

# **Income Tax (Amendment) Bill 2022**

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**Bill No. /2022.**

*Read the first time on .*

A BILL

*i n t i t u l e d*

An Act to amend the Income Tax Act 1947 and to make consequential and related amendments to certain other Acts.

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

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## EXPLANATORY STATEMENT

This Bill seeks to implement the tax changes in the Government's 2022 Budget Statement in the Income Tax Act 1947 (the Act) and to make certain other amendments to the Act.

Clause 1 relates to the short title and commencement.

Clause 2 amends section 2 (Interpretation) to delete the definition of "authentication code" and replace the definition of "electronic service" to refer to the system in section 29 of the Inland Revenue Authority of Singapore Act 1992. Provisions relating to the provision and use of the electronic service (other than those applicable only to the Act) will be deleted as these provisions are now found in section 29 of the Inland Revenue Authority of Singapore Act 1992 (as inserted by section 48 of the Gambling Duties Act 2022).

Clause 3 amends section 6 (Official Secrecy) for 2 purposes.

First, section 6(12) is replaced by a new subsection (12) that allows the Comptroller of Income Tax (called the Comptroller) to disclose the income information of any person with the person's express consent, to —

- (a) a public officer or officer of a statutory board for the performance of any official duties (and not only for administering a written law or a public scheme); or
- (b) a person engaged to facilitate the carrying out of such official duties, if that person undertakes to be bound by the obligations of secrecy imposed by subsections (1), (2) and (3).

Second, section 6 is amended by inserting a new subsection (12A) to enable the Comptroller to disclose certain information prescribed in the Eleventh Schedule to any public officer or officer of a statutory board for the performance of his or her official duties, without the consent of the person to whom the information relates.

Clause 4 makes an amendment to section 8 that is consequential on the repeal and re-enactment of section 8A.

Clause 5 repeals and re-enacts section 8A (Use of electronic service). Most of the provisions in the existing section 8A are now found in the amended section 29 of the Inland Revenue Authority of Singapore Act 1992. The new section 8A retains certain provisions applicable only to the Income Tax Act 1947.

Clause 6 makes an amendment to section 10 (Charge of income tax) that is consequential on the amendment to section 13E.

Clause 7 amends section 13 (Exempt income) —

- (a) to extend the last day of issue of qualifying project debt securities to qualify for exemption of tax under that section from 31 December 2022 to 31 December 2025; and
- (b) to extend until 31 March 2023 the period during which income derived by the following individuals are exempt from tax:
  - (i) a non-resident arbitrator;
  - (ii) a non-resident qualifying mediator for mediation services for a mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn;
  - (iii) a non-resident individual for mediation services for a qualifying mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn.
- (c) to limit the tax exemption under subsection (1)(zj) for income from a structured product derived from Singapore by a non-resident person who is not an individual where the contract for the product is varied. The exemption continues to apply only if the variation takes effect before 1 January 2027.

Clause 7 also amends subsection (12A) of section 13. Subsections (12A) and (12B) of section 13 provide that orders made under subsection (12) which exempt from tax income received by the trustee of a Singapore listed real estate investment trust (“REIT”) or its wholly-owned company that is incorporated in Singapore, continue to have effect on or after 1 January 2026 only in relation to income received in Singapore that is paid out of income or gains relating to immovable property outside Singapore and acquired before that date, and derived at a time when the trustee or company beneficially owns the property, or from the disposal of the property. The amendment extends subsection (12A) to the following:

- (a) a subsection (12) order exempting income received by the trustee of a sub-trust of a REIT all rights or interests in the property of which are held by the trustee of the REIT for the benefit of the beneficiaries of the REIT;
- (b) a subsection (12) order exempting income received by a company incorporated in Singapore the share capital of which is wholly-owned directly or indirectly by the trustee of a REIT.

Clause 8 amends section 13E (Exemption of international shipping profits) to exclude, from the scope of the term “foreign ship”, a ship that is provisionally registered under the Merchant Shipping Act 1995 and which registry is not closed, deemed to be closed or suspended. The purpose of this amendment is to remove an overlap in the scope of tax exemption between section 13A and section 13E.

