

Name of Tax Change	Current Treatment	New Treatment
Review of tax concession for offshore insurance business	Currently, approved general, life and composite insurers can enjoy a concessionary tax rate of 10% on qualifying income derived from offshore insurance business conducted from Singapore. There is no sunset clause for the scheme and incentive recipients are incentivised indefinitely.	<p>In line with our policy to review tax incentives on a regular basis and to encourage companies to grow their presence in Singapore, the Government will introduce the following changes to the tax incentive with effect from 1 April 2010:</p> <ul style="list-style-type: none"> <li>a) The incentive will be subject to a sunset clause of 5 years till 31 March 2015<sup>1</sup>;</li> <li>b) The incentive will be awarded to an approved recipient for a period of 10 years; and</li> <li>c) New headcount requirement will be imposed for incentive recipients (except for captive insurers).</li> </ul> <p>New applicants will be required to meet the headcount criterion at the point of application for the tax incentive from 1 April 2010.</p> <p>To facilitate the transition of existing incentive recipients to the revised incentive framework, existing incentive recipients will be given a transition period of 3 years from 1 April 2010 to 31 March 2013 to meet the necessary headcount requirement in order to continue to qualify for the incentive after 31 March 2013 for the remaining tenure of their awards. Further details will be released by MAS by April 2010.</p>

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<sup>1</sup> There will be a review mechanism to determine whether the incentive will be further extended after 31 March 2015.