

Income Tax (Concessionary Rate of Tax for Approved Offshore Composite Insurance Companies) (Amendment) Regulations 2004

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No. S 659

**INCOME TAX ACT
(CHAPTER 134)**

INCOME TAX (CONCESSIONARY RATE OF TAX FOR APPROVED OFFSHORE COMPOSITE INSURANCE COMPANIES) (AMENDMENT) REGULATIONS 2004

In exercise of the powers conferred by section 43C 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 Approved Offshore Composite Insurance Companies) (Amendment) Regulations 2004 and shall have effect for the year of assessment 2004 and subsequent years of assessment.

Amendment of regulation 2

2. Regulation 2 of the Income Tax (Concessionary Rate of Tax for Approved Offshore Composite Insurance Companies) Regulations (Rg 27) (referred to in these

Regulations as the principal Regulations) is amended by inserting, immediately after the definition of “interest from ACU deposits”, the following definition:

““marine hull and liability business” means the business of insuring and reinsuring risks involving marine hull and liability but excludes cargo, energy and aviation risks;”.

Deletion and substitution of regulation 7

3. Regulation 7 of the principal Regulations is deleted and the following regulation substituted therefor:

“Exemption from tax

7.—(1) Notwithstanding regulation 5, there shall be exempt from tax the following income derived by an approved marine hull and liability insurer for the basis period for any year of assessment:

- (a) the underwriting income derived from accepting marine hull and liability business; and
- (b) the amount of income as is ascertained by the formula —

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

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 the offshore marine hull and liability 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 the marine hull and liability business (other than offshore marine hull and liability business);
	P_o, P_i, P_{oL} and P_{iL}	have the same meanings as in regulation 6(1);
	A	is the total amount of dividends and interest derived from outside Singapore, gains or profits realised from the sale of offshore investments,