Advance Ruling Summary No. 8/2025
Published on 2 Jun 2025

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1. Subject:

Whether:

a. the amount of $X in excess of each $1,000 in principal amount of the Notes (defined below) in the computation of the Early Tender Offer Consideration (defined below) (the "**Tender Fees**") would be treated as "early redemption fee" and/or "redemption premium" (as defined in Section 13(16) of the Income Tax Act 1947 ("**ITA**")) under the qualifying debt securities ("**QDS**") scheme, in which case the Tender Fees would not be subject to withholding tax when paid or deemed paid by the issuer of the Notes ("**Issuer**") to non-resident holders of the Notes ("**Holders**"); and

b. Holders would also be entitled to the QDS tax exemptions and concessions in respect of such amount under Sections 13(1)(ba) and 43H of the ITA and individuals deriving such income (other than through a partnership in Singapore or from the carrying on of a trade, business or profession in Singapore) would be exempt from tax on such income pursuant to Section 13(1)(zk) of the ITA.

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2. Relevant background and facts:

a. The Issuer, a company incorporated in Singapore, had issued the Notes maturing in Year (T+2) (the "**Notes**"). The Notes are QDS for the purposes of the ITA.

b. The Issuer has made an offer to purchase the Notes pursuant to a tender offer. The terms of the tender offer are set out in the offer to purchase in respect of the Notes ("**Offer to Purchase**").

c. Pursuant to the Offer to Purchase and subject to the terms thereof, the Issuer has offered to purchase for cash the Notes (the "**Tender Offer**") validly tendered and accepted for purchase. All Notes purchased in the tender offer will be retired and cancelled.

d. The consideration payable to the Holders for each $1,000 principal amount of Notes validly tendered and accepted for purchase before or at the early tender deadline is $(1,000+X) ("**Early Tender Offer Consideration**"). In addition, such Holders will receive the applicable accrued and unpaid interest on the Notes from the last interest payment date up to, but not including the specified settlement date in Year T, for the Notes validly tendered and accepted for purchase.

e. The Tender Offer is subject to the satisfaction or waiver of certain conditions, as set forth in the Offer to Purchase.

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3. Relevant legislative provisions:

a. Income Tax Act 1947 – Sections 13(1)(ba), 13(1)(zk), 13(2F), 13(16), 43H and 45A(2B)(a)

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4. The rulings:

a. The Tender Fees would be treated as “early redemption fee” and/or “redemption premium” under Section 13(16) of the ITA. Therefore, subject to meeting all the other requisite conditions under Sections 13(2F) and 43H of the ITA, and the Income Tax (Qualifying Debt Securities) Regulations, where applicable:

   i. Holders deriving the Tender Fees would be entitled to the tax exemptions and tax concessions available under Section 13(1)(ba) and 43H of the ITA;

   ii. Individuals deriving the Tender Fees (other than through a partnership in Singapore or from the carrying on of a trade, business or profession in Singapore) would be exempt from tax on such income pursuant to Section 13(1)(zk) of the ITA; and

   iii. The Tender Fees would not be subject to withholding tax when paid or deemed paid by the Issuer to non-resident Holders pursuant to Section 45A(2B)(a) of the ITA.

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5. Reasons for the decision:

a. The Notes are QDS. The purchase of the Notes by the Issuer pursuant to the Tender Offer before the Notes’ maturity date of Year (T+2) constitutes an early redemption of the Notes.

b. The Tender Fees is a fee or premium payable by the Issuer on the early redemption of the Notes.

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