Clause 9 amends section 13F (Exemption of income of foreign trust) to allow the Minister to prescribe regulations that exempt income of a foreign trust that is approved by the Minister or an authorised body, in addition to a foreign trust that is prescribed by regulations.

Clause 10 amends section 13U (Exemption of income arising from funds managed by fund manager in Singapore) to extend the tax exemption in that section to income that is prescribed by regulations and which arises from funds of any approved eligible special purpose vehicle (“SPV”) of an approved master-feeder fund-SPV structure, or of an approved master fund-SPV structure, subject to conditions in that section.

Clause 11 makes an amendment to section 26 (Profits of insurers) that is consequential on the new section 34AAA.

Clause 12 amends section 26A (Ascertainment of income of member of Lloyd’s syndicate) to allow the Comptroller to extend the deadline for filing an estimate of the aggregate amount of chargeable income of a non-resident member of Lloyd’s, beyond the current 3 months after the end of the accounting period relating to the year of assessment of that member.

Clause 13 amends section 34A (Adjustment on change of basis of computing profits of financial instruments resulting from FRS 39 or SFRS for Small Entities) to extend the tax treatment of interest from debt securities in that section to interest from a loan, i.e. interest from a loan that is chargeable to tax under section 10(1)(d) is to be computed at the contractual interest rate and not effective interest rate. The clause also makes amendments consequential on the new section 34AAA.

Clause 14 amends section 34AA (Adjustment on change of basis of computing profits of financial instruments resulting from FRS 109 or SFRS(I) 9) to extend the tax treatment of interest from debt securities in that section to interest from a loan, i.e. interest from a loan that is chargeable to tax under section 10(1)(d) is to be computed at the contractual interest rate and not effective interest rate. The clause also makes amendments consequential on the new section 34AAA.

Clause 15 inserts a new section 34AAA to provide for a new basis for computing the profits, losses and expenses in respect of financial instruments of licensed insurers for a basis period that begins on or after 1 January 2023. The new section provides that (with certain exceptions) the profits, losses and expenses to be brought into account are those that are recognised and valued in accordance with certain regulations made under the Insurance Act 1966, and reflected in returns submitted to the Monetary Authority of Singapore under that Act (called the MAS returns). The reason for this is that financial statements prepared in accordance with the accounting standard applicable for annual reporting periods beginning on or after 1 January 2023 (FRS 117 or SFRS(I) 17) are less suitable for tax computation purposes compared to the MAS returns.

The new section provides for a case where a gain relating to a financial instrument was not taxed because it was treated as capital in nature, or a loss or expense relating to a financial instrument was allowed as a deduction because it was treated as revenue in nature. If the gain is later discovered to be revenue in nature or the loss or expense discovered to be capital in nature, then the gain, loss or expense, together with any previous gain, loss or expense in respect of the instrument that was similarly mischaracterised, is treated as income for the year of assessment that is the year in which the discovery takes place. However, no assessment for that income may be made after the period of 4 years after the end of the year of assessment of the basis period in which the instrument is disposed of.

Conversely, where a gain relating to a financial instrument was taxed because it was treated as revenue in nature, or a loss or expense relating to a financial instrument was not allowed as a deduction because it was treated as capital in nature, and the gain was later discovered to be capital in nature or the loss or expense discovered to be revenue in nature, then a deduction is to be allowed for the gain, loss or expense, as well as any previous gain, loss or expense in respect of the instrument that was similarly mischaracterised, for the year of assessment that is the year in which the discovery takes place. However, no claim for such deduction may be made after the period of 4 years after the end of the year of assessment of the basis period in which the instrument is disposed of.

The provisions in the last 2 paragraphs are necessary because unrealised gains, losses or expenses may be recognised under the regulations made under the Insurance Act 1966, before their true nature becomes known.

