
First published in the Government *Gazette*, Electronic Edition, on 30 June 2021 at 5 pm.

No. S 494

INCOME TAX ACT
(CHAPTER 134)

INCOME TAX
(CONCESSIONARY RATE OF TAX FOR
APPROVED INSURANCE BROKERS)
(AMENDMENT) REGULATIONS 2021

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

Citation and commencement

1. These Regulations are the Income Tax (Concessionary Rate of Tax for Approved Insurance Brokers) (Amendment) Regulations 2021 and come into operation on 1 July 2021.

Amendment of regulation 2

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

(a) by deleting the definition of “advisory services” and substituting the following definition:

““advisory service” means any risk advisory service, or other advisory service relating to any insurance policy;”;

(b) by inserting, immediately after the definition of “approved insurance broker”, the following definitions:

““direct insurer” has the meaning given by section 1A of the Insurance Act (Cap. 142);

“direct life insurer” means a direct insurer licensed under section 8 of the Insurance Act to carry on life business;”;

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

““insurance broking services” means the services of direct insurance broking or reinsurance broking, or both;

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

“risk advisory services” means the design, structuring, modelling and implementation of any risk management programme using an insurance policy;”;

(d) by deleting paragraph (a) of the definition of “specified person”;

(e) by deleting the words “on or after 1 April 2013” in paragraph (b) of the definition of “specified person” and substituting the words “during the period from 1 April 2013 to 30 June 2021 (both dates inclusive)”; and

(f) by deleting the words “, whether before, on or after 1 April 2013” in paragraph (c) of the definition of “specified person” and substituting the words “before 1 July 2021”.

Amendment of regulation 4

3. Regulation 4 of the principal Regulations is amended —

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

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

New regulation 4A

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

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

4A.—(1) Tax is payable at the rate of 10% on the commissions and fees derived by an approved insurance broker on or after 1 July 2021 from the provision of either or both of the following services that do not relate to any insurance in paragraph (2):

- (a) insurance broking services;
- (b) advisory services.

(2) For the purposes of paragraph (1), the insurance is —

- (a) an insurance under a direct stand-alone policy; or
- (b) an insurance against any risk underwritten by a direct life insurer in the course of carrying on its life business.

(3) In paragraph (2)(a), “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.”.

Amendment of regulation 5

5. Regulation 5 of the principal Regulations is amended by deleting the words “regulation 4” wherever they appear and substituting in each case the words “regulations 4 and 4A”.

Made on 28 June 2021.

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[R032.007.0006.V27; AG/LEGIS/SL/134/2020/37 Vol. 1]