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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (QUALIFYING PROJECT DEBT SECURITIES) REGULATIONS 2008

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In exercise of the powers conferred by section 13(1)(b), (2E) and (16) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Income Tax (Qualifying Project Debt Securities) Regulations 2008 and shall be deemed to have come into operation on 1st November 2006.

Definitions

2. In these Regulations —

“approved bond intermediary”, “debt securities”, “early redemption fee”, “financial institution”, “financial sector incentive (bond market) company”, “financial sector incentive (capital market) company”, “financial sector

incentive (project finance) company”, “financial sector incentive (standard tier) company”, “qualifying project debt securities” and “redemption premium” have the same meanings as in section 13(16) of the Act;

[S 238/2016 wef 01/01/2014]

[S 197/2026 wef 15/02/2023]

“Authority” means the Monetary Authority of Singapore;

[S 238/2016 wef 28/06/2013]

“offering documents” means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities;

“programme” includes a medium term note programme, a commercial paper programme or any similar programme for the issue of debt securities;

“Singapore-based issuer” —

- (a) in relation to an issuer which is not a special purpose vehicle, means an entity that carries on any operation in Singapore; and
- (b) in relation to an issuer which is a special purpose vehicle, means an entity whose sponsor carries on any operation in Singapore;

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“specified licensed entity” means any of the following persons:

- (a) a bank or merchant bank licensed under the Banking Act 1970;
- (b) a finance company licensed under the Finance Companies Act 1967;
- (c) a person who holds a capital markets services licence under the Securities and Futures Act 2001 to carry on a business in any of the following regulated activities:
 - (i) advising on corporate finance;

(ii) dealing in capital markets products;

[S 197/2026 wef 15/02/2023]

“tranche” means a particular issue of debt securities under a programme.

Prescribed conditions for tax exemption on income from qualifying project debt securities

3. The exemption from tax under section 13(1)(b) of the Act shall not apply if the issuer of the qualifying project debt securities, or such other person as the Authority may direct, has not furnished to the Authority —

(a) a return on the qualifying project debt securities within such period as the Authority may specify; and

[S 238/2016 wef 28/06/2013]

(b) such other particulars in connection with the qualifying project debt securities as the Authority may require.

[S 238/2016 wef 28/06/2013]

Arrangements for qualifying project debt securities

4.—(1) The arrangements referred to in paragraph (a) of the definition of “qualifying project debt securities” in section 13(16) of the Act are as follows:

(a) where the qualifying project debt securities are issued during the period from 1 November 2006 to 31 December 2013 and are not issued under a programme —

(i) the lead manager for the issue of the qualifying project debt securities is a financial sector incentive (bond market) company or a financial sector incentive (project finance) company; or

(ii) the issue of the qualifying project debt securities is arranged by a financial institution in Singapore, of which the staff who are based in Singapore have a leading and substantial role in originating and structuring the issue and its distribution;

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- (aa) where the qualifying project debt securities are issued during the period from 1 January 2014 to 14 February 2023 (both dates inclusive) and are not issued under a programme, any one of the following is satisfied:
- (i) the lead manager is any, or if there is more than one lead manager, more than half of the lead managers are any or any combination, of the following:
 - (A) a financial sector incentive (bond market) company;
 - (B) a financial sector incentive (capital market) company;
 - (C) a financial sector incentive (standard tier) company;
 - (ii) if the issuer is a Singapore-based issuer —
 - (A) more than half of the amount of gross revenue from arranging the issue is attributable to any or any combination of the following:
 - (AA) a financial sector incentive (bond market) company;
 - (AB) a financial sector incentive (capital market) company;
 - (AC) a financial sector incentive (standard tier) company; and
 - (B) more than half of the staff arranging the issue, of the company or cumulatively of the companies mentioned in sub-paragraph (A), are based in Singapore;
 - (iii) if the issuer is not a Singapore-based issuer, more than half of the debt securities issued under the issue are distributed by any or any combination of the following:
 - (A) a financial sector incentive (bond market) company;

(B) a financial sector incentive (capital market) company;

(C) a financial sector incentive (standard tier) company;

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(ab) where the qualifying project debt securities are issued during the period from 15 February 2023 to 31 December 2023 (both dates inclusive) and are not issued under a programme, any one of the following is satisfied:

