



**MARITIME AND PORT AUTHORITY OF SINGAPORE
SHIPPING CIRCULAR
NO. 2 OF 2022**

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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 1947.

EXTENSION OF WITHHOLDING TAX EXEMPTIONS FOR MARITIME SECTOR INCENTIVE – SHIPPING ENTERPRISE (SINGAPORE REGISTRY OF SHIPS) (MSI-SRS)

1. To maintain a competitive business environment, we are pleased to inform that the following broad-based withholding tax (WHT) exemptions have been extended by five years in the recent Budget 2022:

Type of payment	Type of arrangement/ agreement	Beneficiary	Extended till
Charter payments for ships	Finance lease	MSI companies	31 Dec 2028
Container lease	Finance lease	MSI companies	31 Dec 2028
	Operating lease	All taxpayers	31 Dec 2027

2. Please refer to the **Annex** for a summary of the scope and effective periods of the WHT exemptions.

3. Any queries regarding this circular should be directed to the International Maritime Centre (IMC) Division (email: imc@mpa.gov.sg).

Yours sincerely,

CHEAH AUN AUN
DIRECTOR OF MARINE
MARITIME AND PORT AUTHORITY OF SINGAPORE

Annex – Summary of broad-based WHT exemptions for charter payments for ships and container lease payments for MSI recipients

WHT Exemption	Operating Lease	Finance Lease
	All taxpayers	MSI-SRS
<i>Charter payments for ships</i>		
Application / Self-declaration Form Required?	No	No
Qualifying Agreements/ Arrangements	No restriction on date of agreements/ arrangements entered into	Agreements/ arrangements entered into on or before 31 December 2028
Flag Restriction?	No	Singapore-flagged ships only
Tenure of WHT Exemption	No restriction	Payments made on or after 12 December 2018 till end of charter agreement/ arrangement
Cessation of WHT Exemption	N.A.	<u>Earlier of:</u> (i) End of charter agreement/ arrangement; or (ii) Date of deregistration or suspension of ship from SRS
<i>Container lease payments</i>		
Application / Self-declaration Form Required?	No	No
Qualifying Agreements	Agreements entered into on or before:	
	31 December 2027	31 December 2028
Tenure of WHT Exemption	Till end of agreement	Payments made on or after 12 December 2018 till end of agreement
Cessation of WHT Exemption	N.A.	<u>Earlier of:</u> (i) End of lease agreement; or (ii) Date that the company ceases to own or operate any Singapore-flagged ships