

**INCOME TAX ACT
(CHAPTER 134, SECTION 43C)**

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

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[5th May 1995]

Citation

1. These Regulations may be cited as the Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) Regulations and shall have effect for the year of assessment 1996 and subsequent years of assessment.

[S 79/2009 wef Y/A 2005 & Sub Ys/A]

[S 318/2016 wef 05/07/2016]

Definitions

2.—(1) In these Regulations —

“approved captive insurer” means any captive insurer approved under regulation 4A;

“approved insurer” means any insurer approved under regulation 3;

“approved marine hull and liability insurer” means any insurer approved under regulation 4;

“approved specialised insurer” means any insurer approved under regulation 4B;

“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;

[S 492/2021 wef 01/07/2021]

[Deleted by S 318/2016 wef 01/04/2013]

“capital allowances” means the allowances under section 19, 19A, 20, 21, 22 or 23 of the Act;

“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;

[S 492/2021 wef 01/07/2021]

“captive insurer” has the same meaning as in section 2 of the Insurance Act 1966;

[S 213/2023 wef 31/12/2021]

“catastrophe excess of loss policy” means an insurance policy where the insurer is liable for any amount above an amount stated in the policy in respect of any loss arising from a natural catastrophe;

[S 318/2016 wef 25/02/2013]

“deposit” has the meaning given by section 4B(4) of the Banking Act 1970;

[S 492/2021 wef 01/07/2021]

[S 213/2023 wef 31/12/2021]

“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;

[S 492/2021 wef 01/07/2021]

“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;

[S 492/2021 wef 01/07/2021]

“general business” has the meaning given by section 3(1)(b) of the Insurance Act 1966;

[S 492/2021 wef 01/07/2021]

[S 213/2023 wef 31/12/2021]

“general insurance business” means the business (other than the business of life assurance) of insuring and reinsuring any risk, including offshore risks;

“interest from ACU deposits” means interest derived from deposits held with an Asian Currency Unit in Singapore;

[S 318/2016 wef 05/07/2016]

“life business” has the meaning given by section 3(1)(a) of the Insurance Act 1966;

[S 492/2021 wef 01/07/2021]

[S 213/2023 wef 31/12/2021]

“marine hull and liability insurance and reinsurance business” has the same meaning as in section 43C(3) of the Act;

[S 612/2017 wef 01/04/2016]

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

[S 492/2021 wef 01/07/2021]

“offshore captive insurance business” means the offshore general insurance business in relation to the risks of related companies, including third party offshore risks underwritten in the course of and incidental to the captive insurance business;

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

[S 492/2021 wef 01/07/2021]

“offshore general insurance business” means the business (other than the business of life insurance) of insuring and reinsuring offshore risks;

“offshore investments” means —

- (a) stocks and shares denominated in any foreign currency of companies not incorporated and not resident in Singapore;
- (b) securities, other than stocks and shares, denominated in any foreign currency (including bonds, notes, certificates of deposit and treasury bills) issued by foreign governments, foreign banks outside Singapore and companies not incorporated and not resident in Singapore;
- (c) futures contracts denominated in any foreign currency made in any futures exchange;
- (d) any immovable property situated outside Singapore;
- (e) certificates of deposit, notes and bonds issued by Asian Currency Units in Singapore;
- (f) Asian Dollar Bonds approved under section 13(1)(v) of the Act; and
- (g) foreign currency deposits held outside Singapore with financial institutions outside Singapore;

[S 318/2016 wef 05/07/2016]

“offshore marine hull and liability insurance and reinsurance business” means the marine hull and liability insurance and reinsurance business concerned with offshore risks;

[S 612/2017 wef 01/04/2016]

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

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

[S 601/2017 wef 01/04/2016]

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

[S 492/2021 wef 01/07/2021]

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

[S 492/2021 wef 01/07/2021]

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

[S 492/2021 wef 01/07/2021]

“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);

[S 492/2021 wef 01/07/2021]

“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;

[S 492/2021 wef 01/07/2021]

“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;

[S 492/2021 wef 01/07/2021]

“qualifying return in lieu of interest” means any return in lieu of interest from investing in products endorsed by any Shari’ah council or body, or by any committee formed for the purpose of providing guidance on compliance with Shari’ah law;

“qualifying specialised insurance business” means the business of insuring and reinsuring one or more qualifying specialised insurance risks;

[S 601/2017 wef 01/04/2016]

“qualifying 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;

[S 601/2017 wef 01/04/2016]

[S 746/2010 wef 01/04/2008]

[S 318/2016 wef 25/02/2013]

[S 492/2021 wef 01/07/2021]

“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 1967;

[S 492/2021 wef 01/07/2021]

[S 213/2023 wef 31/12/2021]

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

[S 492/2021 wef 01/07/2021]

“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;

[S 492/2021 wef 01/07/2021]

“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;

[S 492/2021 wef 01/07/2021]

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

[S 492/2021 wef 01/07/2021]

(2) In these Regulations, a reference to insuring, reinsuring or underwriting a qualifying specialised insurance risk that is a risk arising from a natural catastrophe is a reference to reinsuring such risk by means of a catastrophe excess of loss policy.

