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INCOME TAX ACT (CHAPTER 134)

INCOME TAX (CONCESSIONARY RATE OF TAX FOR APPROVED INSURANCE BROKERS) (AMENDMENT) REGULATIONS 2015

In exercise of the powers conferred by section 43ZC of the Income Tax Act, the Minister for Finance makes the following Regulations:

Citation

1. These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Approved Insurance Brokers) (Amendment) Regulations 2015.

Amendment of regulation 2

2. Regulation 2 of the Income Tax (Concessionary Rate of Tax for Approved Insurers Brokers) Regulations 2009 (G.N. No. S 136/2009) is amended —

(a) by inserting, immediately after the definition of “insurance broking”, the following definition:

““offshore qualifying specialised insurance risks” means any of the following:

- (a) terrorism risks;
 - (b) political risks;
 - (c) energy risks;
 - (d) aviation and aerospace risks;
 - (e) agricultural risks;
 - (f) risks arising from a natural catastrophe;”;
- and

(b) by deleting the definition of “specified person” and substituting the following definition:

““specified person” means —

- (a) in relation to the provision of insurance broking from which commission and fee income is derived by an approved insurance broker before 1 April 2013, any insured person or person seeking insurance coverage —
 - (i) who is not resident in Singapore and who does not have any permanent establishment in Singapore; or
 - (ii) who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used by that person to finance the premiums, brokerage fees and any other fees paid or payable to the approved insurance broker are not obtained, directly or indirectly, from the operation;
- (b) in relation to the provision of insurance broking from which commission and fee income is derived by an approved insurance broker on or after 1 April 2013, any insured person or person seeking insurance coverage for offshore risks; and
- (c) in relation to the provision of advisory services from which commission and fee income is derived by an approved insurance broker, whether before, on or after 1 April 2013, any person —

- (i) who is not resident in Singapore and who does not have a permanent establishment in Singapore; or
- (ii) who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore where the funds used by that person to finance the service fees paid or payable to the approved insurance broker are not obtained, directly or indirectly, from the operation.”.

Deletion and substitution of regulation 4

3. Regulation 4 of the Income Tax (Concessionary Rate of Tax for Approved Insurance Brokers) Regulations 2009 is deleted and the following regulation substituted therefor:

“Concessionary rate of tax

4.—(1) Subject to paragraph (2), tax is payable at the rate of 10% on the commission and fee income derived by an approved insurance broker from the provision of insurance broking or advisory services to a specified person.

(2) However, tax is payable at the rate of 5% on the commission and fee income referred to in paragraph (1) if —

- (a) the commission and fee income is derived on or after 1 April 2013; and
- (b) the insurance broking or advisory services provided to the specified person relate to offshore qualifying specialised insurance risks.”.

Made on 12 March 2015.

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Permanent Secretary
(Finance) (Performance),
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