
First published in the Government Gazette, Electronic Edition, on 27 October 2017 at 5 pm.

No. S 610

INCOME TAX ACT (CHAPTER 134)

INCOME TAX (CONCESSIONARY RATE OF TAX FOR APPROVED INSURANCE BROKERS) REGULATIONS 2017

ARRANGEMENT OF REGULATIONS

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In exercise of the powers conferred by section 43ZC of the Income Tax Act, the Minister for Finance makes the following Regulations:

Citation and commencement

1. These Regulations are the Income Tax (Concessionary Rate of Tax for Approved Insurance Brokers) Regulations 2017 and are deemed to have come into operation on 1 June 2017.

Definitions

2. In these Regulations —

“advisory service” means any risk advisory service, or other advisory service relating to any insurance policy;

“direct insurer” has the same meaning as in section 2 of the Insurance Act 1966;

[S 941/2022 wef 31/12/2021]

“direct life insurer” means a direct insurer licensed under section 11 of the Insurance Act 1966 to carry on life business;

[S 941/2022 wef 31/12/2021]

“insurance broking services” means the services of direct insurance broking or reinsurance broking, or both;

“life business” has the same meaning as in section 3(1)(a) of the Insurance Act 1966;

[S 941/2022 wef 31/12/2021]

“risk advisory services” means the design, structuring, modelling and implementation of any risk management programme using an insurance policy.

Application

3. These Regulations apply to an approved insurance broker that is approved as such on or after 1 June 2017.

Approval of insurance broker

4.—(1) The Minister or an authorised body may, upon application by a company that is a direct insurance broker, general reinsurance broker or life reinsurance broker and if the Minister or the authorised body (as the case may be) considers it expedient in the public interest to do so, approve the company as an approved insurance broker.

[S 941/2022 wef 06/12/2022]

(2) Any approval granted under paragraph (1) is for a period of 5 years.

(3) *[Deleted by S 8/2019 wef 01/04/2018]*

Concessionary rate of tax for income of approved insurance broker

5.—(1) Tax is payable at the rate of 10% on the commissions and fees derived by an approved insurance broker whose approval is granted on or before 18 February 2025 from the provision of either or both of the following services that do not relate to any insurance in paragraph (2):

(a) insurance broking services;

(b) advisory services.

[S 8/2019 wef 01/04/2018]

[S 870/2025 wef 01/01/2025]

(1A) Tax is payable by an approved insurance broker whose approval is granted between 19 February 2025 and 31 December 2028 (both dates inclusive) at the rate of 10% or 15% (whichever is the rate approved for the insurance broker) on the commissions and fees derived by the approved insurance broker on or after 1 January 2025 from the provision of either or both of the following services that do not relate to any insurance in paragraph (2):

(a) insurance broking services;

(b) advisory services.

[S 870/2025 wef 01/01/2025]

(2) For the purposes of paragraphs (1) and (1A), the insurance are —

(a) an insurance under a direct stand-alone policy; or

[S 8/2019 wef 01/04/2018]

(b) an insurance against any risk underwritten by a direct life insurer in the course of carrying on its life business.

[S 8/2019 wef 01/04/2018]

(c) *[Deleted by S 8/2019 wef 01/04/2018]*

[S 870/2025 wef 01/01/2025]

(3) For the purposes of paragraphs (1) and (1A), the Comptroller must determine —

(a) the income chargeable to tax under that paragraph having regard to such expenses, capital allowances and donations allowable under the Act as are, in the Comptroller's opinion, to be deducted in ascertaining such income; and

(b) the manner and extent to which any losses arising from the provision of the services to which that paragraph applies, may be deducted under section 37(3) of the Act in ascertaining the chargeable income of the approved insurance broker under that paragraph.

[S 8/2019 wef 01/04/2018]

[S 870/2025 wef 01/01/2025]

(4) In paragraph (2)(a), “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.

[S 8/2019 wef 01/04/2018]

6. *[Deleted by S 8/2019 wef 01/04/2018]*

Made on 26 October 2017.

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[R032.007.0006.V27; AG/LEGIS/SL/134/2015/44 Vol. 1]