Finally, the section enables regulations to be made for various transitional matters, including regulations to treat as the income of a specified insurer for a specified year of assessment for a specified amount of any profit relating to a financial instrument that is an amount recognised under the regulations made under the Insurance Act 1966 as the insurer's profit before the start of the basis period in relation to which the new section 34AAA first applies to the insurer, and allowing a deduction to a specified insurer for a specified year of assessment for a specified amount of any loss or expense relating to a financial instrument that is an amount recognised under those regulations as the insurer's loss or expense before the start of that basis period. Such regulations may be needed to make transitional adjustments for previously recognised gains, losses or expenses relating to financial instruments of insurers that were subject to a different tax treatment.

Clause 16 makes an amendment to section 34AB (Chargeability of profit or loss from foreign exchange differences) that is consequential on the new section 34AAA.

Clause 17 inserts a new section 34CA which applies with modification the tax treatments accorded to a qualifying amalgamation of companies in section 34C,

to a transfer of businesses of a company incorporated in Singapore and licensed to carry out insurance business, to another company incorporated in Singapore.

Parties to the transfer of an insurance business currently cannot avail themselves of section 34C due to the requirements for such transfer under the Insurance Act 1966.

The new section 34CA(1) sets out the scope of application of the new section. It applies only if —

- (a) a licensed insurer that is a company incorporated in Singapore (the transferor) transfers on a single date (date A) its insurance business to another company (the transferee) under a voluntary transfer scheme that has been confirmed by a court under the Insurance Act 1966;
- (b) the conditions in section 34CA(3) are satisfied;
- (c) the transferor also transfers all of its non-insurance businesses (if any) to the same transferee on a single date (date B) that is no earlier than 12 months before nor later than 12 months after the transfer date;
- (d) approval for the transfer in paragraph (c) has been approved under the new section 34CA(4) and the conditions for the approval under the new section 34CA(5) (which may include conditions subsequent) are satisfied; and
- (e) the transferee elects under the new section 34CA(6) and (7) for the application of the new section to the transfers.

The new section 34CA(2) defines various terms used in the new section. In particular it defines the term “effective date” as either date A or date B, depending on whether the transferred business in question is the insurance business or any of the non-insurance businesses.

The new section 34CA(3) sets out conditions that have to be satisfied in relation to the transfer of the insurance business. Essentially all property, rights and liabilities in relation to the insurance business must be transferred to the transferee on the effective date, and the transferor must permanent cease to carry on that business on that date and must be wound up before the date it has to furnish a return for the year of assessment for the basis period in which the transfer occurs.

The new section 34CA(8) provides that property for a transferred business on revenue or capital account of the transferor is treated as property on revenue or capital account, as the case may be, of the transferee. Such property will be treated as having been acquired by the transferee on the date the property was acquired by the transferor at the original cost incurred by the transferor.

The new section 34CA(9) and (10) deems an election under section 24 to be made in relation to any transfer of property from the transferor to the transferee, where the allowances or writing-down allowances in respect of the property have been made to the transferor under certain sections.

The new section 34CA(11) and (12) enables annual allowances under section 18C to be made to the transferee in respect of a building to the transferee for which an allowance under that section has been made to the transferor.

The new section 34CA(13) provides that where there is a transfer of intellectual property rights (in respect of which writing-down allowances have been made to the transferor under section 19B) from the transferor to the transferee, the allowances under that section are to be made to the transferee as if no transfer had taken place.

The new section 34CA(14) and (15) provides for the tax treatment when assets on revenue account of the transferor become assets on capital account in the accounts of the transferee on the effective date. The consideration for the transfer is taken to the open market value of the property on the effective date.

The new section 34CA(16) and (17) provides for the tax treatment when assets on capital account of the transferor become assets on revenue account in the accounts of the transferee on the effective date. The consideration for the transfer is taken to be the lower of the actual amount paid and the open market value of the property on the effective date.

The new section 34CA(18) provides for the tax treatment of intellectual property rights mentioned in the new section 34CA(13) when the transferee ceases to carry on the transferred business in Singapore after the effective date. A charge is to be made on the transferee as if the rights had been sold on the date of cessation.

The new section 34CA(19) provides that any question on the open market value attributable to property for the purposes of the new section 34CA(14), (16) and (18) is to be determined by the Comptroller.

