



M P A
SINGAPORE

MARITIME AND PORT AUTHORITY OF SINGAPORE
SHIPPING CIRCULAR
NO. 11 OF 2015

MPA Shipping Division
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26 June 2015

Applicable to: This circular should be brought to the attention of all Singapore-flagged ship owners that are assessed under Section 13A of the Singapore Income Tax Act.

**EXEMPTION FROM WITHHOLDING TAX FOR QUALIFYING PAYMENTS
MADE IN RESPECT OF QUALIFYING FINANCING ARRANGEMENTS
OBTAINED FOR FINANCING SINGAPORE-FLAGGED SHIPS**

1 Automatic withholding tax (WHT) exemption is, subject to conditions, granted on qualifying payments made on or after 1 June 2011 in respect of qualifying loans entered into on or before 31 May 2016 to finance the purchase or construction of Singapore-flagged ships¹.

2 In his 2015 Budget Statement, the Deputy Prime Minister and Minister for Finance announced that the automatic WHT exemption regime will be extended to qualifying payments made on qualifying loans taken on or before **31 May 2021**. In addition, the regime would be expanded to cover finance leases treated as sale, hire purchase arrangements and loans used to finance equity injection or intercompany loans to wholly-owned special purpose vehicles for the purchase or construction of Singapore-flagged ships.

3 To enjoy the automatic WHT exemption, entities are required to submit a self-declaration form (the "Form") for each loan obtained to inform the relevant authorities that the qualifying conditions have been met. The Form has to be submitted to the MPA by the 15th of the month following the first relevant payment due date to the non-resident. A copy of the Form (which sets out the qualifying conditions for the automatic WHT exemption) is attached as **Annex A**.

4 Should there be any changes to the representations/declarations made in the Form, a new Form must be submitted immediately. Please submit the duly completed and signed form, signed financing agreement as well as documentary evidence (where required) to the Maritime and Port Authority of Singapore, International Maritime Centre Division, 460 Alexandra Road, #19-00 PSA Building, Singapore 119963. Please also email a soft copy of the completed form to imc_mpa@mpa.gov.sg. To account for any non-disclosure of material information, false or incorrect declarations made in the information provided, the Government reserves the right to recover the taxes that should have been withheld.

¹ If an entity is unable to meet the qualifying conditions for the automatic WHT exemption, it may apply to the Ministry of Finance for WHT exemption under Section 13(4) of the Singapore Income Tax Act.

5 Any queries relating to the filling up of the form and taxation matters should be directed to the International Maritime Centre (IMC) Division's contact via email: imc_mpa@mpa.gov.sg or Tel: +65 6375 1927/1766. Further matters relating to the registration of ships should be directed to Ms Wan Fei Fei, Assistant Director (Registry), MPA, via Tel: (65) 6375 6228, Fax: (65) 6375 6231, or to the Singapore Registry of Ships dedicated contact via email: marine@mpa.gov.sg and Tel: (65) 6375 1932.

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