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INCOME TAX ACT
(CHAPTER 134)

INCOME TAX
(EXEMPTION AND CONCESSIONARY TAX RATE FOR
INCOME FROM GENERAL INSURANCE BUSINESS)
(AMENDMENT) REGULATIONS 2021

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

Citation and commencement

1. These Regulations are the Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment) Regulations 2021 and come into operation on 1 July 2021.

Amendment of regulation 2

2. Regulation 2(1) of the Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) Regulations (Rg 26) (called in these Regulations the principal Regulations) is amended —

(a) by inserting, immediately after the definition of “approved specialised insurer”, the following definition:

““Asian Currency Unit” means an operational unit that was approved by the Monetary Authority of Singapore under section 77(5) of the Banking Act (Cap. 19) as in force immediately before 1 July 2021;”;

(b) by inserting, immediately after the definition of “capital allowances”, the following definition:

““captive general business” means the general business of an approved captive insurer which consists of risks of its related companies, including third-party risks underwritten in the course of and incidental to that business;”;

(c) by inserting, immediately after the definition of “catastrophe excess of loss policy”, the following definitions:

““deposit” has the meaning given by section 4B(4) of the Banking Act;

“direct stand-alone policy” means a direct insurance policy that a person purchases to cover one or more of the following risks (and not any other risk):

(a) fire risk;

(b) motor risk;

(c) work injury compensation risk;

(d) personal accident risk;

(e) health risk;

“dividends”, in relation to income derived on or after 1 July 2021, means dividends paid by a company, other than those exempt from tax under section 13(1)(za), (8) or (12) of the Act;

“general business” has the meaning given by section 2(1)(b) of the Insurance Act (Cap. 142);”;

(d) by inserting, immediately after the definition of “interest from ACU deposits”, the following definition:

““life business” has the meaning given by section 2(1)(a) of the Insurance Act;”;

(e) by inserting, immediately after the definition of “marine hull and liability insurance and reinsurance business”, the following definition:

““offshore captive general business” means captive general business concerned with offshore risks;”;

(f) by inserting, immediately after the definition of “offshore captive insurance business”, the following definition:

““offshore general business” means general business concerned with offshore risks;”;

(g) by inserting, immediately after the definition of “offshore qualifying specialised insurance risk”, the following definitions:

““offshore risk” has the meaning given by section 26(12) of the Act;

“offshore specialised insurance business” means specialised insurance business concerned with offshore risks;

“offshore specialised insurance risk” means a specialised insurance risk that is an offshore risk;

“prescribed asset or project” means an infrastructure asset or project prescribed in regulation 5 of the Income Tax (Qualifying Project Debt Securities) Regulations 2008 (G.N. No. S 315/2008);

“qualifying interest” means —

(a) any interest derived from a deposit held in a bank;

(b) any interest derived from a certificate of deposit issued by a bank; or

(c) any interest derived from debt securities, other than interest that is exempt from tax under section 13(1)(b)(i) or (bc)(i) of the Act, or an amount that is exempt from

tax under section 13(1)(*bd*) of the Act;

“qualifying investment” means —

- (a) any stock or share of a company;
 - (b) securities (other than stocks and shares), bonds, notes, certificates of deposits or treasury bills that are issued by a government, bank or company;
 - (c) any futures contract traded on a future exchange; or
 - (d) any investment in a prescribed asset or project;”;
- (h) by deleting the full-stop at the end of the definition of “qualifying specialised insurance risk” and substituting a semi-colon, and by inserting immediately thereafter the following definitions:

““related company”, in relation to an approved captive insurer, means a company that is deemed to be related to the insurer under section 6 of the Companies Act (Cap. 50);

“specialised insurance business” means the business of insuring and reinsuring specialised insurance risks;

“specialised insurance risk” means any of the following risks:

- (a) any terrorism risk;
- (b) any political risk;
- (c) any energy risk;
- (d) any aviation and aerospace risk;
- (e) any agriculture risk;

(f) any risk arising from a natural catastrophe;

“specified captive business” means the business of an approved captive insurer underwriting either or both of the following:

(a) policies covering third parties which are not underwritten by the insurer in the course of, nor incidental to, its captive general business;

(b) direct stand-alone policies;

“specified general business” means the business of an approved insurer underwriting direct stand-alone policies.”.

Amendment of regulation 5

3. Regulation 5 of the principal Regulations is amended —

(a) by inserting, immediately after the words “following income derived” in paragraph (1), the words “before 1 July 2021”; and

(b) by inserting, immediately after the word “for” in the regulation heading, the words “income derived before 1 July 2021 of”.

