 12.3.79)
Date of Second and Third Readings	:	30.3.79
Date of commencement	:	20.4.79

**5. Act 32 of 1979 — Economic Expansion Incentives (Relief from Income Tax)
(Amendment No. 2) Act 1979**

Date of First Reading	:	21.9.79 (Bill No. 34/79 published on 25.9.79)
Date of Second and Third Readings	:	11.12.79
Date of commencement	:	28.12.79

This Legislative History is provided for the convenience of users of the Economic Expansion Incentives (Relief from Income Tax) Act. It is not part of the Economic Expansion Incentives (Relief from Income Tax) Act.

LEGISLATIVE HISTORY
ECONOMIC EXPANSION INCENTIVES
(RELIEF FROM INCOME TAX) ACT
(CHAPTER 86)

6. Act 29 of 1980 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1980

Date of First Reading	:	31.10.80 (Bill No. 28/80 published on 7.11.80)
Date of Second and Third Readings	:	28.11.80
Date of commencement	:	4.12.80

7. Act 17 of 1982 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1982

Date of First Reading	:	27.7.82 (Bill No. 19/82 published on 4.8.82)
Date of Second and Third Readings	:	31.8.82
Date of commencement	:	10.9.82

8. Act 34 of 1984 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1984

Date of First Reading	:	24.8.84 (Bill No. 29/84 published on 31.8.84)
Date of Second and Third Readings	:	19.10.84
Date of commencement	:	30.11.84

9. Act 37 of 1984 — Economic Expansion Incentives (Relief from Income Tax) (Amendment No. 2) Act 1984

Date of First Reading	:	19.10.84 (Bill No. 32/84 published on 27.10.84)
Date of Second and Third Readings	:	20.11.84
Date of commencement	:	7.12.84

10. Act 22 of 1987 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1987

Date of First Reading	:	28.7.87 (Bill No. 14/87 published on 30.7.87)
Date of Second and Third Readings	:	31.8.87
Dates of commencement	:	18.9.87 and other dates (see section 1 of the Act)

LEGISLATIVE HISTORY
ECONOMIC EXPANSION INCENTIVES
(RELIEF FROM INCOME TAX) ACT
(CHAPTER 86)

11. Act 24 of 1989 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1989

Date of First Reading	:	13.3.89 (Bill No. 23/89 published on 14.3.89)
Date of Second and Third Readings	:	7.4.89
Date of commencement	:	21.4.89

12. Act 29 of 1991 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1991

Date of First Reading	:	28.6.91 (Bill No. 22/91 published on 29.6.91)
Date of Second and Third Readings	:	29.7.91
Date of commencement	:	16.8.91

13. Act 36 of 1993 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1993

Date of First Reading	:	12.10.93 (Bill No. 30/93 published on 13.10.93)
Date of Second and Third Readings	:	10.11.93
Dates of commencement	:	26.11.93 (except section 5) 1.4.93 (section 5)

14. Act 1 of 1995 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1995

Date of First Reading	:	31.10.94 (Bill No. 26/94 published on 1.11.94)
Date of Second and Third Readings	:	23.1.95
Dates of commencement	:	10.2.95 and other dates (see section 1 of the Act)

15. Act 24 of 1995 — Regulation of Imports and Exports Act 1995
(Consequential amendments made by)

Date of First Reading	:	25.5.95 (Bill No. 19/95 published on 26.5.95)
Date of Second and Third Readings	:	7.7.95
Date of commencement	:	1.12.95

LEGISLATIVE HISTORY
ECONOMIC EXPANSION INCENTIVES
(RELIEF FROM INCOME TAX) ACT
(CHAPTER 86)

16. Act 36 of 1996 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1996

Date of First Reading	:	1.10.96 (Bill No. 32/96 published on 1.10.96)
Date of Second and Third Readings	:	10.10.96
Date of commencement	:	25.10.96

17. Act 4 of 1998 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 1998

Date of First Reading	:	14.1.98 (Bill No. 7/98 published on 15.1.98)
Date of Second and Third Readings	:	19.2.98
Date of commencement	:	13.3.98 and other dates (see section 1 of the Act)

