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**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”.

*[G.N. Nos. S 143/2015; S 609/2017; S 8/2019]*

Made on 28 June 2021.

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