[S 601/2017 wef 26/10/2017]

Application

2A. These Regulations apply to —

(a) an approved insurer that is approved as such before 1 June 2017;

(b) an approved captive insurer that is approved as such before 1 June 2017;

(c) an approved marine hull and liability insurer that is approved as such before 1 June 2017; and

(d) an approved specialised insurer that is approved as such before 1 June 2017.

[S 612/2017 wef 01/06/2017]

Approval of insurer

3.—(1) The Minister or such person as he may appoint may, upon application by any insurer registered under the Insurance Act 1966 to carry on general insurance business only and if he considers it

expedient in the public interest to do so, during the period from 1 April 2010 to 31 May 2017 (both dates inclusive) approve the insurer as an approved insurer for the purposes of these Regulations.

[S 601/2017 wef 01/04/2015]

[S 612/2017 wef 01/06/2017]

[S 213/2023 wef 31/12/2021]

(2) Any approval under paragraph (1) shall be for such period not exceeding 10 years as the Minister or such person as is appointed under paragraph (1) may specify.

[S 101/2011 wef 01/04/2010]

Previously approved insurers

3A.—(1) Where an insurer registered under the Insurance Act 1966 was, on 31st March 2010, an approved insurer under regulation 3 as in force before 1st April 2010, it shall remain approved as an approved insurer under regulation 3 until 1st August 2010 unless —

- (a) the insurer makes an application to the Minister, or such other person as he may appoint, on or before 31st July 2010 to continue to be an approved insurer, supported by a declaration made by the insurer in a form determined by the MAS; and
- (b) the Minister or that other person, if he considers it expedient in the public interest to do so, approves the insurer as an approved insurer under regulation 3.

[S 213/2023 wef 31/12/2021]

(2) Any approval under paragraph (1) shall be for such period not exceeding 10 years starting from 1st April 2010 as the Minister or the other person referred to in that paragraph may specify, and shall be subject to such terms and conditions as the Minister or that person may think fit to impose.

(3) In this regulation, “MAS” means the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act 1970.

[S 101/2011 wef 01/04/2010]

[S 213/2023 wef 31/12/2021]

Approval of marine hull and liability insurer

4.—(1) The Minister or such person as he may appoint may, upon application by any insurer carrying on marine hull and liability insurance and reinsurance business and if he considers it expedient in the public interest to do so, approve the insurer as an approved marine hull and liability insurer.

[S 612/2017 wef 01/04/2016]

(2) No approval shall be granted under paragraph (1) after 31 May 2017.

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/06/2017]

(3) Any approval granted under paragraph (1) is for —

(a) such period not exceeding 10 years as the Minister or such person as the Minister may appoint may specify, if the approval is granted before 1 April 2016; or

(b) a period of 5 years, if the approval is granted on or after 1 April 2016.

[S 601/2017 wef 01/04/2016]

Approval of captive insurer

4A.—(1) The Minister or such person as he may appoint may, upon application by any captive insurer and if he considers it expedient in the public interest to do so, during the period from 17 February 2006 to 31 May 2017 (both dates inclusive) approve the insurer as an approved captive insurer.

[S 213/2013 wef 16/02/2011]

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/06/2017]

(2) Any approval under paragraph (1) is for such period not exceeding 10 years as the Minister or such person as the Minister may appoint may specify.

[S 612/2017 wef 01/06/2017]

(3) No approval may be given under paragraph (1) unless, at the time of such approval, all the functions in the following

sub-paragraphs are undertaken by the 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 1966;

[S 213/2023 wef 31/12/2021]

(ii) ensuring compliance with any requirement or any direction, notice or other document issued under the Monetary Authority of Singapore Act 1970;

[S 213/2023 wef 31/12/2021]

(b) ensuring compliance with any requirement relating to financial accounting, auditing and reporting under the Companies Act 1967;

[S 213/2023 wef 31/12/2021]

(c) the day-to-day management of the captive insurer's business.

[S 601/2017 wef 26/10/2017]

Approval of specialised insurer

4B.—(1) The Minister or such person as he may appoint may, upon application by any insurer underwriting offshore qualifying specialised insurance risks and if he considers it expedient in the public interest to do so, during the period from 1st September 2006 to 31st August 2016 approve the insurer as an approved specialised insurer.

[S 213/2013 wef 31/08/2011]

(1A) The Minister or such person as the Minister may appoint may, upon application by any insurer underwriting one or more qualifying specialised insurance risks (whether or not an offshore qualifying specialised insurance risk), and if the Minister or the person considers it expedient in the public interest to do so, during the period from

1 September 2016 to 31 May 2017 (both dates inclusive) approve the insurer as an approved specialised insurer.

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/06/2017]

(2) Any approval under paragraph (1) shall be for such period not exceeding 5 years as the Minister or such person as he may appoint may specify.