New regulation 5A

4. The principal Regulations are amended by inserting, immediately after regulation 5, the following regulation:

“Concessionary rate of tax for income derived on or after 1 July 2021 of approved insurer

5A.—(1) Tax is payable at the rate of 10% on the income mentioned in paragraph (2) derived on or after 1 July 2021 by an approved insurer in a basis period for any year of assessment.

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- (2) For the purposes of paragraph (1), the income is —
- (a) underwriting income derived from the insurer’s general business in Singapore (excluding specified general business);
 - (b) the part of A that is ascertained by the formula $\frac{P_{ogx}}{P_{og}} \times A$;
 - (c) the part of B that is ascertained by the formula $\frac{P_{igx}}{P_{ig}} \times B$; and
 - (d) the part of C that is ascertained by the formula $\frac{P_{igx} + P_{ogx}}{P_{ig} + P_{og}} \times C$.

- (3) In paragraph (2) —

“A” is the total amount of the following income of the approved insurer (excluding excluded income) derived in the basis period:

- (a) dividends and qualifying interest derived from the investment of its insurance fund established and maintained under the Insurance Act for its offshore general business in Singapore;
- (b) gains or profits from the sale of qualifying investments acquired using such insurance fund,

less any expenses incurred in the production of such income for which a deduction is allowed under the Act;

“B” is the total amount of the following income of the approved insurer (excluding excluded income) derived in the basis period:

- (a) dividends and qualifying interest derived from the investment of its insurance fund established and maintained under the Insurance Act for its general business in Singapore (other than offshore general business);

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- (b) gains or profits from the sale of qualifying investments acquired using such insurance fund, less any expenses incurred in the production of such income for which a deduction is allowed under the Act;
- “C” is the total amount of the following income of the approved insurer (excluding excluded income) derived in the basis period:
- (a) dividends and qualifying interest derived from the investment of its shareholders’ fund established in Singapore and used to support its general business in Singapore;
- (b) gains or profits from the sale of qualifying investments acquired using such shareholders’ fund, less any expenses incurred in the production of such income for which a deduction is allowed under the Act;
- “P_{ig}” is the total amount of the gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved insurer in the course of carrying on its general business in Singapore (other than offshore general business);
- “P_{igx}” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved insurer in the course of carrying on its general business in Singapore (other than offshore general business), excluding direct stand-alone policies;
- “P_{og}” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved insurer in the course of carrying on its offshore general business in Singapore;
- “P_{ogx}” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved insurer in the course of

carrying on its offshore general business in Singapore, excluding direct stand-alone policies;

“excluded income” means any income derived in the basis period from any investment in, or the sale of, any stock, share or other securities of a company that —

- (a) is in the business of trading or holding —
 - (i) prescribed assets or projects, and other immovable property; or
 - (ii) immovable properties other than prescribed assets or projects;
- (b) is not in the business of property development; and
- (c) is not listed on a stock exchange in Singapore or elsewhere.

(4) Where the approved insurer is also an approved captive insurer, the reference to gross premiums in the definitions of “P_{igx}” and “P_{ogx}” in paragraph (3) excludes the gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved insurer in the course of carrying on its captive general business in Singapore.

(5) Where the approved insurer is also an approved marine hull and liability insurer, the reference to gross premiums in the definitions of “P_{igx}” and “P_{ogx}” in paragraph (3) excludes the gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved insurer in the course of carrying on its marine hull and liability insurance and reinsurance business in Singapore.

(6) Where the approved insurer is also an approved specialised insurer, the reference to gross premiums in the definitions of “P_{igx}” and “P_{ogx}” in paragraph (3) excludes the gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved insurer in the course of carrying on its specialised insurance business in Singapore.

(7) For the purposes of paragraph (2), where the Comptroller is satisfied that any part of the insurance fund mentioned in the definition of “A” or “B” in paragraph (3) is not required to support the offshore general business in Singapore or the general business in Singapore (other than the offshore general business) of the approved insurer (as the case may be), the Comptroller may adopt such reduced amount of “A” in paragraph (2)(b) or “B” in paragraph (2)(c) as appears to the Comptroller to be reasonable in the circumstances.

(8) For the purposes of paragraph (2), where the Comptroller is satisfied that any part of the shareholders’ fund mentioned in the definition of “C” in paragraph (3) is not required to support the general business in Singapore of the approved insurer, the Comptroller may adopt such reduced amount of “C” in paragraph (2)(d) as appears to the Comptroller to be reasonable in the circumstances.

