

**Income Tax (Concessionary Rate of Tax for Income of Life Insurers  
Apportioned to Policyholders) Regulations 2009**

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**No. S 78**

**INCOME TAX ACT  
(CHAPTER 134)**

**INCOME TAX (CONCESSIONARY RATE OF TAX FOR INCOME OF LIFE  
INSURERS APPORTIONED TO POLICYHOLDERS) REGULATIONS 2009**

In exercise of the powers conferred by section 43(9) of the Income Tax Act, the Minister for Finance hereby makes the following Regulations:

**Citation and commencement**

**1.** These Regulations may be cited as the Income Tax (Concessionary Rate of Tax for Income of Life Insurers Apportioned to Policyholders) Regulations 2009 and shall be deemed to have effect for the year of assessment 2006 and subsequent years of assessment.

**Definitions**

**2. In these Regulations —**

“allocate” means allocate under section 17 of the Insurance Act (Cap. 142);

“captive insurer” has the same meaning as in section 1A of the Insurance Act;

“participating fund” and “Singapore life policy” have the same meanings as in section 26(12) of the Act;

“participating policy” has the same meaning as in paragraph 6A of the First Schedule to the Insurance Act (Cap. 142);

“surplus account”, in relation to a participating fund of a life insurer, means the surplus account established and maintained under section 17(6)(a) of the Insurance Act as part of that fund.

**Application**

**3.** These Regulations shall apply to any life insurer other than a captive insurer.

**Concessionary rate of tax**

**4.—(1)** Tax shall be payable at the rate of 10% for any year of assessment on the gains or profits of a life insurer from any participating fund in respect of Singapore life policies, which are apportioned to the policyholders of the life insurer in accordance with this regulation.

(2) Where, in the basis period for any year of assessment, the life insurer allocates any gains or profits of the participating fund by way of bonus to participating policies in accordance with section 17(6)(b) of the Insurance Act, the gains or profits of the participating fund to be apportioned for that year of assessment to the policyholders of the life insurer shall be ascertained by the formula

$$\frac{A}{A+B} \times (A+B+C-D),$$

where A is the amount of the participating fund allocated by way of bonus to the participating policies;

B is the total of the amount allocated to the surplus account of the participating fund in accordance with section 17(6)(c) of the Insurance Act and any additional allocation made under section 17(7) of the Insurance Act;

C is any expense of the participating fund which is not deductible for the purposes of the Act; and