[S 79/2009 wef 01/09/2006]

(3) Any approval granted under paragraph (1A) is for a period of 5 years.

[S 601/2017 wef 01/04/2016]

4C. *[Deleted by S 318/2016 wef 01/04/2013]*

Concessionary rate of tax for income derived before 1 July 2021 of approved insurer

5.—(1) Tax shall be payable at the rate of 10% on the following income derived before 1 July 2021 by an approved insurer:

- (a) the income derived from accepting general insurance covering offshore risks and reinsurance covering offshore risks;
- (b) the dividends and interest derived from outside Singapore, the gains or profits realised from the sale of offshore investments, and interest from ACU deposits derived from —
 - (i) subject to paragraph (2), the investment of its insurance fund established and maintained under the Insurance Act 1966 for the offshore general insurance business; and

[S 213/2023 wef 31/12/2021]

- (ii) the investment of its shareholders' funds established in Singapore which are used to support the offshore

general insurance business as ascertained under
regulation 6.

[S 79/2009 wef Y/A 2005 & Sub Ys/A]

[S 746/2010 wef 01/04/2008]

[S 213/2013 wef 19/02/2011]

[S 492/2021 wef 01/07/2021]

(2) Where the Comptroller is satisfied that any part of the insurance fund referred to in sub-paragraph (b)(i) of paragraph (1) is not required to support the offshore general insurance business of an approved insurer, he may adopt such reduced amount of the dividends, interest and gains or profits under that sub-paragraph as appears to him to be reasonable in the circumstances.

[S 79/2009 wef Y/A 2005 & Sub Ys/A]

(3) For the year of assessment 2012 and subsequent years of assessment, a reference in this regulation to interest includes a reference to qualifying return in lieu of interest.

[S 318/2016 wef 05/07/2016]

[S 492/2021 wef 01/07/2021]

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.

(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 1966 for its offshore general business in Singapore;

[S 213/2023 wef 31/12/2021]

- (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 1966 for its general business in Singapore (other than offshore general business);

[S 213/2023 wef 31/12/2021]

- (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.

[S 492/2021 wef 01/07/2021]

Concessionary rate of tax for income derived before 1 July 2021 of approved marine hull and liability insurer

5B.—(1) Tax shall be payable at the rate of 5% on the following income derived before 1 July 2021 by an approved marine hull and liability insurer to which this paragraph applies, during the basis period for a year of assessment:

(a) the underwriting income derived from carrying on marine hull and liability insurance and reinsurance business; and

[S 612/2017 wef 01/04/2016]

(b) the amount of income derived from carrying on marine hull and liability insurance and reinsurance business ascertained by the formula —

$$\left(\frac{P_m}{P_o} \times A \right) + \left[\frac{P_n}{P_i} \times (B - A) \right],$$

where P_m is the amount of the gross premiums received or receivable during the basis period in respect of policies underwritten by the approved marine hull and liability insurer in the course of carrying on its business in Singapore from its offshore marine hull and liability insurance and reinsurance business;

P_n is the amount of the gross premiums received or receivable during the basis period in respect of policies underwritten by the approved marine hull and liability insurer in the course of carrying on its business in Singapore from its marine hull and liability insurance and reinsurance business (other than offshore marine hull and liability insurance and reinsurance business);

P_o is the amount of the gross premiums received or receivable during the basis period in respect of policies underwritten by the approved marine hull and

liability insurer in the course of carrying on its business in Singapore from its offshore general insurance business;

P_i is the amount of the gross premiums received or receivable during the basis period in respect of policies underwritten by the approved marine hull and liability insurer in the course of carrying on its business in Singapore from its general insurance business (other than offshore general insurance business);

A is the total amount of its income referred to in regulation 5(1)(b) derived during the basis period; and

B is the total amount of —

(a) the dividends and interest it derived from outside Singapore;

(b) the gains or profits it realised from the sale of its offshore investments; and

(c) the interest from ACU deposits it derived,

during the basis period from —

(i) the investment of its insurance fund established and maintained under the Insurance Act 1966 for its general insurance business; and

(ii) the investment of its shareholders' funds established in Singapore which are used to support its general insurance business,

where the reference to the amount of gains or profits realised by the approved marine hull and liability insurer from the sale of its offshore investments is a reference to the amount (after deducting losses from the gains or profits) realised during the basis period from the sale of offshore investments acquired by the approved marine hull and liability insurer less any

expenses directly attributable to the production of such gains or profits allowable under the Act.

[S 213/2023 wef 31/12/2021]

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

(2) Paragraph (1) applies to an approved marine hull and liability insurer —

- (a) who had, at any time before 19 February 2011, been approved as an approved marine hull and liability insurer under regulation 4 and the approval had since expired;
- (b) who had been approved again as an approved marine hull and liability insurer under regulation 4 between 19 February 2011 and 31 March 2016 (both dates inclusive); and
- (c) who does not satisfy the qualifying conditions which the Minister or such person as the Minister may appoint imposes for the purposes of regulation 7.