(9) A reference in this regulation to interest includes a reference to qualifying return in lieu of interest.”.

Amendment of regulation 5B

5. Regulation 5B of the principal Regulations is amended —

- (a) by inserting, immediately after the words “following income derived” in paragraph (1), the words “before 1 July 2021”; and
- (b) by inserting, immediately after the word “income” in the regulation heading, the words “derived before 1 July 2021”.

New regulation 5C

6. The principal Regulations are amended by inserting, immediately after regulation 5B, the following regulation:

“Concessionary rates of tax and exemption for income derived on or after 1 July 2021 of approved marine hull and liability insurer

5C.—(1) The income specified in paragraph (4) derived on or after 1 July 2021 by an approved marine hull and liability insurer in a basis period for any year of assessment is exempt from tax, if the insurer’s approval was granted before 1 April 2016 and the insurer satisfies the qualifying conditions mentioned in regulation 7(1).

(2) Tax is payable at the rate of 5% on income specified in paragraph (4) derived on or after 1 July 2021 by an approved marine hull and liability insurer mentioned in regulation 5B(2) in a basis period for any year of assessment.

(3) Tax is payable at the rate of 10% on income specified in paragraph (4) derived on or after 1 July 2021 by an approved marine hull and liability insurer in a basis period for any year of assessment, if the insurer’s approval was granted between 1 April 2016 and 31 May 2017 (both dates inclusive).

(4) For the purposes of paragraphs (1), (2) and (3), the income is —

(a) underwriting income derived from the insurer’s marine hull and liability insurance and reinsurance business in Singapore;

(b) the part of A that is ascertained by the formula $\frac{P_{om}}{P_{og}} \times A$;

(c) the part of B that is ascertained by the formula $\frac{P_{im}}{P_{ig}} \times B$; and

(d) the part of C that is ascertained by the formula $\frac{P_{im}+P_{om}}{P_{ig}+P_{og}} \times C$.

(5) In paragraph (4) —

“A”, “B”, “C”, “P_{ig}” and “P_{og}” have the same meanings given by regulation 5A(3), with each reference to approved insurer substituted with a reference to approved marine hull and liability insurer;

“P_{im}” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved marine hull and liability insurer in the course of carrying on its marine hull and liability insurance and reinsurance business in Singapore (other than offshore marine hull and liability insurance and reinsurance business);

“P_{om}” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved marine hull and liability insurer in the course of carrying on its offshore marine hull and liability insurance and reinsurance business in Singapore.

(6) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the insurance fund mentioned in the definition of “A” or “B” in regulation 5A(3) (as applied by paragraph (5)) is not required to support the offshore marine hull and liability insurance and reinsurance business in Singapore or marine hull and liability insurance and reinsurance business in Singapore (other than offshore marine hull and liability insurance and reinsurance business) of the approved marine hull and liability insurer (as the case may be), the Comptroller may adopt such reduced amount of “A” in paragraph (4)(b) or “B” in paragraph (4)(c) as appears to the Comptroller to be reasonable in the circumstances.

(7) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the shareholders’ fund mentioned in the definition of “C” in regulation 5A(3) (as applied by paragraph (5)) is not required to support the marine hull and liability insurance and reinsurance business in Singapore of the approved marine hull and liability insurer, the Comptroller may adopt such reduced amount of “C” in paragraph (4)(d) as appears to the Comptroller to be reasonable in the circumstances.”.

Amendment of regulation 5D

7. Regulation 5D of the principal Regulations is amended —
- (a) by inserting, immediately after the word “derived” in paragraphs (1) and (3), the words “before 1 July 2021”; and
 - (b) by inserting, immediately after the word “income” in the regulation heading, the words “derived before 1 July 2021”.

New regulation 5E

8. The principal Regulations are amended by inserting, immediately after regulation 5D, the following regulation:

“Concessionary rates of tax and exemption for income derived on or after 1 July 2021 of approved specialised insurer

5E.—(1) The income specified in paragraph (4) derived on or after 1 July 2021 by an approved specialised insurer in a basis period for any year of assessment is exempt from tax, if its approval was granted at any time before 1 September 2016 and the insurer had not been approved as an approved specialised insurer at any time before the date of approval.