(i) the lead manager is any, or if there is more than one lead manager, more than half of the lead managers are any or any combination, of the following:

(A) a financial sector incentive (capital market) company;

(B) a financial sector incentive (standard tier) company;

(C) a specified licensed entity;

(ii) if the issuer is a Singapore-based issuer —

(A) more than half of the amount of gross revenue from arranging the issue is attributable to any or any combination of the following:

(AA) a financial sector incentive (capital market) company;

(AB) a financial sector incentive (standard tier) company;

(AC) a specified licensed entity; and

(B) more than half of the staff arranging the issue, of the company or cumulatively of the companies mentioned in sub-paragraph (A), are based in Singapore;

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- (iii) if the issuer is not a Singapore-based issuer, more than half of the debt securities issued under the issue are distributed by any or any combination of the following:
- (A) a financial sector incentive (capital market) company;
 - (B) a financial sector incentive (standard tier) company;
 - (C) a specified licensed entity;
- [S 197/2026 wef 15/02/2023]*
- (ac) where the qualifying project debt securities are issued during the period from 1 January 2024 to 31 December 2025 (both dates inclusive) and are not issued under a programme, any one of the following is satisfied:
- (i) the lead manager is a specified licensed entity, or if there is more than one lead manager, more than half of the lead managers are specified licensed entities;
 - (ii) if the issuer is a Singapore-based issuer —
 - (A) more than half of the amount of gross revenue from arranging the issue is attributable to one or more specified licensed entities; and
 - (B) more than half of the staff arranging the issue, of the specified licensed entity or entities mentioned in sub-paragraph (A), are based in Singapore;
 - (iii) if the issuer is not a Singapore-based issuer, more than half of the debt securities issued under the issue are distributed by one or more specified licensed entities;
- [S 197/2026 wef 15/02/2023]*
- (b) where the qualifying project debt securities are issued during the period from 1 November 2006 to 31 December 2025 (both dates inclusive) under a programme, the programme as a whole is arranged by —

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- (i) a financial sector incentive (bond market) company, and the arrangement is completed on or before 31 December 2018; or
 - (ii) a financial sector incentive (project finance) company, and the arrangement is completed on or before 31 December 2016;

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- (ba) where the qualifying project debt securities are issued during the period from 1 January 2014 to 31 December 2025 (both dates inclusive) under a programme, the programme as a whole is arranged by a financial sector incentive (bond market) company or a financial sector incentive (project finance) company, the arrangement of which is not completed on or before 31 December 2013 by the financial sector incentive (bond market) company or financial sector incentive (project finance) company, and the arrangement is completed during the period from 1 January 2014 to 31 December 2023 (both dates inclusive) by a financial sector incentive (capital market) company or a financial sector incentive (standard tier) company;

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- (bb) where the qualifying project debt securities are issued during the period from 1 January 2014 to 31 December 2025 (both dates inclusive) under a programme, the programme as a whole is arranged on or after 1 January 2014 by a financial sector incentive (capital market) company or a financial sector incentive (standard tier)

company, and the arrangement is completed on or before 31 December 2023;

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(bc) where the qualifying project debt securities are issued during the period from 1 January 2014 to 31 December 2025 (both dates inclusive) under a programme —

(i) the programme as a whole is arranged on or after 1 January 2014 by a financial sector incentive (capital market) company or a financial sector incentive (standard tier) company; and

(ii) the arrangement —

(A) is not completed on or before 14 February 2023 by the financial sector incentive (capital market) company or financial sector incentive (standard tier) company; and

(B) is completed on or after 15 February 2023 by any specified licensed entity;

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(bd) where the qualifying project debt securities are issued during the period from 15 February 2023 to 31 December 2025 (both dates inclusive) under a programme —

(i) the programme as a whole is arranged on or after 15 February 2023 by one or more specified licensed entities; and

(ii) the arrangement is completed on or after that date by any specified licensed entity;

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(c) where the qualifying project debt securities are issued during the period from 1 November 2006 to 31 December 2022 (both dates inclusive) by a new issuer who joins an

existing programme which does not satisfy the requirement in sub-paragraph (b) —

(i) the participation of the new issuer in the programme is arranged by —

(A) a financial sector incentive (bond market) company, and the arrangement of the participation is completed on or before 31 December 2018; or