[S 601/2017 wef 01/04/2016]

(2A) Tax is payable at the rate of 10% on the income specified in paragraph (1)(a) and (b) that is derived by an approved marine hull and liability insurer in a basis period for any year of assessment, if the insurer's approval is granted between 1 April 2016 and 31 May 2017 (both dates inclusive).

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/06/2017]

(3) Where the Comptroller is satisfied that any part of the insurance funds or shareholders' funds of an approved marine hull and liability insurer is not required to support its marine hull and liability insurance and reinsurance business, he may adopt such reduced amount of the income, dividends, interest and gains or profits (as the

case may be) under the definitions of “A” and “B” in paragraph (1)(b) as appears to him to be reasonable in the circumstances.

[S 213/2013 wef 19/02/2011]

[S 612/2017 wef 01/04/2016]

(4) For the year of assessment 2012 and subsequent years of assessment, a reference in this regulation to interest includes a reference to qualifying return in lieu of interest.

[S 318/2016 wef 05/07/2016]

[S 492/2021 wef 01/07/2021]

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 $\frac{P_{om}}{P_{og}} \times B$;

(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.

[S 492/2021 wef 01/07/2021]

Concessionary rates of tax for income derived before 1 July 2021 of approved specialised insurer

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

[S 612/2017 wef 01/06/2017]

[S 492/2021 wef 01/07/2021]

(2) *[Deleted by S 612/2017 wef 01/06/2017]*

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

[S 612/2017 wef 01/06/2017]

[S 492/2021 wef 01/07/2021]

(4) For the purposes of paragraphs (1) and (3), the income is as follows:

- (a) the underwriting income derived from carrying on qualifying specialised insurance business;
- (b) an amount of income derived from carrying on qualifying specialised insurance business ascertained by the formula —

$$\left(\frac{P_s}{P_o} \times A \right) + \left[\frac{P_t}{P_i} \times (B - A) \right],$$

where —

- (i) P_o , P_i , A and B have the same meanings as in regulation 5B(1)(b), with the reference to the approved marine hull and liability insurer substituted with the reference to the approved specialised insurer;
- (ii) P_s is the amount of the gross premiums received or receivable during the basis period in respect of policies underwritten by the approved specialised insurer in the course of carrying on its offshore qualifying specialised insurance business; and
- (iii) P_t is the amount of the gross premiums received or receivable during the basis period in respect of policies underwritten by the approved specialised insurer in the course of carrying on its qualifying specialised insurance business (other than offshore qualifying specialised insurance business).

[S 612/2017 wef 01/06/2017]

(5) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the insurance fund or shareholders' funds of the approved specialised insurer (being the fund or funds mentioned in regulation 5(1)(b) the income in relation to which is used to determine the value of "A" in regulation 5B(1)(b) (as applied by paragraph (4)(b)(i))) is not required to support the qualifying specialised insurance business of the insurer, the Comptroller may adopt such reduced amount of "A" as appears to the Comptroller to be reasonable in the circumstances.

(6) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the insurance fund or shareholders' funds of the approved specialised insurer (being the fund or funds mentioned in the definition of "B" in regulation 5B(1)(b) (as applied by paragraph (4)(b)(i))) is not required to support the qualifying specialised insurance business of the insurer, the Comptroller may adopt such reduced amount of "B" as appears to the Comptroller to be reasonable in the circumstances.

(7) For the purposes of the definitions of “P_s” and “P_t” in paragraph (4)(b)(ii) and (iii), 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 offshore qualifying specialised insurance business or qualifying specialised insurance business (other than offshore qualifying specialised insurance business), as the case may be, if and only if it is a catastrophe excess of loss policy.

[S 601/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

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.

[S 492/2021 wef 01/07/2021]

Calculation of dividends, interest and gains from sale of offshore investments for approved insurer

6.—(1) The dividends and interest under regulation 5(1)(b)(ii) derived by an approved insurer for the basis period for any year of assessment shall be ascertained by the formula —

$$\left(\frac{P_o}{P_o + P_i} \times I \right) - X,$$

where P_o have the same meanings as in regulation 5B(1)(b), with and P_i the references to the approved marine hull and liability insurer therein modified to refer to the approved insurer;

I is the total amount of dividends and interest derived from Singapore and elsewhere by the approved insurer during the basis period from the investment of its shareholders' funds established in Singapore less any expenses directly attributable to the production of such dividends and interest allowable under the Act;

X is —

(a) Nil, if $\left(\frac{P_i}{P_o + P_i} \times I \right)$

is equal to or greater than Y; or

$$(b) \left(Y - \frac{P_i}{P_o + P_i} \times I \right),$$

if Y is greater than

$$\left(\frac{P_i}{P_o + P_i} \times I \right),$$

where Y is the total amount of dividends and interest derived from Singapore (but excluding interest from ACU deposits) by the approved insurer during the basis period from the investment of its shareholders' funds established in Singapore, less any expenses directly attributable to the production of such dividends and interest allowable under the Act.

