

MC:JAN/25/68(FIN)

SINGAPORE GOVERNMENT PRESS STATEMENT

SPEECH BY THE PARLIAMENTARY SECRETARY TO THE MINISTRY OF FINANCE, MR. S. RALLASWAMY, WHEN MOVING THE SECOND READING OF THE CORPORATION DUTY (REPEAL) ACT, 1968, IN THE SINGAPORE PARLIAMENT ON WEDNESDAY, 24TH JANUARY, 1968.

Clerk reads the order of the day for Second Readings.

Parl. Sec. (Finance):

2. Mr. Speaker, Sir, I beg to move "that the Bill be now read a second time".
3. The Bill now before Parliament seeks to abolish the Corporation Duty Ordinance which was enacted 62 years ago for the imposition of a corporation duty of 3% on all the movable and immovable properties corporate and unincorporate in Singapore. This duty which applies to trusts and similar types of bodies where property is held permanently in such manner that no tax is payable since no property ever passes on on the death of a person, was originally complementary to estates duty which provided for a levy in respect of the estates of deceased persons only.
4. As the law stands, it covers movable or immovable property in Singapore and outside Singapore, whereas in the case of estate duty, the scope of the charge specifically excludes immovable property outside Singapore.
5. The revenue collection from this duty in 1966 was \$55,954.68 and in 1967 (up to November 1967) was \$55,706.45. The collection is not substantial, taking into consideration the costs involved. It is now proposed to repeal the Corporation Duty Ordinance because the exemptions provided in the law are such that a very small class of property is liable to charge. Property of religious and charitable organisations and property constituting the capital of a body corporate or unincorporate for trade or business are exempt. Thus only a very small number of properties which do not pass on on death are subject to charge. Consequently it is not productive of any substantial amount of revenue as is clear from the figures given earlier.
6. Similar legislation in Malaysia was repealed in 1947.
7. Sir, I beg to move.

24TH JANUARY, 1968.

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