

# **AMENDMENTS TO GOODS AND SERVICES TAX ACT**

Note: Amendments for Reverse Charge and Overseas Vendor Registration (OVR) are in *blue* and *orange* font respectively. All other amendments are in *pink* font.

## PART I PRELIMINARY

*[section 2(1) of the Goods and Services Tax Act (called in this Act the principal Act by]*

### **Interpretation**

2.—(1) In this Act, unless the context otherwise requires —

.....

“quarter” means a period of 3 months ending at the end of March, June, September or December;

*[by inserting, immediately after definition of “quarter”, the following definitions]*

“registered person” means a person registered under this Act;

“registered (section 8(1A) supplies — full) person” means a taxable person who —

- (a) belongs in a country other than Singapore and is registered under this Act by virtue of —
  - (i) paragraph 1A of the First Schedule; or
  - (ii) paragraph 8(1)(c) of the First Schedule; and
- (b) is an approved person under section 28A;

“registered (section 8(1A) supplies — pay only) person” means a taxable person who —

- (a) belongs in a country other than Singapore and is registered under this Act by virtue of —
  - (i) paragraph 1A of the First Schedule; or
  - (ii) paragraph 8(1)(c) of the First Schedule; and
- (b) is not an approved person under section 28A;

“reverse charge supply” means a supply of services treated as having been made by the recipient of those services, under section 14(2);

“Seventh Schedule supply” means any supply of services of a type, and made (whether or not in Singapore) in the circumstances, described in Part 1 of the Seventh Schedule;

“specially authorised officer” means an officer authorised under section 5(3)(a) to exercise the powers mentioned in that provision;

“specially authorised customs officer” means an officer of customs authorised under section 5(3)(b) to exercise the powers mentioned in that provision;

“supply” has the meaning given to it by section 10;

“tax” means goods and services tax;

“tax invoice” means such an invoice as is required under section 41;

“taxable person” has the meaning given to it by section 8(2);

*[by inserting, immediately after definition of “taxable person”, the following definition]*

“taxable (section 8(1A) supplies) person” means a person who —

- (a) is a taxable person by virtue of paragraph 1A of the First Schedule; or
- (b) is registered under this Act by virtue of paragraph 8(1)(c) of the First Schedule;

“taxable supply” has the meaning given to it by section 8(2A);

“unit trust” means any trust established for the purpose, or having the effect, of providing facilities for the participation by persons as beneficiaries under a trust, in profits or income arising from the acquisition, holding, management or disposal of securities or any other property.

(2) The question whether, in relation to any supply of services, the supplier or the recipient of the supply belongs in one country or another shall be determined in accordance with section 15.

PART II  
ADMINISTRATION

*[section 5 of the principal Act is amended]*

**Responsibility of Comptroller and delegation of powers**

5.—(1) The Comptroller shall be responsible generally for the carrying out of the provisions of this Act and for the collection of tax and shall pay all amounts collected in respect thereof into the Consolidated Fund.

(2) The Comptroller may, subject to such conditions or restrictions as he thinks fit, delegate to any public officer or person employed in the administration of this Act all or any of the powers, functions and duties vested in him by this Act.

*[by inserting, immediately after subsection (2), the following subsection]*

(3) The Comptroller may —

- (a) authorise any suitably qualified officer of the Inland Revenue Authority of Singapore charged with duties of investigation to exercise any power in sections 83E, 83F, 83G, 83H, 83J and 84(1A), (1B), (1C) and (1D); and
- (b) authorise any officer of customs under the Customs Act (Cap. 70) to exercise any power in sections 83E (except subsection (2)), 83F and 83G.

*[section 6 of the principal Act is amended]*

**Official secrecy**

6.—(1) Every person having any official duty or being employed in the administration of this Act —

- (a) shall regard and deal with all documents, information, returns and assessments relating to the business, the value of the supply of any goods and services, or the income of any taxable person as secret and confidential; and
- (b) may be required by the Minister to make and subscribe a declaration to that effect in the form determined by the Minister before the Comptroller or a Magistrate.

(2) Subject to subsections (4) and (5), every person having possession or control over any document, information, return or assessment in relation to the business, the supply of any goods or services or the income of any taxable person, who at

any time otherwise than for the purpose of this Act or with the express authority of the President —

- (a) communicates or attempts to communicate such information or anything contained in such documents, returns or copies to any person; or
- (b) suffers or permits any person to have access to any such information or to anything contained in such documents, returns or copies,

shall be guilty of an offence.