The new section 34CA(20) provides that no writing-down of allowances under section 19B is allowed to the transferee for intellectual property rights of a transferred business which are recognised under certain financial reporting standards but were not in existence prior to the effective date.

The new section 34CA(21) provides for a deduction to be allowed to the transferee that continues to carry on a transferred business for the impairment loss, expenditure or loss arising from the activities of the transferor before the effective date, if a deduction would have been allowed to the transferor but for the transfer of business. Any reversal of impairment loss or recovery of bad debt will be taxable in the hands of the transferee.

The new section 34CA(22) provides that any reversal of impairment loss or recovery of bad debt will be taxable in the hands of the transferee if such impairment loss or bad debt has been allowed as a deduction to the transferor and the transferor would have been chargeable to tax on it but for the transfer of business.

The new section 34CA(23), (24) and (25) provides for deduction of any unabsorbed capital allowance, loss or donation of the transferor against the income of the transferee, subject to conditions.

The new section 34CA(26) provides that if the transferor had previously adopted the FRS 39 tax treatment under section 34A, the transferee is not allowed to opt out of the FRS 39 tax treatment. The gains or losses, not being capital in nature, arising from the adjustment to the financial assets or liabilities of the transferor that was on the pre-FRS 39 tax treatment are to be taxed as income of the transferee or allowed as a deduction against its income, if the transferee adopted the FRS 39 tax treatment.

The new section 34CA(27) provides that section 43(6C) (which provides a partial tax exemption to eligible start-up companies) does not apply to the transferee even if it were a qualifying company, if the earlier of date A and date B does not fall within the basis periods of the first 2 years of assessment of transferor. If that earlier date falls within the basis periods of the first 2 years of assessment of the transferor, then section 43(6C) applies to the transferee but only if the year of assessment in question falls within the period prescribed by regulations.

The new section 34CA(28) allows different periods to be prescribed for the purposes of subsection (27) for different descriptions of transfers or companies.

The new section 34CA(29) provides that the transferee must comply with all obligations and meet all liabilities of transferor in respect of a transferred business as if it were the transferor.

The new section 34CA(30) clarifies that section 26(5) and (13) (which provides for how gains or profits of an insurer are to be determined when an insurance business is transferred to or by it) applies in relation to the transfer of an insurance business.

The new section 34CA(31) empowers the Minister to make regulations to provide for other tax treatments in a transfer of businesses under the new section, and to enable deductions to be allowed and allowances to be made in anticipation of the satisfaction of the requirements for the application of the new section, and the recovery of such deductions and allowances in the event any such requirement is not met.

Clause 18 makes amendments to section 34G (Modification of provisions for companies redomiciled in Singapore) that are consequential on the new section 34AAA.

Clause 19 amends section 37A (Adjustment of capital allowances, losses or donations between income subject to tax at different rates) to provide that the adjustment factor that applies for the purpose of a deduction of any unabsorbed allowances, losses or donations in respect of any income subject to tax at one rate against any income that is subject to tax at a different rate, apply to a body of



persons that derives income subject to a concessionary rate of tax under section 43H regulations.

Clause 20 amends section 37D (Carry back of capital allowances and losses) to make amendments consequential to the amendments made to section 37A.

Clause 21 amends section 37O (Deduction for acquisition of shares of companies) to expand the definition of “local employee”, in relation to a company that claims a deduction for a qualifying acquisition of shares, to the following persons:

- (a) an individual who is seconded to the acquiring company;
- (b) an individual who is hired centrally and deployed to the acquiring company.

A condition for the deduction is that the company must have at least 3 local employees in the 12 months before the date of the acquisition of shares.

Clause 22 amends section 43 (Rate of tax upon companies and others) to increase the rate of tax for a non-resident individual from 22% to 24% for the year of assessment 2024 onwards.

Clause 22 also amends section 43 to provide that a tax rate of 10% is to be levied and paid on the gross income derived during the period from 1 April 2023 to 31 December 2027 (both dates inclusive) by the following individuals:

- (a) a non-resident arbitrator;
- (b) a non-resident qualifying mediator for mediation services for a mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn;
- (c) a non-resident individual for mediation services for a qualifying mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn.

