

# **Goods and Services Tax (Amendment) Bill**

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**Bill No. /2015.**

*Read the first time on*

*2015.*

A BILL

*i n t i t u l e d*

An Act to amend the Goods and Services Tax Act (Chapter 117A of the 2005 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

### Short title and commencement

1. This Act may be cited as the Goods and Services Tax (Amendment) Act 2015 and comes into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### 5 Amendment of section 21

2. Section 21 of the Goods and Services Tax Act is amended —

(a) by inserting, immediately after the words “For the purposes of subsections (3), (6),” in subsection (4), “(6AA),”;

10 (b) by deleting the definition of “aircraft” in subsection (4)(a) and substituting the following definition:

““aircraft” means any aircraft —

(i) that is wholly used or intended to be wholly used for travel —

15 (A) from a place outside Singapore to another place outside Singapore;

(B) from a place in Singapore to a place outside Singapore; or

20 (C) from a place outside Singapore to a place in Singapore; or

(ii) that is a military aircraft;”;

(c) by inserting, immediately after the definition of “co-location” in subsection (4)(a), the following definition:

““non-international aircraft” means any aircraft —

25 (a) that is not wholly used or intended to be wholly used for travel —

(i) from a place outside Singapore to another place outside Singapore;

30 (ii) from a place in Singapore to a place outside Singapore; or

- (iii) from a place outside Singapore to a place in Singapore; and
- (b) that is not a military aircraft;”;
- (d) by inserting, immediately after the words “subsection (3)” in subsection (5), the words “or (6AB)(a)”;
- (e) by deleting sub-paragraph (ii) of subsection (6)(b) and substituting the following sub-paragraph:
- “(ii) for use as merchandise for sale by retail to persons carried on an aircraft;”;
- (f) by deleting the words “for sale by retail as merchandise” in subsection (6A)(d) and substituting the words “for use as merchandise for sale by retail”;
- (g) by inserting, immediately after subsection (6), the following subsections:
- “(6AA) Subsection (6AB) applies to a supply that is attributable solely to a flight by a non-international aircraft that is —
- (a) from a place outside Singapore to another place outside Singapore;
- (b) from a place in Singapore to a place outside Singapore; or
- (c) from a place outside Singapore to a place in Singapore.
- (6AB) Subject to subsection (6AC) —
- (a) where a supply referred to in subsection (6AA) is a supply of prescribed services, then it is treated as a supply of international services; and
- (b) where a supply referred to in subsection (6AA) is a supply of goods, then it is zero-rated if the Comptroller is satisfied that the person supplying the goods has shipped them —
- (i) for use as stores or fuel on the flight; or

(ii) for use as merchandise for sale by retail to persons carried on the flight.

(6AC) Subsection (6AB) only applies if such other conditions or restrictions, if any, as may be prescribed by the Minister or as the Comptroller may impose are fulfilled.”; and

(h) by inserting, immediately after the words “subsection (6)” wherever they appear in subsection (8), the words “, (6AB)”.

### 10 **Amendment of section 82**

**3.** Section 82 of the Goods and Services Tax Act is amended by inserting, immediately after subsection (6), the following subsection:

“(7) A reference in this section to tax due from a person under the Act includes a reference to an amount which becomes payable to the Comptroller by a tourist or a person holding himself out to be a tourist, after the approval for the refund of the amount is revoked under a scheme for the refund established by regulations made under section 25.

(8) In subsection (7), “tourist” means a tourist as defined in regulations establishing the scheme referred to in that subsection.”.

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## EXPLANATORY STATEMENT

This Bill seeks to amend the Goods and Services Tax Act (Cap. 117A).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 21 —

- (a) to re-define “aircraft” in subsection (4)(a) so that it relates only to aircraft wholly used or intended to be wholly used for international travel (including where the use or intended use is for recreation or pleasure), and military aircraft — see clause 2(b);
- (b) to empower the Minister for Finance to prescribe, as international services, supplies of services relating to flights that do not start and end

in Singapore, as well as to provide for the zero-rating of certain supplies of goods in connection with such flights; and to make various consequential amendments — see clause 2(*g*); and clause 2(*a*), (*c*), (*d*) and (*h*); and

- (*c*) to make technical amendments to subsections (6)(*b*)(*ii*) and (6A)(*d*) to clarify the intent of those provisions — see clause 2(*e*) and (*f*).

Clause 3 inserts a new subsection (7) in section 82 to extend travel restriction orders to tourists, and persons holding themselves out as tourists, who have had their refunds relating to tax revoked.

### EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.

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