(3) No person appointed under, or who is employed in carrying out, the provisions of this Act or who is referred to in subsection (4) or (5) shall be required to produce in any court any return, document or assessment, or to divulge or communicate to any court any matter or thing coming under his notice in the performance of his duties under this Act except as may be necessary —

- (a) for the purpose of carrying into effect the provisions of this Act; or
- (b) in order to institute a prosecution, or in the course of a prosecution, for any offence committed in relation to goods and services tax, income tax and customs and excise duties.

(4) The Comptroller shall permit the Minister, the Auditor-General or any officer duly authorised in that behalf by the Auditor-General to have such access to any record or document as may be necessary for the performance of his official duties.

(5) The Comptroller may transmit or communicate any document, information, return or assessment referred to in subsection (2) to the following persons which may be required by them in the performance of their official duties:

- (a) the Comptroller of Income Tax;
- (b) the Director-General of Customs;
- (c) the Commissioner of Estate Duties;
- (d) the Comptroller of Property Tax;
- (e) the Chief Assessor; and
- (f) the Commissioner of Stamp Duties.

(6) Notwithstanding anything in this section, the Comptroller may, for the purpose of enabling the Chief Statistician to perform his duties under the Statistics Act (Cap. 317), furnish and permit the Chief Statistician access to any prescribed information and records.

*[by deleting subsections (6A) and (6B) and substituting the following subsections]*

~~(6A) Notwithstanding anything in this section, the Comptroller may furnish to any person specified in subsection (6B) any information —~~

- ~~(a) which may be required for the purpose of investigating or prosecuting a person for an offence under Part VI of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A), the predicate offence of which is an offence under this Act; or~~
- ~~(b) which the Comptroller has reasonable grounds to suspect affords evidence of the commission of an offence under Part VI of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act, the predicate offence of which is an offence under this Act;~~

~~and the specified person and persons under his command shall not further disclose such information except for the purpose of any investigation or prosecution referred to in paragraph (a), and any person who makes a further disclosure in contravention of this provision shall be guilty of an offence.~~

~~(6B) The persons specified for the purposes of subsection (6A) are as follows:~~

- ~~(a) the Commissioner of Police;~~
- ~~(b) the Director of the Commercial Affairs Department.~~

(6A) Despite anything in this section, the Comptroller may furnish to the head of a law enforcement agency any information —

- (a) that may be required by the law enforcement agency for the purpose of an investigation or prosecution of a person for an offence specified in the First Schedule or Second Schedule to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (Cap. 65A); or
- (b) that the Comptroller has reasonable grounds to suspect affords evidence of the commission of such an offence.

(6B) The following persons, namely:

- (a) the head of a law enforcement agency to whom any information is furnished under subsection (6A) for the purpose of an investigation or prosecution of a person for an offence mentioned in subsection (6A)(a);
- (b) any person under the command of the head of the law enforcement agency; and
- (c) any person to whom such information is disclosed in compliance with this subsection,

must not disclose to any other person such information except where it is necessary for the purpose of an investigation or a prosecution for that offence, and any person who contravenes this subsection shall be guilty of an offence.

(7) Notwithstanding anything in this section, the Comptroller may publish the names and such other particulars of the persons and places specified in the Sixth Schedule, in such form or manner, as he thinks fit.

(8) Notwithstanding anything in this section, the Comptroller may lay a complaint of professional misconduct against any person in his professional dealings with the Comptroller to the appropriate authority empowered to take disciplinary action against the person and may in connection with the complaint furnish any relevant documents or information.

(9) Notwithstanding anything in this section, the Comptroller may furnish to the Government or any statutory board for any statistical or research purpose any information relating to any person in a manner that does not identify, and is not reasonably capable of being used to identify, that person.

*[by inserting, immediately after subsection (9), the following subsection]*

(10) In this section —

“law enforcement agency” means —

- (a) the Singapore Police Force;
- (b) the Commercial Affairs Department;
- (c) the Central Narcotics Bureau;
- (d) the Corrupt Practices Investigation Bureau; and
- (e) any other authority charged with the responsibility of investigating any offence specified in the First Schedule or Second Schedule to the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act; and

“head of any law enforcement agency” means —

- (a) in relation to the Singapore Police Force, the Commissioner of Police;
- (b) in relation to the Commercial Affairs Department, the Director;
- (c) in relation to the Central Narcotics Bureau, the Director;
- (d) in relation to the Corrupt Practices Investigation Bureau, the Director; and
- (e) in relation to any other law enforcement agency, its head or director or equivalent.