[S 79/2009 wef Y/A 2005 & Sub Ys/A]

[S 213/2013 wef 19/02/2011]

(2) The gains or profits from the sale of offshore investments under regulation 5(1)(b)(ii) derived by an approved insurer for the basis period for any year of assessment shall be ascertained by the formula —

$$\frac{P_o}{P_o + P_i} \times K,$$

where Po and Pi have the same meanings as in paragraph (1); and

K is the amount (after deducting losses from the gains or profits) realised during the basis period from the sale of offshore investments acquired by the approved insurer using its shareholders' funds established in Singapore less any expenses directly attributable to the production of such gains or profits allowable under the Act.

[S 79/2009 wef Y/A 2005 & Sub Ys/A]

[S 213/2013 wef 19/02/2011]

(3) For the purposes of paragraphs (1) and (2), where the Comptroller is satisfied that any part of the shareholders' funds of the approved insurer is not required to support its offshore general

insurance business, he may adopt such reduced amount of I or K as appears to him to be reasonable in the circumstances.

[S 79/2009 wef Y/A 2005 & Sub Ys/A]

[S 746/2010 wef 01/04/2008]

(4) For the year of assessment 2012 and subsequent years of assessment, a reference in this regulation to interest includes a reference to qualifying return in lieu of interest.

[S 318/2016 wef 05/07/2016]

6A. *[Deleted by S 318/2016 wef 01/04/2013]*

Income derived before 1 July 2021 of approved marine hull and liability insurer exempt from tax

7.—(1) Where an approved marine hull and liability insurer whose approval is granted before 1 April 2016, satisfies such qualifying conditions as the Minister or such person as he may appoint may impose for the purposes of this regulation, there shall be exempt from tax the following income derived before 1 July 2021 by the approved marine hull and liability insurer during the basis period for any year of assessment:

- (a) the underwriting income derived from carrying on marine hull and liability insurance and reinsurance business; and

[S 213/2013 wef 19/02/2011]

[S 612/2017 wef 01/04/2016]

- (b) the amount of income derived from carrying on marine hull and liability insurance and reinsurance business ascertained by the formula —

$$\left(\frac{P_m}{P_o} \times A \right) + \left[\frac{P_n}{P_i} \times (B - A) \right],$$

where P_m , P_n , P_o , P_i , A and B have the same meanings as in regulation 5B(1)(b).

[S 213/2013 wef 19/02/2011]

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

(2) Where the Comptroller is satisfied that any part of the insurance funds and shareholders' funds is not required to support the marine hull and liability insurance and reinsurance business of an approved marine hull and liability insurer, he may adopt a reduced amount of the dividends, interest and gains or profits under paragraph (1)(b) as appears to him to be reasonable in the circumstances.

[S 658/2004 wef Y/A 2004 & Sub Ys/A]

[S 213/2013 wef 19/02/2011]

[S 612/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

Income derived before 1 July 2021 of approved captive insurer exempt from tax

7A.—(1) There shall be exempt from tax the following income derived by an approved captive insurer (including one who is also an approved insurer) whose approval is granted before 1 June 2017, in a basis period for any year of assessment that ends at any time before 5 August 2014:

- (a) the underwriting income derived from accepting general insurance covering offshore risks (excluding amounts derived from policies covering third party offshore risks not underwritten in the course of, nor incidental to, its captive insurance business); and
- (b) such part of the income referred to in regulation 5(1)(b) as is ascertained by the formula —

$$\frac{P_c}{P_o} \times A$$

where P_c is the amount of the gross premiums received or receivable during the basis period in respect of policies covering

offshore risks underwritten by the approved captive insurer in the course of carrying on its offshore captive insurance business in Singapore (excluding amounts received or receivable in respect of policies covering third party offshore risks not underwritten in the course of, nor incidental to, its captive insurance business);

P_o has the same meaning as in regulation 5B(1), with the references to the approved marine hull and liability insurer therein modified to refer to the approved captive insurer; and

A is the total amount of the income referred to in regulation 5(1)(b) of the approved captive insurer for the basis period less any expenses directly attributable to the production of such income allowable under the Act.

[S 213/2013 wef 19/02/2011]

[S 318/2016 wef 05/08/2014]

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/06/2017]

(1A) The income in paragraph (1)(a) and (b), that is derived before 1 July 2021 by an approved captive insurer (including one who is also an approved insurer) whose approval is granted before 1 June 2017, in a basis period for any period of assessment other than one mentioned in paragraph (1), is exempt from tax if —

- (a) in the case of a basis period that commences on or after 5 August 2014, the requirement in paragraph (1B) is satisfied at all times during that basis period; and
- (b) in the case of a basis period in which 5 August 2014 falls (but not one whose commencement date is that date), the requirement in paragraph (1B) is satisfied at all times

between 5 August 2014 and the last day of that basis period (both dates inclusive).