(2) Tax is payable at the rate of 5% on income specified in paragraph (4) derived on or after 1 July 2021 by an approved specialised insurer in a basis period for any year of assessment, if its approval was granted between 1 September 2016 and 31 May 2017 (both dates inclusive), and the insurer had not been approved as an approved specialised insurer at any time before the date of the approval.

(3) Tax is payable at the rate of 10% on income specified in paragraph (4) derived on or after 1 July 2021 by an approved specialised insurer in a basis period for any year of assessment, if its approval was granted between 1 September 2016 and 31 May 2017 (both dates inclusive), and the insurer had been approved as an approved specialised insurer at any time before the date of the firstmentioned approval.

(4) For the purposes of paragraphs (1), (2) and (3), the income is —

- (a) underwriting income derived by the approved specialised insurer from its specialised insurance business in Singapore;
- (b) the part of A that is ascertained by the formula $\frac{P_{os}}{P_{og}} \times A$;
- (c) the part of B that is ascertained by the formula $\frac{P_{is}}{P_{ig}} \times B$; and
- (d) the part of C that is ascertained by the formula $\frac{P_{is}+P_{os}}{P_{ig}+P_{og}} \times C$.

(5) In paragraph (4) —

“A”, “B”, “C”, “ P_{ig} ” and “ P_{og} ” have the same meanings given by regulation 5A(3), with each reference to approved insurer substituted with the reference to approved specialised insurer;

“ P_{is} ” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved specialised insurer in the course of carrying on its specialised insurance business in Singapore (other than offshore specialised insurance business);

“ P_{os} ” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved specialised insurer in the course of carrying on its offshore specialised insurance business in Singapore.

(6) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the insurance fund mentioned in the definition of “A” or “B” in regulation 5A(3) (as applied by paragraph (5)) is not required to support the offshore specialised insurance business in Singapore or specialised insurance business in Singapore (other than offshore specialised insurance business) of the approved specialised insurer (as the

case may be), the Comptroller may adopt such reduced amount of “A” in paragraph (4)(b) or “B” in paragraph (4)(c) as appears to the Comptroller to be reasonable in the circumstances.

(7) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the shareholders’ fund mentioned in the definition of “C” in regulation 5A(3) (as applied by paragraph (5)) is not required to support the specialised insurance business in Singapore of the approved specialised insurer, the Comptroller may adopt such reduced amount of “C” in paragraph (4)(d) as appears to the Comptroller to be reasonable in the circumstances.

(8) For the purposes of the definitions of “P_{is}” and “P_{os}” in paragraph (4), a policy for a risk arising from a natural catastrophe underwritten by the approved specialised insurer is regarded as a policy underwritten by the insurer in the course of carrying on its specialised insurance business (other than offshore specialised insurance business) or offshore specialised insurance business (as the case may be), if and only if it is a catastrophe excess of loss policy.”.

Amendment of regulation 7

9. Regulation 7 of the principal Regulations is amended —

- (a) by inserting, immediately after the words “following income derived” in paragraph (1), the words “before 1 July 2021”;
- (b) by deleting the words “for the basis period” in paragraph (1) and substituting the words “during the basis period”; and
- (c) by inserting, immediately after the word “Income” in the regulation heading, the words “derived before 1 July 2021”.

Amendment of regulation 7A

10. Regulation 7A of the principal Regulations is amended —
- (a) by inserting, immediately after the word “derived” in paragraph (1A), the words “before 1 July 2021”; and
 - (b) by inserting, immediately after the word “Income” in the regulation heading, the words “derived before 1 July 2021”.

New regulation 7AA

11. The principal Regulations are amended by inserting, immediately after regulation 7A, the following regulation:

“Income derived on or after 1 July 2021 of approved captive insurer exempt from tax

7AA.—(1) Subject to the condition in paragraph (4), the income mentioned in paragraph (2) derived on or after 1 July 2021 by an approved captive insurer in a basis period for any year of assessment is exempt from tax, if its approval is granted before 1 June 2017.