PART III  
IMPOSITION AND EXTENT OF TAX

*[section 7 of the principal Act is amended]*

**Goods and services tax**

*[by deleting the words “in Singapore”;*

*by deleting the words “into Singapore”]*

7. A tax to be known as Goods and Services Tax shall be charged in accordance with the provisions of this Act on the supply of goods and services ~~in Singapore~~ (including anything treated as such a supply) and on the importation of goods ~~into Singapore~~.

*[section 8 of the principal Act is amended]*

**Scope of tax**

8.—(1) Tax shall be charged on any supply of goods or services made in Singapore where it is a taxable supply made by a taxable person in the course or furtherance of any business carried on by him.

*[by inserting, immediately after subsection (1), the following subsection]*

(1A) Without affecting subsection (1), tax shall be charged on any Seventh Schedule supply where it is a taxable supply made by a taxable person in the course or furtherance of any business carried on by him.

(2) A person is a taxable person for the purposes of this Act while he is or is required to be registered under this Act.

*[by deleting subsection (2A) and substituting the following subsection]*

~~(2A) A taxable supply is a supply of goods or services made in Singapore other than an exempt supply.~~

(2A) A taxable supply is —

- (a) for subsection (1), a supply of goods or services made in Singapore other than an exempt supply; and
- (b) for subsection (1A), a Seventh Schedule supply other than an exempt supply.

(3) Tax on any supply of goods or services is a liability of the person making the supply and (subject to provisions on accounting and payment) becomes due at the time of supply.

(4) Tax shall be charged, levied and payable on any importation of goods (other than an exempt import) as if it were customs duty or excise duty and as if all goods imported into Singapore are dutiable and liable to customs duty or excise duty.

*[section 10 of the principal Act is amended]*

### **Meaning of “supply”**

**10.—**(1) The Second Schedule shall apply for determining what is, or is to be treated as, a supply of goods or a supply of services.

(2) Subject to any provision made by the Second Schedule and to orders made under subsection (3) —

*[by inserting, immediately after the words “all forms of supply” in subsection (2)(a), the words “...”]*

- (a) “supply” in this Act includes all forms of supply **and reverse charge supplies**, but not anything done otherwise than for a consideration;
- (b) anything which is not a supply of goods but is done for a consideration (including, if so done, the granting, assignment or surrender of any right) is a supply of services.

(3) The Minister may by order amend the Second Schedule and may also provide by order with respect to any description of transaction —

- (a) that it is to be treated as a supply of goods and not as a supply of services;
- (b) that it is to be treated as a supply of services and not as a supply of goods; or
- (c) that it is to be treated as neither a supply of goods nor a supply of services.

(4) Without prejudice to subsection (3), an order made under that subsection may provide that paragraph 5(3) of the Second Schedule is not to apply, in relation to goods of any prescribed description used or made available for use in prescribed circumstances, so as to make that a supply of services under that paragraph.

(5) For the purposes of this section, where goods are manufactured or produced from any other goods, those other goods shall be treated as incorporated in the first-mentioned goods.

*[section 11 of the principal Act is amended]*

### **Time of supply: general provisions**

*[by inserting, immediately after “11B,” in subsection (1), “11C,”]*

**11.—**(1) This section and sections 11A, 11B, 11C, 12 and 12A shall apply for determining the time when a supply of goods or services is to be treated as taking place for the purposes of this Act.

*[by inserting, immediately after the word “services” in subsection (2), the words “...”]*

(2) A supply of goods or services (other than a reverse charge supply) shall be treated for the purposes of this Act as taking place at the time when —

- (a) the person making the supply issues an invoice or receives any consideration in respect of it; or
- (b) where both events occur, the first of the 2 events occurs,

to the extent that the supply is covered by the invoice or consideration.