(B) a financial sector incentive (project finance) company, and the arrangement of the participation is completed on or before 31 December 2016; and

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(ii) the existing programme as a whole was arranged —

(A) on or before 31st December 2003, by an approved bond intermediary or an affiliate of an approved bond intermediary, and the arrangement of the programme is completed on or before that date; or

[S 197/2026 wef 02/04/2026]

(B) on or after 1st January 2004, by an affiliate of a financial sector incentive (bond market) company or financial sector incentive (project finance) company, and the arrangement of the programme is completed by the affiliate of the financial sector incentive (bond market) company on or before 31 December 2018 or the affiliate of the financial sector incentive (project finance) company on or before 31 December 2016, as the case may be;

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(ca) where the qualifying project debt securities are issued during the period from 1 January 2014 to 31 December 2025 (both dates inclusive) by a new issuer who joins an

existing programme which does not satisfy the requirement in sub-paragraph (b), (ba), (bb), (bc) or (bd) —

- (i) the participation of the new issuer in the programme is arranged on or after 1 January 2014 by a financial sector incentive (capital market) company or a financial sector incentive (standard tier) company, and the arrangement of the participation is completed on or before 31 December 2023; and

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- (ii) the existing programme as a whole —

- (A) is arranged by an affiliate of any financial sector incentive (bond market) company or financial sector incentive (project finance) company, and the arrangement of the programme is completed by the affiliate of the financial sector incentive (bond market) company on or before 31 December 2018 or the affiliate of the financial sector incentive (project finance) company on or before 31 December 2016, as the case may be; or

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- (B) is arranged on or after 1 January 2014 by an affiliate of any financial sector incentive (capital market) company or financial sector incentive (standard tier) company, and the arrangement of the programme is completed on or before 31 December 2023;

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- (cb) where the qualifying project debt securities are issued during the period from 15 February 2023 to 31 December 2025 (both dates inclusive) by a new issuer who joins an existing programme which does not satisfy the requirement in sub-paragraph (b), (ba), (bb), (bc) or (bd) —

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- (i) the participation of the new issuer in the programme is arranged on or after 15 February 2023 by one or more specified licensed entities, and the arrangement of the participation is completed on or before 31 December 2025; and
 - (ii) the existing programme as a whole —
 - (A) is arranged by an affiliate of any financial sector incentive (project finance) company, and the arrangement of the programme is completed on or before 31 December 2016;
 - (B) is arranged by an affiliate of any financial sector incentive (bond market) company, and the arrangement of the programme is completed on or before 31 December 2018;
 - (C) is arranged on or after 1 January 2014 by an affiliate of any financial sector incentive (capital market) company or financial sector incentive (standard tier) company, and the arrangement of the programme is completed on or before 31 December 2023; or
 - (D) is arranged on or after 15 February 2023 by an affiliate of any specified licensed entity, and the arrangement of the programme is completed on or before 31 December 2025;
[S 197/2026 wef 15/02/2023]
 - (d) where the qualifying project debt securities are issued during the period from 1 November 2006 to 31 December 2013 under a tranche of a programme which does not satisfy the requirement in sub-paragraph (b) or (c), the dealers for more than half of the qualifying project debt securities issued under that tranche are —
 - (i) financial institutions in Singapore, of which the staff who are based in Singapore have a leading and substantial role in the distribution of the qualifying project debt securities;

(ii) financial sector incentive (bond market) companies;
or

(iii) financial sector incentive (project finance)
companies;

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(e) where the qualifying project debt securities are issued during the period from 1 January 2014 to 14 February 2023 (both dates inclusive) under a tranche of a programme which does not satisfy the requirements in sub-paragraph (b), (ba), (bb), (c) or (ca), more than half of the qualifying project debt securities issued under that tranche are distributed by any or any combination of the following:

(i) a financial sector incentive (bond market) company;

(ii) a financial sector incentive (project finance)
company;

(iii) a financial sector incentive (capital market)
company;

(iv) a financial sector incentive (standard tier) company;

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(f) where the qualifying project debt securities are issued during the period from 15 February 2023 to 31 December 2023 (both dates inclusive) under a tranche of a programme which does not satisfy the requirements in sub-paragraph (b), (ba), (bb), (bc), (bd), (c), (ca) or (cb), more than half of the qualifying project debt securities issued under that tranche are distributed by any or any combination of the following:

(i) a financial sector incentive (capital market)
company;

(ii) a financial sector incentive (standard tier) company;

(iii) a specified licensed entity;

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(g) where the qualifying project debt securities are issued during the period from 1 January 2024 to 31 December 2025 (both dates inclusive) under a tranche of a programme which does not satisfy the requirements in sub-paragraph (b), (ba), (bb), (bc), (bd), (c), (ca) or (cb), more than half of the qualifying project debt securities issued under that tranche are distributed by one or more specified licensed entities.

