

# **Income Tax (Exemption and Concessionary Tax Rate for Income from General Business) Regulations 2017**

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INCOME TAX ACT  
(CHAPTER 134)

INCOME TAX  
(EXEMPTION AND CONCESSIONARY TAX RATE  
FOR INCOME FROM GENERAL BUSINESS)  
REGULATIONS 2017

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 Business) Regulations 2017 and are deemed to have come into operation on 1 June 2017.

**Definitions**

2.—(1) In these Regulations —

“approved captive insurer” means a captive insurer approved under regulation 5;

“approved insurer” means an insurer approved under regulation 4;

“approved marine hull and liability insurer” means an insurer approved under regulation 6;

“approved specialised insurer” means an insurer approved under regulation 7;

“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;

“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;

“deposit” has the same meaning as in section 4B(4) of the Banking Act (Cap. 19);

“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” 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 same meaning as in section 2(1)(b) of the Insurance Act (Cap. 142);

“life business” has the same meaning as in section 2(1)(a) of the Insurance Act;

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

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

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

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

“offshore risk” has the same meaning as in 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 mentioned 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;

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

“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.

(2) In these Regulations, a reference to insuring or reinsuring a 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.

### **Application**

3. These Regulations apply to —

- (a) an approved insurer that is approved as such on or after 1 June 2017;
- (b) an approved captive insurer that is approved as such on or after 1 June 2017;
- (c) an approved marine hull and liability insurer that is approved as such on or after 1 June 2017; and
- (d) an approved specialised insurer that is approved as such on or after 1 June 2017.

### **Approval of insurer**

4.—(1) During the period from 1 June 2017 to 31 December 2025 (both dates inclusive), the Minister or such person as the Minister may appoint may, upon application by any insurer licensed under the Insurance Act (Cap. 142) to carry on general business (whether or not the insurer is also licensed under that Act to carry on life business), and if the Minister or the person (as the case may be) considers it expedient in the public interest to do so, approve the insurer as an approved insurer.

*[S 701/2020 wef 01/04/2020]*

(2) An approval under paragraph (1) is for a period of —

- (a) 10 years if the approval is granted before 1 April 2020; or
- (b) 5 years if the approval is granted on or after 1 April 2020.

*[S 701/2020 wef 01/04/2020]*

### **Approval of captive insurer**

5.—(1) During the period from 1 June 2017 to 31 December 2025 (both dates inclusive), the Minister or such person as the Minister may appoint may, upon application by any captive insurer (whether or not the insurer is licensed under the Insurance Act (Cap. 142) to carry on life business), and if the Minister or the person (as the case may be) considers it expedient in the public interest to do so, approve the insurer as an approved captive insurer.

*[S 701/2020 wef 01/04/2020]*