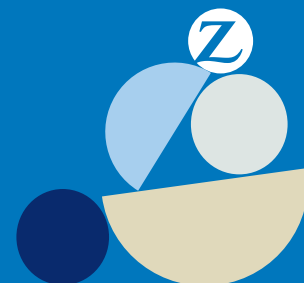



The government had announced an increase in Service Tax rate from 6% to 8% during the 2024 budget announcement. Please refer to the FAQs below on how it will affect your insurance policy/takaful certificate.



Frequently Asked Questions (FAQs)

| S/N | QUESTION | ANSWER | | | | | | |
|--------------------------------------|--|---|-----------------|------------------|--------------------------------------|----|-----------------------------------|----|
| 1 | What is the change of tax rate for Service Tax? | The proposed change of Service Tax rate is from 6% to 8% | | | | | | |
| 2 | When will the new rate be effective? | The new Service Tax rate of 8% is proposed to be effective from 1 March 2024 onwards. | | | | | | |
| 3 | Are there any changes to the scope of taxable services? | There are no changes to the scope of taxable services for insurance/takaful products. | | | | | | |
| 4 | Who will be affected? | It will affect all Zurich customers who purchase any taxable insurance/takaful coverage from us. | | | | | | |
| 5 | How will the new rate impact an existing insurance policy/takaful certificate? | <p>Generally, Service Tax shall become due on the date that such taxable service is provided or performed.</p> <p>For existing insurance policy/takaful certificate, the new Service Tax rate of 8% is only levied on the portion of premium/contribution attributable to the period of insurance/takaful coverage after the effective date of the new Service Tax rate. The portion of premium/contribution attributable to the period of insurance/takaful coverage before the effective date of the new Service Tax rate will be levied at the old Service Tax rate of 6%.</p> <p>Example:</p> <p>If an insurance policy/takaful certificate coverage period spans across 1 March 2024 (e.g. 1 July 2023 until 30 June 2024), the Service Tax rate will be levied as follows:</p> <table border="1"> <thead> <tr> <th>Coverage period</th> <th>Service Tax rate</th> </tr> </thead> <tbody> <tr> <td>From 1 July 2023 to 29 February 2024</td> <td>6%</td> </tr> <tr> <td>From 1 March 2024 to 30 June 2024</td> <td>8%</td> </tr> </tbody> </table> | Coverage period | Service Tax rate | From 1 July 2023 to 29 February 2024 | 6% | From 1 March 2024 to 30 June 2024 | 8% |
| Coverage period | Service Tax rate | | | | | | | |
| From 1 July 2023 to 29 February 2024 | 6% | | | | | | | |
| From 1 March 2024 to 30 June 2024 | 8% | | | | | | | |

| S/N | QUESTION | ANSWER |
|-----|----------|---|
| | | <p>Illustration – Spanning Policy / Certificate</p>  <p>The diagram illustrates a coverage period from 1 July 2023 to 30 June 2024. A vertical line marks the transition date of 1 Mar 2024, which is highlighted in a red box. The period from 1 July 2023 to 1 Mar 2024 is labeled 'SST @ 6%', and the period from 1 Mar 2024 to 30 June 2024 is labeled 'SST @ 8%'. A blue bar above the timeline is labeled 'Coverage Period'.</p> |