(3) Notwithstanding subsection (2), where a supply is —

- (a) a supply of goods consisting of the grant, assignment or surrender of any interest in or right over land (other than the grant of a tenancy or lease where the whole or part of the consideration for that grant is payable periodically and attributed to separate periods of the term of the tenancy or lease);
- (b) a supply of goods or services made by a person who applies to the Comptroller for this subsection to apply in determining when his supplies of goods or services take place, and the Comptroller allows his application; or
- (c) a supply of goods made by an agent that is treated under section 33(2) as a supply by him as principal,

then, unless subsection (4) applies, the supply shall be treated for the purposes of this Act as taking place as follows:

- (i) in the case of a supply of goods —
  - (A) if the goods are to be removed, at the time of the removal; and
  - (B) if the goods are not to be removed, at the time when they are made available to the person to whom they are supplied; and
- (ii) in the case of a supply of services, at the time when the services are performed,

to the extent that the supply is covered by the goods that are removed or made available, or the services that are performed, as the case may be.

(4) If, before the time under subsection (3), the person making a supply referred to in that subsection issues an invoice or receives any consideration in respect of it, the supply shall be treated as taking place at the time when —

- (a) the invoice is issued or the consideration is received; or
- (b) where both events occur, the first of the 2 events occurs,

to the extent that the supply is covered by the invoice or consideration.

*[by inserting, immediately after the words “when a supply of goods or services” in subsection (5), the words “...”]*

(5) For the purpose of determining the time when a supply of goods or services (other than a reverse charge supply) is to be treated as taking place for the purposes of this Act, where a person provides a document to himself which purports to be an invoice in respect of a supply of goods or services to him by another person, the Comptroller may treat that invoice as an invoice issued by the other person as the supplier.

*[section 11A(2) of the principal Act is amended]*

### **Time of supply: exceptions to section 11(2) and (3)**

**11A.**—(1) Section 11(2) and (3) shall not apply where any subsection herein applies, except to the extent specified in that subsection.

*[by deleting the words “...” and substituting the words “...”]*

(2) For the purposes of ~~paragraphs 1(1) and (2) and 2~~ paragraphs 1(1) and (2), 1A(1) and (2) and 2 (in relation to sub-paragraph (2)(a)(i) of that paragraph) of the First Schedule, the supply shall be treated as taking place at the time when —

- (a) the person making the supply issues an invoice or receives any consideration in respect of it; or
- (b) where both events occur, the first of the 2 events occurs,

to the extent that the supply is covered by the invoice or consideration.

(3) For the purposes of regulations made under section 19(13)(b) and (c) in respect of tax on a supply of goods or services made to a taxable person that he may count as his input tax, the supply shall be treated as taking place at the time when —

- (a) the person making the supply issues an invoice or receives any consideration in respect of it; or

- (b) where both events occur, the first of the 2 events occurs,
- to the extent that the supply is covered by the invoice or consideration.
- (4) Where there is a supply of goods by virtue only of a transfer or disposal of assets under paragraph 5(1) of the Second Schedule, the supply shall be treated as taking place —
- (a) where the goods are transferred or disposed of as specified in that paragraph for no consideration, when the goods are transferred or disposed of as specified in that paragraph; and
  - (b) where the goods are transferred or disposed of as specified in that paragraph for a consideration, in accordance with section 11(2) or (3), as the case may be.
- (5) Where there is a supply of services by virtue only of paragraph 5(3) of the Second Schedule, the supply shall be treated as taking place —
- (a) where the goods are appropriated to the use mentioned in that paragraph for no consideration, on the last day of the supplier's prescribed accounting period, or of each such accounting period, in which the goods are used or made available for the use; and
  - (b) where the goods are appropriated to the use mentioned in that paragraph for a consideration, in accordance with section 11(2) or (3), as the case may be.
- (6) If goods (being sent or taken on approval or sale or return or similar terms) are removed before it is known whether a supply will take place, a supply of the goods shall be treated as taking place 12 months after the removal; except that where the person from whom the goods are removed issues an invoice or receives any consideration in respect of those goods before the expiry of the 12-month period, a supply of the goods shall be treated as taking place at the time when —
- (a) the invoice is issued or the consideration is received; or
  - (b) where both events occur, the first of the 2 events occurs.