Clause 23 amends section 43N (Concessionary rate of tax for leasing of aircraft and aircraft engines) to extend the last day of the period during which an aircraft leasing company may be approved for its income from the leasing of aircrafts or aircraft engines and qualifying ancillary activities to be subject to a concessionary rate of tax, from 31 December 2022 to 31 December 2027.

Clause 24 amends section 43O (Concessionary rate of tax for aircraft investment manager) to extend the last day of the period during which an aircraft investment manager may be approved for its income from the managing of an approved aircraft leasing company and other qualifying activities to be subject to a concessionary rate of tax, from 31 December 2022 to 31 December 2027.

Clauses 25 and 26 amend sections 45 (Withholding of tax in respect of non-resident persons) and 45A (Application of section 45 to royalties,

management fees, etc.) respectively to make amendments that are consequential to the amendments to section 13(1)(b).

Clause 27 amends section 45F (Application of section 45 to income from profession or vocation carried on by non-resident individual, etc.) to provide for the application of section 45 (Withholding of tax in respect of interest paid to non-resident persons) to payments made during the period 1 April 2023 to 31 December 2027 to an individual not resident in Singapore who is —

- (a) an arbitrator;
- (b) a qualifying mediator for mediation services for a mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn; and
- (c) a mediator for mediation services for a qualifying mediation which takes place in Singapore or which would have taken place in Singapore if the claim had not been settled or withdrawn.

Tax is to be deducted from the payments at the rate of 10%.

Clause 28 amends section 45I (Sections 45 and 45A not applicable to certain payments) so that the withholding tax requirements in sections 45 and 45A do not apply to the following:

- (a) a payment liable to be made by a bank, finance company or qualifying holder of a capital markets services licence under a contract which was varied where —
  - (i) the variation takes effect on a date which falls within the period from the date of *Gazette* of the Income Tax (Amendment) Bill (called the *Gazette* date) to 31 December 2026 (both dates inclusive); and
  - (ii) the payment is made on or after the date the variation takes effect; or
- (b) a payment liable to be made by a person approved for the purposes of section 45I —
  - (i) at any time during the period from the *Gazette* date to 31 December 2026 (both dates inclusive) under a contract which was varied, where the variation takes effect on or after the *Gazette* date and before the date on which the person is approved for the purposes of section 45I (called the approval date); or
  - (ii) under a contract which was varied where —
    - (A) the variation takes effect on a date which falls within the period from the *Gazette* date or the approval date

(whichever is later) to 31 December 2026 (both dates inclusive); and

- (B) the payment is made on or after the date the variation takes effect.

Clause 29 amends section 62 (Notice of chargeability and returns) to provide that a licensed insurer that is required to file a tax computation with its income return, must file the tax computation that is prepared in accordance with the return of its income that it submits to the Monetary Authority of Singapore in accordance with the Insurance Act 1966, and provide any other information that the Comptroller may reasonably require for assessment.

Clause 30 amends section 62B (Currency other than Singapore dollar to be used in certain circumstances) to disapply the section to a licensed insurer, in respect of an accounting period beginning on or after 1 January 2023. This is because the return that the insurer is required to use to prepare its tax computation under the amended section 62 is prepared using the Singapore dollar.

Clause 31 amends section 63 (Furnishing of estimate of chargeable income if no return is made under section 62) —

- (a) to allow the Comptroller to extend the deadline for filing an estimate of the chargeable income of a person beyond the current 3 months after the end of the accounting period relating to the year of assessment;
- (b) to provide, in the case of a licensed insurer (not being a captive or marine mutual insurer), a different period from that set out in subsection (1) within which it is to provide an estimate of its chargeable income if no income return had been made earlier. The insurer must, within 3 months after the end of the calendar year before the year of assessment or such extended deadline as the Comptroller may allow, provide to the Comptroller an estimate of its chargeable income.

Clause 32 amends section 68 (Official information and secrecy, and returns by employer) to allow the Comptroller to extend the deadline for an employer to furnish employee income information, beyond the time for compliance stipulated in the notice.