- (2) For the purposes of paragraph (1), the income is —
- (a) underwriting income derived from the insurer’s captive general business in Singapore (excluding specified captive business);
 - (b) the part of A that is ascertained by the formula $\frac{P_{\text{ocx}}}{P_{\text{og}}} \times A$;
 - (c) the part of B that is ascertained by the formula $\frac{P_{\text{lex}}}{P_{\text{ig}}} \times B$; and
 - (d) the part of C that is ascertained by the formula $\frac{P_{\text{lex}} + P_{\text{ocx}}}{P_{\text{ig}} + P_{\text{og}}} \times C$.
- (3) In paragraph (2) —
- “A”, “B”, “C”, “P_{ig}” and “P_{og}” have the same meanings given by regulation 5A(3), with each reference to approved insurer substituted with a reference to approved captive insurer;

“ P_{icx} ” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved captive insurer in the course of carrying on its captive general business in Singapore (other than offshore captive general business), excluding the amount of gross premiums received or receivable by the insurer in that basis period in respect of —

- (a) all policies covering third parties which are not underwritten by the insurer in the course of, nor incidental to, that business; and
- (b) all direct stand-alone policies underwritten by the insurer in the course of that business;

“ P_{ocx} ” is the total amount of gross premiums received or receivable in the basis period in respect of all policies underwritten by the approved captive insurer in the course of carrying on its offshore captive general business in Singapore, excluding the amount of gross premiums received or receivable by the insurer in that basis period in respect of —

- (a) all policies covering third parties which are not underwritten by the insurer in the course of, nor incidental to, that business; and
- (b) all direct stand-alone policies underwritten by the insurer in the course of that business.

(4) For the purposes of paragraph (1), the condition is that at all times in the basis period in which the income is derived, all the functions in the following sub-paragraphs are undertaken by the approved captive insurer, by a company incorporated in Singapore, or by personnel located in Singapore who are employed by a company incorporated outside Singapore:

- (a) either or both of the following:
 - (i) ensuring compliance with any requirement or any direction, notice or other document issued under the Insurance Act;

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- (ii) ensuring compliance with any requirement or any direction, notice or other document issued under the Monetary Authority of Singapore Act (Cap. 186);
 - (b) ensuring compliance with any requirement relating to financial accounting, auditing and reporting under the Companies Act;
 - (c) the day to day management of the approved captive insurer's business.

(5) For the purposes of paragraph (2), where the Comptroller is satisfied that any part of the insurance fund mentioned in the definition of "A" or "B" in regulation 5A(3) (as applied by paragraph (3)) is not required to support the offshore captive general business in Singapore or the captive general business in Singapore (other than offshore captive general business) of the approved captive insurer (as the case may be), the Comptroller may adopt such reduced amount of "A" in paragraph (2)(b) or "B" in paragraph (2)(c) as appears to the Comptroller to be reasonable in the circumstances.

(6) For the purposes of paragraph (2), where the Comptroller is satisfied that any part of the shareholders' fund mentioned in the definition of "C" in regulation 5A(3) (as applied by paragraph (3)) is not required to support the captive general business in Singapore of the approved captive insurer, the Comptroller may adopt such reduced amount of "C" in paragraph (2)(d) as appears to the Comptroller to be reasonable in the circumstances."

Amendment of regulation 7B

12. Regulation 7B of the principal Regulations is amended —

- (a) by inserting, immediately after the word "derived" in paragraph (4), the words "before 1 July 2021";
- (b) by deleting the words "that date" in paragraph (4) and substituting the words "1 September 2016"; and

- (c) by inserting, immediately after the word “Income” in the regulation heading, the words “derived before 1 July 2021”.

Amendment of regulation 8

13. Regulation 8 of the principal Regulations is amended —

- (a) by deleting the word “Any” in paragraph (1) and substituting the words “For the purpose of determining the income mentioned in regulation 5(1), any”;
- (b) by deleting the words “where an approved insurer is also an approved marine hull and liability insurer under regulation 4, an approved captive insurer under regulation 4A or an approved specialised insurer under regulation 4B” in paragraph (2) and substituting the words “for the purposes of determining the income mentioned in regulation 5B(1), 5D(4), 7(1), 7A(1) or 7B(1) of an approved insurer who is also an approved marine hull and liability insurer under regulation 4, an approved captive insurer under regulation 4A or an approved specialised insurer under regulation 4B”; and
- (c) by inserting, immediately after the word “donations” in the regulation heading, the words “in respect of income derived before 1 July 2021”.

New regulation 8A

14. The principal Regulations are amended by inserting, immediately after regulation 8, the following regulation:

“Apportionment of expenses, allowances and donations in respect of income derived on or after 1 July 2021

8A.—(1) For the purpose of determining the income mentioned in regulation 5A(2), all of the following for which a deduction is allowable to an approved insurer under the Act, are to be apportioned in accordance with paragraph (2) between the general business in Singapore (excluding specified general business) of the insurer and the specified general business of the insurer:

- (a) any item of expenditure not directly attributable to the general business in Singapore (excluding specified general business) of the insurer;
- (b) capital allowances;
- (c) donations.