*[section 11B(3) of the principal Act is amended]*

**Time of supply: exceptions to section 11(2)**

**11B.**—(1) Section 11(2) shall not apply to the extent any subsection herein applies.

(2) Subject to subsection (7), where a person who is, or is required to be, registered under this Act makes a supply of goods or services to another person

who is not entitled under sections 19 and 20 to credit for the whole or any part of the tax on the supply, and —

- (a) but for this subsection, the supply would under section 11(2) be treated as taking place after the date on which he is, or is required to be, registered under this Act; and
- (b) prior to that date —
  - (i) in the case of a supply of goods —
    - (A) if the goods are to be removed, they had been removed; or
    - (B) if the goods are not to be removed, they had been made available to the other person; or
  - (ii) in the case of a supply of services, the services had been performed,

then the person making the supply shall, if the other person so requests, treat the supply as taking place when the goods were removed or made available, or the services were performed, as the case may be, and the supply shall be so treated for the purposes of this Act.

*[by inserting, immediately after the word “subsection (7)”, the words “...”]*

(3) Subject to subsection (7) and section 11C(5), where a person who makes a supply of goods or services is connected within the meaning of paragraph 3 of the Third Schedule with the person to whom the supply is made, and —

- (a) in the case of a supply of goods —
  - (i) if the goods are to be removed, they are removed; or
  - (ii) if the goods are not to be removed, they are made available to the person to whom they are supplied; or
- (b) in the case of a supply of services, the services are performed,

then the supply shall be treated as taking place at the end of 12 months after the goods have been removed or made available, or the services have been performed, as the case may be, to the extent that it is not covered by any invoice already issued or consideration already received.

*[the principal Act is amended by inserting, immediately after section 11B, the following section]*

### **Time of supply: reverse charge supplies**

**11C.—**(1) This section applies to determine when a reverse charge supply of a recipient mentioned in section 14 takes place for the purposes of this Act.

(2) Subject to subsections (3), (4), (5) and (6), the reverse charge supply takes place (including for the purposes of paragraph 1B of the First Schedule) when —

- (a) the person or branch mentioned in section 14(1) that in fact supplies the services to the recipient issues an invoice, or the recipient pays any consideration for those services; or
- (b) where both events occur, the first of the 2 events occurs,

to the extent that the supply of services is covered by the invoice or consideration.

(3) Despite subsection (2), where the recipient is registered under this Act, the recipient may, for any period during which the recipient receives services that are the subject of the recipient's reverse charge supplies, treat each of those reverse charge supplies as taking place at the earlier of —

- (a) the date on which the supply in fact made to the recipient and giving rise to that reverse charge supply is entered into the books of account or other records of the recipient; and
- (b) the date on which the recipient pays any consideration for that supply,

to the extent that the supply of services is covered by the entry or consideration.

(4) Where —

- (a) the recipient, being one who is or is required to be registered under this Act, receives services mentioned in section 14(1);
- (b) but for this subsection, the reverse charge supply would under section 14(2) be treated as taking place after the date on which he is, or is required to be, registered under this Act; and
- (c) the Comptroller is satisfied that the services had been performed prior to that date,

then the recipient may treat the reverse charge supply as taking place when the services in paragraph (a) were performed (to the extent of the performance), and the reverse charge supply is so treated for the purposes of this Act.

(5) Where the reverse charge supply arises under section 14(2) from —

- (a) a supply of services mentioned in section 14(1)(a)(i) that is between connected persons within the meaning of paragraph 3 of the Third Schedule;
- (b) a supply of services mentioned in section 14(1)(a)(ii); or
- (c) a supply of services between members of a group under section 30,

then the reverse charge supply takes place at the end of 12 months after the services have been performed, to the extent that it is not covered by any invoice already issued or consideration already paid.

(6) Where —

- (a) services are in fact performed by the person or branch mentioned in section 14(1)(a), whether on a single occasion or on different occasions;
- (b) the recipient then ceases to be a taxable person; and
- (c) no invoice or consideration covering the whole of the supply has been issued or paid, as the case may be, before the recipient ceases to be a taxable person,

the reverse charge supply is treated as taking place on the day immediately before the day the recipient ceases to be a taxable person, to the extent that it is not covered by any invoice already issued or consideration already paid.

(7) Despite subsections (2) to (6), where —

- (a) a longer period (mentioned in section 20(4) for the purposes of the adjustment of input tax claims of the recipient) is applicable under this Act to a recipient; and
- (b) the recipient satisfies such other criteria as the Comptroller may specify,

then —

- (i) the recipient may elect to treat its reverse charge supplies that would (but for this subsection) take place in the longer period, as taking place on the day immediately after the last day of the longer period; and
- (ii) if the recipient makes such an election and ceases on any day in a longer period to be a taxable person (called in this paragraph the day of cessation), its reverse charge supplies that would (but for this subsection) take place in the longer period but before the day of cessation, is treated as taking place on the day immediately before the day of cessation.