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(2) For the purposes of paragraph (1)(a)(ii) and (d)(i), the staff of a financial institution in Singapore (other than an approved bond intermediary, a financial sector incentive (bond market) company or a financial sector incentive (project finance) company) who are based in Singapore shall be deemed not to have a leading and substantial role in originating and structuring an issue of qualifying project debt securities, or in its distribution, if the staff of that financial institution, its affiliate or otherwise, who are based outside Singapore have a major role in the originating, structuring or distribution of the issue.

Prescribed infrastructure assets or projects

5. The infrastructure assets and projects prescribed for the purposes of paragraph (b) of the definition of “qualifying project debt securities” in section 13(16) of the Act are as follows:

- (a) electricity generation, distribution or transmission or alternative energy generation;
- (b) gas distribution, transmission or generation;
- (c) waste management, including waste treatment and incineration;
- (d) road or rail infrastructure;
- (e) a maritime port or an airport, or a terminal thereof;
- (f) broadcasting or communication facilities or networks;
- (g) telecommunication facilities or networks;

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- (h) water treatment, including desalination, or water distribution;
 - (i) a hospital or clinic; or
 - (j) a school, including any tertiary institution.

Determination of income exempted from tax

6.—(1) In determining the income of a person to be exempted from tax under section 13(1)(b) of the Act (referred to in this regulation as the exempt income) —

- (a) the Comptroller shall have regard to such expenses and capital allowances allowable under the Act as are, in his opinion, to be deducted from the exempt income;
[S 512/2013 wef Y/A 2013 subs Ys/A]
- (b) there shall be deducted from the exempt income any allowances under section 19, 19A, 20, 21 or 22 of the Act attributable to that income notwithstanding that no claim for those allowances has been made;
- (c) any balance of the allowances mentioned in sub-paragraph (b) and any losses incurred in respect of any qualifying project debt securities from which the exempt income is derived shall only be deducted against exempt income derived from such qualifying project debt securities for the same and subsequent years of assessment, and any balance of such allowances and losses shall not be deducted against any other income; and
- (d) any balance of the allowances and losses mentioned in sub-paragraph (c) remaining unabsorbed as at the end of the period for which the exemption from tax under section 13(1)(b) of the Act applies shall, subject to paragraph (2), be available as a deduction against any other income for the year of assessment which relates to the basis period in which the tax exemption ceases, and any subsequent year of assessment in accordance with section 23 or 37 of the Act, as the case may be.

(2) Section 37A of the Act shall apply to any amount of allowances and losses available as a deduction against any other income as provided under paragraph (1)(d) as if they were unabsorbed allowances or losses in respect of the income of a company subject to tax at a lower rate of tax under that section; and for this purpose the rate of tax shall be taken to be the concessionary rate of tax in accordance with the regulations made under section 43H of the Act.

[S 197/2026 wef 31/12/2021]

Waiver of withholding of tax in respect of interest, etc., paid to non-resident person

7. The conditions referred to in sections 45(9)(b) and 45A(2B)(b) of the Act are as follows:

(a) an issuer of any qualifying project debt securities must include in all offering documents a statement to the effect that any person whose interest, discount, early redemption fee or redemption premium from those securities is not exempt from tax must include such interest, discount, early redemption fee or redemption premium in a return of income made under the Act;

[S 197/2026 wef 15/02/2023]

(b) an issuer of any qualifying project debt securities, or such other person as the Authority may direct, shall furnish to the Authority a return on those securities within such period as the Authority may specify and such other particulars in connection with those securities as the Authority may require.

[S 238/2016 wef 28/06/2013]

Made this 12th day of June 2008.

TEO MING KIAN
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