[S 318/2016 wef 05/08/2014]

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/06/2017]

[S 492/2021 wef 01/07/2021]

(1B) The requirement mentioned in paragraph (1A) is that 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 1966;

[S 213/2023 wef 31/12/2021]

(ii) ensuring compliance with any requirement or any direction, notice or other document issued under the Monetary Authority of Singapore Act 1970;

[S 213/2023 wef 31/12/2021]

(b) ensuring compliance with any requirement relating to financial accounting, auditing and reporting under the Companies Act 1967;

[S 213/2023 wef 31/12/2021]

(c) the day-to-day management of the approved captive insurer's business.

[S 601/2017 wef 26/10/2017]

[S 318/2016 wef 05/08/2014]

(2) Where the Comptroller is satisfied that any part of the insurance fund or the shareholders' funds referred to in regulation 5(1)(b) of the approved captive insurer (including one who is also an approved insurer) is not required to support the offshore captive insurance business of such insurer, he may adopt such reduced amount of

income under paragraph (1)(b) as appears to him to be reasonable in the circumstances.

[S 79/2009 wef 17/02/2006]

[S 492/2021 wef 01/07/2021]

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 $\frac{P_{ocx}}{P_{og}} \times A$;
- (c) the part of B that is ascertained by the formula $\frac{P_{icx}}{P_{ig}} \times B$; and
- (d) the part of C that is ascertained by the formula $\frac{P_{icx} + P_{ocx}}{P_{ig} + P_{og}} \times C$.

(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 1966;
[S 213/2023 wef 31/12/2021]
 - (ii) ensuring compliance with any requirement or any direction, notice or other document issued under the Monetary Authority of Singapore Act 1970 or the Financial Services and Markets Act 2022;
[S 213/2023 wef 31/12/2021]
[S 213/2023 wef 28/04/2023]
- (b) ensuring compliance with any requirement relating to financial accounting, auditing and reporting under the Companies Act 1967;
[S 213/2023 wef 31/12/2021]
- (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.

[S 492/2021 wef 01/07/2021]

Income derived before 1 July 2021 of approved specialised insurer exempt from tax

7B.—(1) There shall be exempt from tax the following income derived by an approved specialised insurer (including one who is also an approved insurer) in a basis period for any year of assessment and before 1 September 2016, if the insurer’s approval is granted before that date —

- (a) the underwriting income derived from accepting offshore qualifying specialised insurance business; and
- (b) such part of the income referred to in regulation 5(1)(b) as is ascertained by the formula —

$$\frac{P_s}{P_o} \times B$$

where P_s is the amount of the gross premiums received or receivable during the basis period in respect of policies for offshore

qualifying specialised insurance risks underwritten by the approved specialised insurer;

P_o has the same meaning as in regulation 5B(1), with the references to the approved marine hull and liability insurer therein modified to refer to the approved specialised insurer; and

B is the total amount of the income referred to in regulation 5(1)(b) of the approved specialised insurer for the basis period less any expenses directly attributable to the production of such income allowable under the Act.

[S 213/2013 wef 19/02/2011]

[S 601/2017 wef 01/04/2016]

(2) Where the Comptroller is satisfied that any part of the insurance fund or the shareholders' funds referred to in regulation 5(1)(b) of the approved specialised insurer (including one who is also an approved insurer) is not required to support the offshore qualifying specialised insurance business of such insurer, he may adopt such reduced amount of income under paragraph (1)(b) as appears to him to be reasonable in the circumstances.

[S 79/2009 wef 17/02/2006]

(3) For the purposes of paragraph (1)(b), a policy for risks arising from a natural catastrophe is to be regarded as a policy for offshore qualifying specialised insurance risks only if it is a catastrophe excess of loss policy, and the reference to offshore qualifying specialised insurance business in paragraph (2) is to be read accordingly.

[S 318/2016 wef 25/02/2013]

(4) The income specified in regulation 5D(4)(a) and (b) derived before 1 July 2021 by an approved specialised insurer (including one who is also an approved insurer) in a basis period for any year of assessment and on or after 1 September 2016 is exempt from tax, if the insurer's approval is granted before 1 September 2016.

[S 601/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

(5) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the insurance fund or shareholders' funds of the approved specialised insurer (being the fund or funds mentioned in regulation 5(1)(b) the income in relation to which is used to determine the value of "A" in regulation 5B(1)(b) (as applied by paragraph (4) through the reference to regulation 5D(4)(b))) is not required to support the qualifying specialised insurance business of the insurer, the Comptroller may adopt such reduced amount of "A" as appears to the Comptroller to be reasonable in the circumstances.