18. Act 44 of 2002 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2002

Date of First Reading	:	25.11.2002 (Bill No. 46/2002 published on 26.11.2002)
Date of Second and Third Readings	:	5.12.2002
Date of commencement	:	20.12.2002 and other dates (see section 1 of the Act)

19. Act 4 of 2003 — Customs (Amendment) Act 2003
(Consequential amendments made by)

Date of First Reading	:	10.3.2003 (Bill No. 6/2003 published on 11.3.2003)
Date of Second and Third Readings	:	21.3.2003
Date of commencement	:	1.4.2003

20. Act 11 of 2004 — Economic Expansion Incentives (Relief from Income Tax) (Amendment) Act 2004

Date of First Reading	:	27.2.2004 (Bill No. 7/2004 published on 28.2.2004)
Date of Second and Third Readings	:	20.4.2004
Date of commencement	:	28.4.2004 and other dates (see section 1 of the Act)

LEGISLATIVE HISTORY
ECONOMIC EXPANSION INCENTIVES
(RELIEF FROM INCOME TAX) ACT
(CHAPTER 86)

**21. Act 48 of 2004 — Economic Expansion Incentives (Relief from Income Tax)
(Amendment No. 2) Act 2004**

Date of First Reading	:	19.10.2004 (Bill No. 56/2004 published on 20.10.2004)
Date of Second and Third Readings	:	17.11.2004
Date of commencement	:	25.11.2004 and other dates (see section 1 of the Act)

COMPARATIVE TABLE

ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) ACT (CHAPTER 86, 2005 EDITION)

The following provisions in the 2001 Revised Edition of the Economic Expansion Incentives (Relief from Income Tax) Act have been renumbered by the Law Revision Commissioners in this 2005 Revised Edition.

This Comparative Table is provided for the convenience of users. It is not part of the Economic Expansion Incentives (Relief from Income Tax) Act.

2005 Ed.	2001 Ed.
—	PART IIIA — POST-PIONEER COMPANIES
—	19A —Interpretation of this Part <i>(Repealed by Act 11/2004)</i>
—	19B —Application for and issue of certificate to post-pioneer company <i>(Repealed by Act 11/2004)</i>
—	19C —Tax relief period of post-pioneer company <i>(Repealed by Act 11/2004)</i>
—	19D —Ascertainment of income in respect of other trade or business <i>(Repealed by Act 11/2004)</i>
—	19E —Deduction of losses <i>(Repealed by Act 11/2004)</i>
—	19F —Certain dividends exempted from income tax <i>(Repealed by Act 11/2004)</i>
—	19G —Power to give directions <i>(Repealed by Act 11/2004)</i>
—	19H —Ascertainment of income in respect of qualifying activities <i>(Repealed by Act 11/2004)</i>

2005 Ed.	2001 Ed.
—	PART IV — EXPANSION OF ESTABLISHED ENTERPRISES
—	20 —Power and procedure for declaring an industry and a product an approved product (<i>Repealed by Act 11/2004</i>)
—	21 —Issue of expansion certificate and amendment thereof (<i>Repealed by Act 11/2004</i>)
—	22 —Tax relief period of expanding enterprise (<i>Repealed by Act 11/2004</i>)
—	23 —Application of section 9 to expanding enterprise (<i>Repealed by Act 11/2004</i>)
—	24 —Tax relief (<i>Repealed by Act 11/2004</i>)
—	25 —Exemption from income tax of dividends from expanding enterprise (<i>Repealed by Act 11/2004</i>)
—	PART V — EXPANDING SERVICE COMPANIES
—	26 —Application for and issue and amendment of certificate for expanding service company (<i>Repealed by Act 11/2004</i>)
—	27 —Tax relief period of expanding service company (<i>Repealed by Act 11/2004</i>)
—	28 —Application of certain sections to expanding service company (<i>Repealed by Act 11/2004</i>)
—	PART VI — PRODUCTION FOR EXPORT
—	29 —Power to approve a product or produce as an export product or export produce (<i>Repealed by Act 11/2004</i>)

