

**Income Tax (Concessionary Rate of Tax for Income of Life Insurance
Companies Apportioned to Policyholders) Regulations 1997**

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No. S 193

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (CONCESSIONARY RATE OF TAX FOR INCOME OF LIFE
INSURANCE COMPANIES APPORTIONED TO POLICYHOLDERS)
REGULATIONS 1997**

In exercise of the powers conferred by section 43(3) 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 Insurance Companies Apportioned to Policyholders) Regulations 1997 and shall have effect for the year of assessment 1993 and subsequent years of assessment.

Definitions

2. In these Regulations —

“allocate” means allocate under section 16 of the Insurance Act (Cap. 142);

“life insurance company” means any company registered to carry on life insurance business under the Insurance Act;

“life insurance fund” means any life insurance fund established by a life insurance company relating to Singapore life policies but does not include —

- (a) any life insurance fund established by the company wholly for non-participating policies; or
- (b) any part of any life insurance fund established by the company which has been separately identified by the company as being established wholly for non-participating policies;

“life insurance surplus and Singapore life policies” have the same meanings as in section 26(5) of the Act;

“non-participating policies” has the same meaning as in paragraph 7 of the First Schedule to the Insurance Act.

Application

3. These Regulations shall apply to any life insurance company.

Concessionary rate of tax

4.—(1) Tax shall be payable at the rate of 10% on that part of the life insurance surplus of any life insurance fund of a life insurance company which is apportioned to the policyholders of the company in accordance with this regulation.

(2) Where in the basis period for any year of assessment —

- (a) a life insurance company allocates any amount of surplus of any life insurance fund as determined under the Insurance Act (Cap. 142) to its policyholders and shareholders;
- (b) the life insurance surplus of the life insurance fund is positive; and
- (c) the total amount of surplus of that life insurance fund allocated to