Clause 33 amends section 71 (Return to be made by partnership) to allow the Comptroller to extend the deadline for furnishing an estimate of the income from all sources of a partnership and the identities and shares of income of the partners, beyond the current 3 months after the end of the accounting period relating to the year of assessment.

Clause 34 amends section 78 (Board of Review) —

- (a) to provide for certain matters relating to appeals to and proceedings before the Board of Review of a procedural nature to be prescribed by regulations rather than the Act;

- (b) to provide that the Chairperson of the Board may appoint a single member to hear appeals in a particular case. For example, the Chairperson may appoint a single member if an appeal does not involve any complex issue;
- (c) expand the scope of the regulation-making power to include, among other things, a power to make regulations to deal with objections to the appointment of a member hearing an appeal (currently dealt with by section 79), and to enable directions to be issued for the carrying out of the regulations.

Clause 35 amends section 79 (Right of appeal) to delete provisions relating to the form of a notice of appeal to the Board and objections to the composition of members of the Board hearing an appeal. These matters will be effected by regulations.

Clause 36 amends section 80 (Hearing and disposal of appeals) to delete certain provisions which relate to procedure. These procedural requirements will be set out in subsidiary legislation. Clause 36 also amends section 80 to clarify that an order to the same effect as an order under section 38 of the Prisons Act 1933 may be issued to bring up a prisoner for examination as a witness in a hearing before the Board. Next, clause 36 amends section 80 by deleting subsection (11) (Board may order additional costs if appeal was frivolous or vexatious) as the Board already has the discretion to order indemnity costs. Finally, clause 36 amends section 80 to enable regulations to be made for proceedings before the Board to be conducted electronically in specified circumstances.

Clause 37 amends section 80A (Hearing of appeal in absence of member of Board) to provide that it only applies in the case of a hearing before a committee, as an appeal may be heard by a single member (dealt with under the new section 80B).

Clause 38 inserts new sections 80B and 80C.

The new section 80B deals with a case where an appeal is before a single member and the member becomes unavailable. The Chairperson of the Board is to appoint a new member or a committee who may continue to hear and determine the appeal unless the parties object or the member or committee decides that it is in the interests of justice for the appeal to be reheard.

The new section 80C enables a single member appointed to hear an appeal to request the Chairperson of the Board to appoint a committee to do so instead if the member believes that it is in the interests of justice for the case to be heard by a committee. If the Chairperson appoints a committee for the case, the committee so appointed has to rehear the appeal.

Clause 39 amends section 86 (Recovery of tax from persons leaving Singapore) by removing the requirement for a notification to a person that a

certificate has been issued that he or she is to be prevented from leaving Singapore without paying tax, to be served by personal service or registered post.

Clause 40 amends section 105M (Offences) to enable the Comptroller to compound offences under subsection (1B). Subsection (1B) criminalises a non-compliance with a regulation under section 105P other than one requiring a person to apply for registration or report any information to the Comptroller.

Clause 41 amends section 106 (Powers to amend Schedules) to include the new Eleventh Schedule in the list of Schedules which may be amended by the Minister by way of order in the Gazette.

Clause 42 amends Part A of the Second Schedule (Rates of Tax). It inserts a new table for the rates of tax on chargeable income of an individual resident in Singapore for the year of assessment 2024 and subsequent years of assessment. In particular, it provides for a tax rate of 23% for every dollar of the individual's chargeable income from \$500,001 to \$1,000,000, and a rate of tax of 24% for every dollar of the individual's chargeable income exceeding \$1,000,000.

Clause 43 inserts an Eleventh Schedule to prescribe information that the Comptroller may disclose to any public officer or officer of a statutory board for the performance of his or her official duties, without the consent of the person to whom the information relates.

Clause 44 —

- (a) sets out the definitions of “holding company”, “subsidiary” and “related party” in section 2 (Interpretation);
- (b) deletes the definitions of those terms in various sections of the Act consequential on those terms now being defined in section 2; and
- (c) makes amendments to various sections of the Act that are consequential on the insertion of the definitions of those terms in section 2.