2005 Ed.	2001 Ed.
—	30 —Application for and issue of export enterprise certificate (<i>Repealed by Act 11/2004</i>)
—	31 —Amendment of export enterprise certificate (<i>Repealed by Act 11/2004</i>)
—	32 —Tax relief period (<i>Repealed by Act 11/2004</i>)
—	33 —Power to give directions (<i>Repealed by Act 11/2004</i>)
—	34 —Application of Part XVI of Income Tax Act (<i>Repealed by Act 11/2004</i>)
—	35 —Cognizance of export (<i>Repealed by Act 11/2004</i>)
—	36 —Export to be in accordance with regulations and conditions (<i>Repealed by Act 11/2004</i>)
—	37 —Computation of export profits (<i>Repealed by Act 11/2004</i>)
—	38 —Conditions for relief (<i>Repealed by Act 11/2004</i>)
—	39 —Tax relief on export profits (<i>Repealed by Act 11/2004</i>)
—	40 —Dividends exempted (<i>Repealed by Act 11/2004</i>)
—	41 —Power of entry into premises and taking of samples (<i>Repealed by Act 11/2004</i>)
—	42 —No relanding of export product or export produce (<i>Repealed by Act 11/2004</i>)
—	43 —Powers of search, seizure and arrest by officers of customs (<i>Repealed by Act 11/2004</i>)
—	44 —Offences under other laws deemed to be an offence under this Act (<i>Repealed by Act 11/2004</i>)

2005 Ed.	2001 Ed.
—	PART VII — INTERNATIONAL TRADE INCENTIVES
—	45 —Interpretation of this Part (<i>Repealed by Act 11/2004</i>)
—	46 —International trading company (<i>Repealed by Act 11/2004</i>)
—	47 —Tax relief period of international trading company (<i>Repealed by Act 11/2004</i>)
—	48 —Power to give directions (<i>Repealed by Act 11/2004</i>)
—	49 —Application of Part XVI of Income Tax (<i>Repealed by Act 11/2004</i>)
—	50 —Ascertainment of income in respect of other trade or business (<i>Repealed by Act 11/2004</i>)
—	51 —Computation of export income and exemption from tax (<i>Repealed by Act 11/2004</i>)
—	52 —Conditions for relief (<i>Repealed by Act 11/2004</i>)
—	53 —Certain dividends exempted from income tax (<i>Repealed by Act 11/2004</i>)
—	54 —Recovery of tax exempted (<i>Repealed by Act 11/2004</i>)
—	55 —Application of Parts XVII and XVIII of Income Tax Act (<i>Repealed by Act 11/2004</i>)
—	56 —Application of certain sections to international trade company (<i>Repealed by Act 11/2004</i>)
—	PART XI — WAREHOUSING AND SERVICING INCENTIVES
—	75 —Interpretation of this Part (<i>Repealed by Act 11/2004</i>)

2005 Ed.	2001 Ed.
—	76 —Approved warehousing company or servicing company (<i>Repealed by Act 11/2004</i>)
—	77 —Tax relief period of warehousing company or servicing company (<i>Repealed by Act 11/2004</i>)
—	78 —Prohibition of acquisition without approval (<i>Repealed by Act 11/2004</i>)
—	79 —Application of certain sections to warehousing company or servicing company (<i>Repealed by Act 11/2004</i>)
—	80 —Application of Part XVI of Income Tax Act (<i>Repealed by Act 11/2004</i>)
—	81 —Computation of export earnings and exemption from tax (<i>Repealed by Act 11/2004</i>)
—	82 —Certain dividends exempted from income tax (<i>Repealed by Act 11/2004</i>)
—	83 —Recovery of tax exempted (<i>Repealed by Act 11/2004</i>)
—	84 —Application of Parts XVII and XVIII of Income Tax Act (<i>Repealed by Act 11/2004</i>)
—	PART XII — INTERNATIONAL CONSULTANCY SERVICES
—	85 —Interpretation of this Part (<i>Repealed by Act 11/2004</i>)
—	86 —Approved consultancy company or consultancy firm (<i>Repealed by Act 11/2004</i>)
—	87 —Tax relief period of consultancy company or consultancy firm (<i>Repealed by Act 11/2004</i>)

