INCOME TAX ACT
(CHAPTER 134, SECTION 13H)

INCOME TAX (EXEMPTION OF INCOME OF APPROVED VENTURE COMPANY) REGULATIONS

ARRANGEMENT OF REGULATIONS

Regulation

[3rd December 1993]

Citation

1. These Regulations may be cited as the Income Tax (Exemption of Income of Approved Venture Company) Regulations and shall have effect for the year of assessment 1994 and subsequent years of assessment.

Exemption

2.—(1) Subject to these Regulations and section 13G of the Act, the specified income of an approved venture company derived by it from any authorised investment shall be exempt from tax.

[S 678/2016 wef 27/12/2016]

[S 221/2026 wef 19/02/2020]

[S 306/2024 wef 31/12/2021]

(2) The exemption from tax under paragraph (1) in respect of the approved venture company shall be for such period as the Minister, or an authorised body, may specify.

[S 678/2016 wef 27/12/2016]

[S 306/2024 wef 12/04/2024]

(3) Paragraph (1) shall apply in relation to an approved venture company from such date as the Minister, or an authorised body, may specify.

[S 306/2024 wef 12/04/2024]

Computation of gains or losses from disposal of authorised investment

3. In computing the gains or losses of an approved venture company from the disposal of any authorised investment for the purpose of determining the specified income of the company under these Regulations, authorised investment purchased by the company on an earlier date is treated as having been disposed of first.

[S 221/2026 wef 01/04/2020]

Specified income if derived before 1 April 2020

4.—(1) In these Regulations, the following income of an approved venture company derived by it before 1 April 2020 from making authorised investments, is specified income of the company:

(*a*) dividends derived from outside Singapore and received by the company in Singapore from authorised investments in any company not resident in Singapore;

(*b*) interest derived from outside Singapore and received by the company in Singapore in respect of any approved convertible loan stock of a company not resident in Singapore;

(*c*) gains or profits derived from Singapore or received by the company in Singapore from outside Singapore from the disposal of authorised investments.

(2) In paragraph (1), "authorised investments" has the meaning given by paragraph (*a*) of the definition of that term in section 13G(18) of the Act.

[S 221/2026 wef 01/04/2020]

[S 221/2026 wef 31/12/2021]

Specified income if derived on or after 1 April 2020

5.—(1) In these Regulations, the following income of an approved venture company derived by it on or after 1 April 2020 from making authorised investments, is specified income of the company:

(*a*) income or gains derived from those authorised investments;

(*b*) gains or profits derived from the disposal of those authorised investments.

(2) However, paragraph (1) does not apply to any income or gain from making authorised investments that is —

(*a*) derived or deemed to be derived from Singapore; and

(*b*) paid out of income of a company formed under the laws of any state of the United States of America as a limited liability company, or under the laws of any other foreign country as a limited liability company or its equivalent, being income on which tax is paid or payable in Singapore.

(3) The following are "authorised investments" for the purposes of paragraph (*b*) of the definition of that term in section 13G(18) of the Act:

(*a*) stocks and shares of any company, other than a company that is —

(i) in the business of the trading or holding of Singapore immovable properties (other than the business of property development); and

(ii) not listed on a stock exchange in Singapore or elsewhere;

(*b*) bonds, notes, commercial papers, treasury bills and certificates of deposit, but excluding those that are not qualifying debt securities and that are issued by any company that is —

(i) in the business of the trading or holding of Singapore immovable properties (other than the business of property development); and

(ii) not listed on a stock exchange in Singapore or elsewhere;

(*c*) deposits held with any financial institution;

(*d*) foreign exchange transactions;

(*e*) interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and any financial derivative relating to any authorised investment specified in this paragraph, or any financial index;

(*f*) loans, credit facilities and advance payments, but excluding loans, credit facilities and advance payments that are —

(i) granted to any company that is not listed on a stock exchange in Singapore or elsewhere and that is in the business of the trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(ii) used to finance or re-finance the acquisition of Singapore immovable properties; or

(iii) used to acquire stocks, shares, debt or any other securities, that are issued by any company that is not listed on a stock exchange in Singapore or elsewhere and that is in the business of the trading or holding of Singapore immovable properties (other than one that is in the business of property development);

(*g*) membership or similar interests in a company formed under the laws of any state of the United States of America as a limited liability company, or under the laws of any other foreign country as a limited liability company or its equivalent, that does not carry on any trade, business, profession or vocation in Singapore;

(*h*) accounts receivables and letters of credits.

[S 221/2026 wef 31/12/2021]

(4) In this regulation, “financial derivative” and “qualifying debt securities” have the meanings given by section 13(16) of the Act.

[S 221/2026 wef 01/04/2020]

LEGISLATIVE HISTORY

INCOME TAX (EXEMPTION OF INCOME OF APPROVED VENTURE COMPANY) REGULATIONS (CHAPTER 134, RG 22)

This Legislative History is provided for the convenience of users of the Income Tax (Exemption of Income of Approved Venture Company) Regulations. It is not part of these Regulations.

1. **G. N. No. S 481/1993 — Income Tax (Exemption of Income of Approved Venture Company) Regulations 1993**

   Date of commencement : 3 December 1993

2. **1994 Revised Edition — Income Tax (Exemption of Income of Approved Venture Company) Regulations 1994**

   Date of operation : 30 March 1994

3. **G. N. No. S 264/1999 — Income Tax (Exemption of Income of Approved Venture Company) (Amendment) Regulations 1999**

   Date of commencement : 27 February 1998

4. **2001 Revised Edition — Income Tax (Exemption of Income of Approved Venture Company) Regulations**

   Date of operation : 31 May 2001

5. **G.N. No. S 678/2016 — Income Tax (Exemption of Income of Approved Venture Company) (Amendment) Regulations 2016**

   Date of commencement : 27 December 2016

6. **G.N. No. S 221/2026 — Income Tax (Exemption of Income of Approved Venture Company) (Amendment) Regulations 2026**

   Commencement : 19 February 2020
1 April 2020
31 December 2021

7. **G.N. No. S 306/2024 — Income Tax (Exemption of Income of Approved Venture Company) (Amendment) Regulations 2024**

   Date of commencement : 31 December 2021

8. G.N. No. S 306/2024 — Income Tax (Exemption of Income of Approved Venture Company) (Amendment) Regulations 2024

Date of commencement : 12 April 2024