[S 601/2017 wef 01/04/2016]

(6) For the purposes of paragraph (4), where the Comptroller is satisfied that any part of the insurance fund or shareholders' funds of the approved specialised insurer (being the fund or funds mentioned in the definition of "B" in regulation 5B(1)(b) (as applied by paragraph (4) through the reference to regulation 5D(4)(b))) is not required to support the qualifying specialised insurance business of the insurer, the Comptroller may adopt such reduced amount of "B" as appears to the Comptroller to be reasonable in the circumstances.

[S 601/2017 wef 01/04/2016]

(7) For the purposes of the definitions of "P_s" and "P_t" in regulation 5D(4)(b)(ii) and (iii) (as applied by 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 offshore qualifying specialised insurance business or qualifying specialised insurance business (other than offshore qualifying specialised insurance business), as the case may be, if and only if it is a catastrophe excess of loss policy.

[S 601/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

Apportionment of expenses, allowances and donations in respect of income derived before 1 July 2021

8.—(1) For the purpose of determining the income mentioned in regulation 5(1), any item of expenditure not directly attributable to the offshore general insurance business of an approved insurer, and capital allowances and donations, allowable to the insurer under the

Act, shall be apportioned between such business and the other general insurance business of the approved insurer; and the portion attributable to such business shall be ascertained by using the fraction —

$$\frac{P_o}{P_o + P_i},$$

where P_o and P_i have the same meanings as in regulation 6(1).

[S 79/2009 wef Y/A 2005 & Sub Ys/A]

[S 601/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

(2) Despite paragraph (1), 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, any item of expenditure not directly attributable to the marine hull and liability insurance and reinsurance business, the offshore captive insurance business, the qualifying specialised insurance business or the offshore general insurance business of such insurer, as well as capital allowances and donations allowable to such insurer under the Act, are to be apportioned between such business and the other insurance business of such insurer in the following manner:

- (a) the portion attributable to marine hull and liability insurance and reinsurance business is to be ascertained by using the fraction —

$$\frac{P_m + P_n}{P_o + P_i},$$

[S 612/2017 wef 01/04/2016]

- (b) the portion attributable to offshore captive insurance business is to be ascertained by using the fraction —

$$\frac{P_c}{P_o + P_i};$$

- (c) the portion attributable to offshore qualifying specialised insurance business is to be ascertained by using the fraction —

$$\frac{P_s}{P_o + P_i};$$

- (ca) the portion attributable to qualifying specialised insurance business is to be ascertained by using the fraction —

$$\frac{P_s + P_t}{P_o + P_i};$$

[S 601/2017 wef 01/04/2016]

- (d) the portion attributable to offshore general insurance business, other than offshore marine hull and liability insurance and reinsurance business, offshore captive insurance business and offshore qualifying specialised insurance business, is to be ascertained by using the fraction —

$$\frac{P_o - P_m - P_c - P_s}{P_o + P_i},$$

where P_m , P_n , have the same meanings as in regulation 5B(1)(b), P_o and P_i with references to the approved marine hull and liability insurer in that provision modified to refer to the approved insurer;

P_c has the same meaning as in regulation 7A(1); and

P_s and P_t have the same meanings as in regulation 5D(4)(b)(ii) and (iii).

[S 318/2016 wef 01/04/2013]

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

(3) The Comptroller may apply any alternative method of apportionment in place of any of the prescribed fractions in paragraphs (1) and (2) if the Comptroller is satisfied that the alternative method is reasonable in the circumstances of the business of the approved insurer.

[S 318/2016 wef 05/07/2016]

[S 492/2021 wef 01/07/2021]

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.

[S 492/2021 wef 01/07/2021]

Determination of income exempted from tax

9.—(1) In determining the income of an approved marine hull and liability insurer, an approved captive insurer or an approved specialised insurer to be exempted from tax under regulation 5C, 5E, 7, 7A, 7AA or 7B, as the case may be —

(a) the Comptroller shall have regard to such expenses and capital allowances allowable under the Act as are, in his opinion, to be deducted in ascertaining such income;

[S 517/2013 wef Y/A 2013 & Sub Ys/A]

(b) there shall be deducted from that income any capital allowances attributable to that income notwithstanding that no claim for those allowances has been made;

(c) any balance of the allowances mentioned in sub-paragraph (b) and any losses incurred in respect of the captive general business, the marine hull and liability insurance and reinsurance business, the offshore captive insurance business, the offshore qualifying specialised insurance business or the qualifying specialised insurance business, as the case may be (which, if they had been profits, would have been exempted from tax under regulation 5C, 5E, 7, 7A, 7AA or 7B, as the case may be) shall only be deducted against income to be exempted under regulation 5C, 5E, 7, 7A, 7AA or 7B, as the case may

be, and any balance of such allowances and losses shall not be deducted against any other income;

[S 658/2004 wef Y/A 2004 & Sub Ys/A]

[S 79/2009 wef 17/02/2006]

[S 79/2009 wef 01/09/2006]

[S 601/2017 wef 01/04/2016]

[S 612/2017 wef 01/04/2016]

[S 492/2021 wef 01/07/2021]