2005 Ed.	2001 Ed.
—	88 —Application of certain sections to consultancy company or consultancy firm <i>(Repealed by Act 11/2004)</i>
—	89 —Computation of eligible consultancy revenue and exemption from tax <i>(Repealed by Act 11/2004)</i>
—	90 —Certain dividends exempted from income tax <i>(Repealed by Act 11/2004)</i>
—	91 —Recovery of tax exempted <i>(Repealed by Act 11/2004)</i>
—	92 —Application of Parts XVII and XVIII of Income Tax <i>(Repealed by Act 11/2004)</i>
—	PART XIII — INVESTMENTS IN NEW TECHNOLOGY COMPANIES
—	93 —Interpretation of this Part <i>(Repealed by Act 11/2004)</i>
—	94 —Application for and issue of certificate to technology company <i>(Repealed by Act 11/2004)</i>
—	95 —Deductions allowable to eligible holding company <i>(Repealed by Act 11/2004)</i>
—	96 —Prohibition of other trade or business <i>(Repealed by Act 11/2004)</i>
—	97 —Recovery of tax <i>(Repealed by Act 11/2004)</i>
—	PART XIII A — OVERSEAS INVESTMENT AND VENTURE CAPITAL INCENTIVES
—	97A —Interpretation of this Part <i>(Repealed by Act 11/2004)</i>

2005 Ed.	2001 Ed.
—	97B —Application for and issue of certificate to venture company (<i>Repealed by Act 11/2004</i>)
—	97C —Application for and issue of certificate to technology investment company or overseas investment company (<i>Repealed by Act 11/2004</i>)
—	97D —Deduction of losses allowable to eligible holding company or eligible individual (<i>Repealed by Act 11/2004</i>)
—	97E —Prohibition of other trade or business (<i>Repealed by Act 11/2004</i>)
—	97F —Recovery of tax (<i>Repealed by Act 11/2004</i>)
—	97G —Deduction of losses incurred overseas by eligible investment company (<i>Repealed by Act 11/2004</i>)
—	101 —Offences and penalties (<i>Repealed by Act 11/2004</i>)
—	102 —Attempts or abetments (<i>Repealed by Act 11/2004</i>)
—	103 —Conduct of prosecution (<i>Repealed by Act 11/2004</i>)
—	104 —Composition of offences (<i>Repealed by Act 11/2004</i>)
—	105 —Jurisdiction of court (<i>Repealed by Act 11/2004</i>)
—	106 —Offences by companies and by employees and agents (<i>Repealed by Act 11/2004</i>)
101 —Action of officers no offence	107 —Action of officers no offence
102 —Regulations	108 —Regulations
103 —Savings provision	109 —Savings provision

COMPARATIVE TABLE

ECONOMIC EXPANSION INCENTIVES (RELIEF FROM INCOME TAX) ACT (CHAPTER 86, 2001 EDITION)

The following provisions in the 1996 Revised Edition of the Economic Expansion Incentives (Relief from Income Tax) Act were renumbered by the Law Revision Commissioners in this 2001 Revised Edition.

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2001 Ed.	1996 Ed.
5—(3) and (4)	5—(3)
(5)	(4)
19H—(3) and (4)	19H—(3)
(5)	(4)
22—(2) and (3)	22—(2)
27—(2) and (3)	27—(2)
35—(1) and (2)	35
39—(1) and (1A)	39—(1)
44C—(2) and (3)	44C—(2)
46—(6) and (7)	46—(6)
50—(1) and (2)	50
51—(2) and (2A)	51—(2)
<i>Omitted — spent</i>	69—(9)
77—(2) and (3)	77—(2)
81—(2) and (2A)	81—(2)
89—(2) and (2A)	89—(2)
95—(4) and (4A)	95—(4)
99—(1) and (2)	99—(1)
(3)	(2)