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No. S 837

INCOME TAX ACT 1947

INCOME TAX (TRANSFER OF BUSINESSES BY INSURERS) (AMENDMENT) REGULATIONS 2026

In exercise of the powers conferred by section 34CA(31) of the Income Tax Act 1947, the Minister for Finance makes the following Regulations:

Citation and commencement

1.—(1) These Regulations are the Income Tax (Transfer of Businesses by Insurers) (Amendment) Regulations 2026.

(2) Regulations 3(*b*) and 4(*b*) are deemed to have come into operation on 8 December 2025.

(3) Regulations 2 and 3(*a*) and 4(*a*) come into operation on 18 November 2026.

New regulation 3A

2. In the Income Tax (Transfer of Businesses by Insurers) Regulations 2026 (G.N. No. S 836/2026) (called in these Regulations the principal Regulations), after regulation 3, insert —

"**Modification of Enterprise Innovation Scheme provisions**

3A.—(1) This regulation applies in a case mentioned in section 34CA(1)for the year of assessment 2026 and each subsequent year of assessment.

(2) If date A falls within the basis period for any year of assessment mentioned in an EIS provision, then, for the purpose of applying that EIS provision to the transferee (T) in respect of any EIS expenditure under that EIS provision incurred by T during the basis period for that year of assessment —

(*a*) the reference to $400,000 in that EIS provision (other than section 14EA(1)) is a reference to the amount computed in accordance with the formula

$$\$400,000 - X,$$

where X is the total of that EIS expenditure under that EIS provision for which —

(i) a deduction or allowance is allowed or made to the transferor (U) or any other transferor for that year of assessment under that EIS provision; or

(ii) a cash payout is granted to U or any other transferor under section 37R; and

(*b*) the reference to $50,000 in section 14EA(1) is a reference to the amount computed in accordance with the formula

$$\$50,000 - Y,$$

where Y is the total of that EIS expenditure under section 14EA(1) for which —

(i) a deduction is allowed to U or any other transferor for that year of assessment under that provision; or

(ii) a cash payout is granted to U or any other transferor under section 37R.

(3) If date A falls within the basis period for any year of assessment mentioned in section 14U(1B), then, for the purpose of applying that provision to T, the reference to $400,000 in that provision is a reference to the amount computed in accordance with the formula

$$\$400,000 - Z,$$

where Z is the total of the expenditure mentioned in that provision that is incurred during the basis period for that year of assessment for which —

(*a*) a deduction under section 14U(1A) is allowed or an allowance under section 19B(1AD) is made to U or any other transferor for that year of assessment; or

(*b*) a cash payout is granted to U or any other transferor under section 37R.

(4) To avoid doubt, the deduction or allowance that may be allowed or made to T under the provisions mentioned in paragraph (2) or (3) is subject to section 37R(29).

(5) If date A falls within the basis period for a year of assessment in which an election has been made or treated as made by T under section 37R(1) or (6) in respect of any EIS expenditure under an EIS provision, then, for the purpose of computing the amount of cash payout that may be granted to T for that year of assessment under section 37R, the reference to $100,000 in section 37R(4)(*b*) is a reference to the amount computed in accordance with the formula $100,000 – W, where W is the total EIS expenditure for which U or any other transferor has made an election for a cash payout in lieu of a deduction or allowance under section 37R for that year of assessment.

(6) In this regulation, a reference to any other transferor is to a transferor besides U of insurance business and non-insurance businesses to T, in another case to which section 34CA(1) applies.

(7) In this regulation —

"EIS provision" means any of the following provisions:

(*a*) section 14A(1BC);

(*b*) section 14D(1A);

(*c*) section 14EA(1);

(*d*) section 14U(1A);

(*e*) section 14ZG(1);

(*f*) section 19B(1AD);

"Enterprise Innovation Scheme expenditure" or "EIS expenditure", in relation to any EIS provision, means —

(*a*) in the case of section 14A(1BC), qualifying intellectual property registration costs under that provision;

(*b*) in the case of section 14D(1A), expenditure or payments for research and development undertaken by a person under that section;

(*c*) in the case of section 14EA(1), qualifying expenditure incurred for a qualifying innovation project under that provision;

(*d*) in the case of section 14U(1A), expenditure incurred on the licensing from another person of qualifying intellectual property rights under that provision;

(*e*) in the case of section 14ZG(1), qualifying training expenditure under that provision; and

(*f*) in the case of section 19B(1AD), capital expenditure in acquiring any intellectual property right under that provision.".

Amendment of regulation 4

3. In the principal Regulations, in regulation 4 —

(*a*) in paragraph (1), replace "applies" with "and regulation 3A apply"; and

(*b*) in paragraph (3)(*a*), after "section 34CA(1)(*c*)", insert "or any extended period under section 34CA(1A)".

Amendment of regulation 5

4. In the principal Regulations, in regulation 5 —

(*a*) in paragraph (1), replace "applies" with "and regulation 3A apply"; and

(*b*) in paragraph (3)(*a*), after "section 34CA(1)(*c*)", insert "or any extended period under section 34CA(1A)".

Made on 14 November 2026.

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[AG/LEGIS/SL/134/2020/80]