
First published in the Government *Gazette*, Electronic Edition, on 5th July 2016 at 5:00 pm.

No. S 320

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (CONCESSIONARY RATE OF TAX FOR
APPROVED OFFSHORE LIFE INSURERS) (AMENDMENT)
REGULATIONS 2016**

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.—(1) These Regulations are the Income Tax (Concessionary Rate of Tax for Approved Offshore Life Insurers) (Amendment) Regulations 2016.

(2) Regulation 4(a) is deemed to have come into operation on 16 February 2011.

(3) Regulations 7(b) and 8(b) are deemed to have come into operation on 19 February 2011.

(4) Regulations 3(a), 5, 6(a), 7(a), 9(a) and 10 are deemed to have come into operation on 1 April 2013.

(5) Regulations 4(c) and 8(a) and (c) are deemed to have come into operation on 5 August 2014.

Amendment of regulation 1

2. Regulation 1 of the Income Tax (Concessionary Rate of Tax for Approved Offshore Life Insurers) Regulations (Rg 28) (called in these Regulations the principal Regulations) is amended by deleting the words “Concessionary Rate of Tax for Approved Offshore Life Insurers” and substituting the words “Exemption and Concessionary Tax Rate for Income from Life Insurance Business”.

Amendment of regulation 2

3. Regulation 2 of the principal Regulations is amended —
- (a) by deleting the definition of “approved takaful insurer”;
 - (b) by inserting, immediately after the words “derived from deposits” in the definition of “interest from ACU deposits”, the word “held”; and
 - (c) by inserting, immediately after the word “deposits” in paragraph (g) of the definition of “offshore investments”, the words “held outside Singapore”.

Amendment of regulation 3A

4. Regulation 3A of the principal Regulations is amended —
- (a) by deleting the words “16th February 2011” in paragraph (1) and substituting the words “31 March 2018”;
 - (b) by deleting the words “subsection (1)” in paragraph (2) and substituting the words “paragraph (1)”;
 - (c) by inserting, immediately after paragraph (2), the following paragraph:

“(3) No approval under paragraph (1) may be given unless, at the time of such approval, at least one aspect of each of the following functions of the captive insurer is undertaken by a company incorporated in Singapore or by personnel located in Singapore who are employed by a company incorporated outside Singapore:

 - (a) compliance with any requirement, and with any direction, notice or other document issued, under the Insurance Act (Cap. 142) and the Monetary Authority of Singapore Act (Cap. 186);
 - (b) compliance with any requirement relating to financial accounting, auditing and reporting under the Companies Act (Cap. 50);

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

Deletion of regulations 3B, 4A and 5C

5. The principal Regulations are amended by deleting regulations 3B, 4A and 5C.

Amendment of regulation 4

6. Regulation 4 of the principal Regulations is amended —

- (a) by deleting the words “Subject to regulations 4A and 5A, tax” in paragraph (1) and substituting the word “Tax”; and
- (b) by inserting, immediately after paragraph (2), the following paragraph:

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

Amendment of regulation 5

7. Regulation 5 of the principal Regulations is amended —

- (a) by deleting the words “Subject to regulation 5C, the” in paragraph (1) and substituting the word “The”;
- (b) by deleting the word “net” in the definition of “K” in paragraph (2); and
- (c) by inserting, immediately after paragraph (3), the following paragraph:

“(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.”.