



## REPUBLIC OF NAURU

### Business Tax Regulations 2016

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Cabinet makes the following regulations under section 46 of the *Business Tax Act 2016*:

**1 Short Title**

These Regulations may be cited as the *Business Tax Regulations 2016*.

**2 Commencement**

These Regulations commence on 1 July 2016.

**3 Definitions**

(1) In these Regulations:

**'Act'** means the *Business Tax Act 2016*;

**'life insurance'** means the issuing of life policies;

**'general insurance'** means all insurance other than life insurance; and

**'life policy'** means a contract of insurance issued to a resident or non-resident individual in Nauru that provides for the payment of money on the death of a person or on the happening of a contingency dependent on the termination or continuance of human life.

(2) A term used in these Regulations has the same meaning as in the Act unless the context requires otherwise.

**4 Reserve for unexpired risks of general insurance companies**

(1) Subject to sub-regulations (2) and (3), a company conducting a general insurance business is allowed a deduction for a tax year for the balance of its reserve for unexpired risks as at the end of the year provided the amount of the reserve has been calculated in accordance with International Financial Reporting Standards.

(2) Sub-regulation (1) applies to a non-resident company only when the company is conducting an insurance business in Nauru through a permanent establishment.

(3) The deduction allowed under sub-regulation (1) is limited to the balance of the company's reserve that relates to unexpired risks in Nauru.

(4) The gross revenue of an insurance company conducting the business of general insurance for a tax year includes the amount of the company's reserve for unexpired risks deducted in the previous tax year under sub-regulation (1).