(2) For the purpose of paragraph (1), the portion of expenditure, capital allowances and donations to be apportioned to the general business in Singapore (excluding specified general business) of the approved insurer is that ascertained using the fraction $\frac{P_{igx} + P_{ogx}}{P_{ig} + P_{og}}$, where “P_{ig}”, “P_{igx}”, “P_{og}” and “P_{ogx}” have the same meanings given by regulation 5A(3).

(3) For the purpose of determining the income mentioned in regulation 5C(4), all of the following for which a deduction is allowable to an approved marine hull and liability insurer under the Act, are to be apportioned in accordance with paragraph (4) between the marine hull and liability insurance and reinsurance business in Singapore of the insurer and the other general businesses in Singapore of the insurer:

- (a) any item of expenditure not directly attributable to the marine hull and liability insurance and reinsurance business in Singapore of the insurer;
- (b) capital allowances;
- (c) donations.

(4) For the purpose of paragraph (3), the portion of expenditure, capital allowances and donations to be apportioned to the marine hull and liability insurance and reinsurance business in Singapore of the approved marine hull and liability insurer is that ascertained using the fraction $\frac{P_{im} + P_{om}}{P_{ig} + P_{og}}$, where —

- (a) “P_{ig}” and “P_{og}” have the same meanings given by regulation 5A(3), with each reference to approved insurer substituted with a reference to approved marine hull and liability insurer; and

- (b) “P_{im}” and “P_{om}” have the same meanings given by regulation 5C(5).

(5) For the purpose of determining the income mentioned in regulation 5E(4), all of the following for which a deduction is allowable to an approved specialised insurer under the Act, are to be apportioned in accordance with paragraph (6) between the specialised insurance business in Singapore of the insurer and the other general businesses in Singapore of the insurer:

- (a) any item of expenditure not directly attributable to the specialised insurance business in Singapore of the insurer;
- (b) capital allowances;
- (c) donations.

(6) For the purpose of paragraph (5), the portion of expenditure, capital allowances and donations to be apportioned to the specialised insurance business in Singapore of the approved specialised insurer is that ascertained using the fraction $\frac{P_{is}+P_{os}}{P_{ig}+P_{og}}$, where —

- (a) “P_{ig}” and “P_{og}” have the same meanings given by regulation 5A(3), with each reference to approved insurer substituted with a reference to approved specialised insurer; and
- (b) “P_{is}” and “P_{os}” have the same meanings given by regulation 5E(5).

(7) For the purpose of determining the income mentioned in regulation 7AA(2), all of the following for which a deduction is allowable to an approved captive insurer under the Act, are to be apportioned in accordance with paragraph (8) between the captive general business in Singapore (excluding specified captive business) of the insurer and the other general businesses in Singapore of the insurer:

- (a) any item of expenditure not directly attributable to the captive general business in Singapore (excluding specified captive business) of the insurer;

- (b) capital allowances;
- (c) donations.

(8) For the purpose of paragraph (7), the portion of expenditure, capital allowances and donations to be apportioned to the captive general business in Singapore (excluding specified captive business) of the approved captive insurer is that ascertained using the fraction $\frac{P_{icx} + P_{ocx}}{P_{ig} + P_{og}}$, where —

- (a) “P_{ig}” and “P_{og}” have the same meanings given by regulation 5A(3), with each reference to approved insurer substituted with a reference to approved captive insurer; and
- (b) P_{icx}” and “P_{ocx}” have the same meanings given by regulation 7AA(3).

(9) The Comptroller may apply any alternative method of apportionment in place of any of the prescribed fractions in paragraph (2), (4), (6) or (8) if the Comptroller is satisfied that the alternative method is reasonable in the circumstances of the business of the insurer mentioned in that paragraph.”.

Amendment of regulation 9

15. Regulation 9(1) of the principal Regulations is amended —

- (a) by deleting the words “regulation 7, 7A or 7B” wherever they appear and substituting in each case the words “regulation 5C, 5E, 7, 7A, 7AA or 7B”; and
- (b) by inserting, immediately after the words “in respect of” in sub-paragraph (c), the words “the captive general business,”.

[G.N. Nos. S 658/2004; S 79/2009; S 746/2010; S 101/2011; S 213/2013; S 517/2013; S 318/2016; S 601/2017; S 612/2017]

Made on 28 June 2021.

TAN CHING YEE
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Ministry of Finance,
Singapore.*

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AG/LEGIS/SL/134/2020/18 Vol. 1]