- (d) any balance of the allowances and losses referred to in sub-paragraph (c) remaining unabsorbed as at the date of expiry or withdrawal of the approval under regulation 4, 4A or 4B, as the case may be, shall, subject to paragraph (2), be available as a deduction against any other income of the insurer for the year of assessment which relates to the basis period in which that approval expires or is withdrawn and any subsequent year of assessment in accordance with section 23 or 37 of the Act, as the case may be; and

[S 79/2009 wef 17/02/2006]

[S 79/2009 wef 01/09/2006]

- (e) for the purposes of sub-paragraph (d), where an insurer is approved under regulations 4 and 4A, regulations 4 and 4B, regulations 4A and 4B or regulations 4, 4A and 4B, the approval referred to in sub-paragraph (d) shall be the one whose date of expiry or withdrawal is the last.

[S 79/2009 wef 17/02/2006]

[S 79/2009 wef 01/09/2006]

[S 492/2021 wef 01/07/2021]

(2) Section 37A of the Act shall apply to any amount of the allowances and losses available as a deduction against any other income as provided under paragraph (1)(d) as if they were unabsorbed allowances or losses in respect of the income of a company subject to tax at a lower rate of tax under that section, and

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for this purpose the rate of tax shall be taken to be the concessionary rate of tax under regulation 5(1).

[S 79/2009 wef 25/02/2009]

[G.N. Nos. S 210/95; S 513/99]

[S 213/2023 wef 31/12/2021]

LEGISLATIVE HISTORY
INCOME TAX (EXEMPTION AND CONCESSIONARY TAX
RATE FOR INCOME FROM GENERAL INSURANCE
BUSINESS) REGULATIONS
(CHAPTER 134, RG 26)

*formerly known as the Income Tax (Concessionary Rate of Tax for Approved
Offshore General Insurers) Regulations*

This Legislative History is provided for the convenience of users of the Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) Regulations. It is not part of these Regulations.

1. G. N. No. S 210/1995 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) Regulations 1995

Date of commencement : 5 May 1995

2. 1996 Revised Edition — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) Regulations

Date of operation : 15 May 1996

3. G. N. No. S 513/1999 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) (Amendment) Regulations 1999

Date of commencement : 24 November 1999

4. 2001 Revised Edition — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) Regulations

Date of operation : 31 May 2001

5. G. N. No. S 658/2004 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) (Amendment) Regulations 2004

Date of commencement : 27 October 2004

6. G. N. No. S 79/2009 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) (Amendment) Regulations 2009

Date of commencement : 2 June 2005

- 7. G. N. No. S 79/2009 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) (Amendment) Regulations 2009**
- Date of commencement : 17 February 2006
- 8. G. N. No. S 79/2009 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) (Amendment) Regulations 2009**
- Date of commencement : 1 September 2006
- 9. G. N. No. S 746/2010 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2010**
- Date of commencement : 1 April 2008
- 10. G. N. No. S 79/2009 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurance Companies) (Amendment) Regulations 2009**
- Date of commencement : 25 February 2009
- 11. G. N. No. S 101/2011 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2011**
- Date of commencement : 1 April 2010
- 12. G.N. No. S 213/2013 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2013**
- Date of commencement : 16 February 2011 (section 4)
- 13. G.N. No. S 213/2013 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2013**
- Date of commencement : 19 February 2011 (except sections 4 and 5)
- 14. G.N. No. S 213/2013 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2013**
- Date of commencement : 31 August 2011 (section 5)

15. G.N. No. S 318/2016 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2016

Date of commencement : 25 February 2013

16. G.N. No. S 318/2016 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2016

Date of commencement : 1 April 2013

17. G.N. No. S 517/2013 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment No. 2) Regulations 2013

Date of commencement : 13 August 2013

18. G.N. No. S 318/2016 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2016

Date of commencement : 5 August 2014

19. G. N. No. S 601/2017 — Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment) Regulations 2017

Date of commencement : 1 April 2015

20. G. N. No. S 601/2017 — Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment) Regulations 2017

Date of commencement : 1 April 2016

21. G. N. No. S 612/2017 — Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment No. 2) Regulations 2017

Date of commencement : 1 April 2016

22. G.N. No. S 318/2016 — Income Tax (Concessionary Rate of Tax for Approved Offshore General Insurers) (Amendment) Regulations 2016

Date of commencement : 5 July 2016

23. G. N. No. S 612/2017 — Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment No. 2) Regulations 2017

Date of commencement : 1 June 2017

24. G. N. No. S 601/2017 — come Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment) Regulations 2017

Date of commencement : 26 October 2017

25. G.N. No. S 492/2021 — Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment) Regulations 2021

Date of commencement : 1 July 2021

26. G.N. No. S 213/2023 — Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment) Regulations 2023

Date of commencement : 31 December 2021

27. G.N. No. S 213/2023 — Income Tax (Exemption and Concessionary Tax Rate for Income from General Insurance Business) (Amendment) Regulations 2023

Date of commencement : 28 April 2023