The insertion of the definitions in paragraph (a) in section 2 does not imply that those terms took a different meaning previously.

Clause 44 also amends the following sections to increase the rate of withholding tax from 22% to 24% [from 1 January 2023] and other amendments consequential on this:

- (a) section 45 (Withholding of tax in respect of interest paid to non-resident persons);
- (b) section 45B (Application of section 45 to non-resident director's remuneration);
- (c) section 45E (Application of section 45 to withdrawals by non-citizen SRS members, etc.);

(d) section 45EA (Approval of deduction of investment from SRS of non-citizen).

Clause 45 repeals provisions of the Act that are obsolete and to make certain consequential amendments to those provisions.

Clause 46 makes related amendments to the Goods and Services Tax Act 1993 (“GSTA”).

First, clause 46 amends section 2 (Interpretation) of the GSTA to delete the definition of “authentication code” and replace the definition of “electronic service” to refer to the system in section 29 of the Inland Revenue Authority of Singapore Act 1992. Provisions relating to the provision and use of the electronic service (other than those applicable only to the GSTA) will be deleted as these provisions are now found in section 29 of the Inland Revenue Authority of Singapore Act 1992.

Second, amendments are made to section 6 (Official secrecy) of the GSTA that are related to those made to section 6 of the Income Tax Act 1947 as well as the new Eleventh Schedule to the Act.

Third, clause 46 also repeals and re-enacts section 42 (Use of Electronic service) of the GSTA. Most of the provisions in the existing section 42 are now found in the amended section 29 of the Inland Revenue Authority of Singapore Act 1992. The new section 42 retains certain provisions applicable only to the GSTA.

Fourth, amendments are made to the provisions in the GSTA relating to the Goods and Services Tax Board of Review to align them with the provisions in the Income Tax Act 1947 relating to the Income Tax Board of Review, as amended by the Bill.

Finally, an amendment is made to section 82 of the GSTA that is related to the amendment made to section 86 of the Income Tax Act 1947.

Clause 47 makes amendments to section 29 (Electronic Service system) of the Inland Revenue Authority of Singapore Act 1992 that are consequential on the amendments to section 8A of the Income Tax Act 1947, section 42 of the GSTA and section 66 of the Property Tax Act 1960. The amendments enable —

- (a) information required or permitted to be given under the various Tax Acts to be given using the electronic service system;
- (b) persons and other matters required or permitted to be registered under the various Tax Acts (such as the registration of a person as a taxable person under the GSTA) to be done using that system; and
- (c) various procedures for the use of that system to be specified by the Authority instead of by regulations.

Clause 48 makes amendments to the Property Tax Act 1960 that are related to those made to the provisions in the Income Tax Act 1947 permitting the Comptroller of Income Tax to extend prescribed deadlines.

Clause 48 also amends section 2 (Interpretation) of the Property Tax Act 1960 to delete the definition of “authentication code” and replace the definition of “electronic service” to refer to the system in section 29 of the Inland Revenue Authority of Singapore Act 1992. Provisions relating to the provision and use of the electronic service (other than those applicable only to the Property Tax Act 1960) will be deleted as these provisions are now found in section 29 of the Inland Revenue Authority of Singapore Act 1992

Clause 48 also repeals and re-enacts section 66 of the Property Tax Act 1960 (Use of electronic service). Most of the provisions in the existing section 66 are now found in the amended section 29 of the Inland Revenue Authority of Singapore Act 1992. The new section 66 retains certain provisions applicable only to the Property Tax Act 1960. The clause further makes an amendment to section 65 of that Act that is consequential on the repeal and re-enactment of section 66.

Clause 49 provides saving and transitional provisions arising from the amendment of section 6 of the Income Tax Act 1947 and section 6 of the GSTA, and the insertion of section 78(10) and section 50(6A) in the Income Tax Act 1947 and the GSTA respectively.

## EXPENDITURE OF PUBLIC MONEY

This Bill will involve the Government in extra financial expenditure, the exact amount of which cannot at present be ascertained.

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