(8) An election under subsection (7)(i) must be made in the form and manner, and within the time, required by the Comptroller.

*[section 12 of the principal Act is amended]*

**Time of supply: directions and regulations**

*[by deleting the words “and 11B” in subsections (1) and (2) and substituting the words “, 11B and 11C”*

*by inserting, immediately after the words “time at which supplies made” in subsection (1), the words “or received”]*

**12.—**(1) Notwithstanding sections 11, 11A ~~and 11B~~, 11B and 11C, the Comptroller may, at the request of a taxable person, by direction in writing alter the time at which supplies made **or received** by the taxable person (or such supplies made by him as may be specified in the direction) are to be treated as taking place, either —

- (a) by directing that those supplies be treated as taking place —
  - (i) at times or on dates determined by or by reference to the occurrence of some event described in the direction; or
  - (ii) at times or on dates determined by or by reference to the time when some event so described would in the ordinary course of events occur,

the resulting times or dates being in every case earlier than would otherwise apply; or

*[by inserting, immediately after the word “received” in subsections (1)(b) and (2)(b), the words “or paid”]*

- (b) by directing that those supplies shall (to the extent that they are not treated as taking place at the time any invoice is issued or any consideration is received **or paid** in respect thereof) be treated as taking place —
  - (i) at the beginning of the relevant working period (as defined in his case in and for the purposes of the direction); or
  - (ii) at the end of the relevant working period (as so defined).

(2) Notwithstanding sections 11, 11A ~~and 11B~~, 11B and 11C, the Minister may by regulations —

*[by inserting, immediately after “11B” in subsection (2)(a), “, 11C”]*

- (a) make provision with respect to the time at which (notwithstanding sections 11, 11A, 11B, 11C and 38(4)) a supply is to be treated as taking place in cases where —
  - (i) it is a supply of goods or services for a consideration the whole or part of which is determined or payable periodically, or from time to time, or at the end of any period;

- (ii) it is a supply of goods for consideration the whole or part of which is determined at the time when the goods are appropriated for any purpose; or
- (iii) there is a supply to which sections 27, 37A and 38 apply; and

*[by inserting, immediately after the word “received” in subsection (2)(b), the words “...”]*

- (b) prescribe when consideration for a supply of goods or services of a specified type, or provided in a specified manner, is to be regarded as having been received or paid.

(3) Regulations made under subsection (2)(a) may provide for goods or services to be treated as separately and successively supplied at prescribed times or intervals.

*[Section 14 of the principal Act is repealed and the following section substituted therefor]*

#### **Reverse charge on supplies received from abroad**

~~14. (1) Subject to subsection (2), where any supply of prescribed services, not being services within any of the descriptions specified in Part I of the Fourth Schedule, are—~~

- ~~(a) supplied by a person who belongs in a country other than Singapore; and~~
- ~~(b) received by a person (referred to in this section as the recipient) who belongs in Singapore for the purposes of any business carried on by him,~~

~~then all the same consequences shall follow under this Act (and particularly so much as charges tax on a supply and entitles a taxable person to credit for input tax) as if the recipient had himself supplied the services in Singapore in the course or furtherance of his business, and that supply were a taxable supply.~~

~~(2) Supplies which are treated as made by the recipient under subsection (1) are not to be taken into account as supplies made by him when determining the allowance of input tax in his case under section 20(1).~~

~~(3) For the purposes of subsection (1)—~~

- ~~(a) the supply of services treated as made by the recipient shall be assumed to have been made at the time when the supplies are paid for or on the last day of the prescribed accounting period in which the services are performed, whichever is the earlier; and~~

~~(b) notwithstanding section 17(2), the value of the supply of services treated as made by the recipient shall be taken to be such amount as is equal to whatever consideration the services were in fact supplied to him.~~

~~(4) The Minister may make regulations—~~

~~(a) to prescribe the services for the purposes of subsection (1); and~~

~~(b) to exempt all or any class of persons from the provisions of this section.~~

### **Reverse charge on supplies received from abroad**

**14.—**(1) This section applies in the following circumstances:

(a) any service that is not excluded or to the extent it is not excluded under the Eighth Schedule, is —

(i) supplied by a person who belongs in a country other than Singapore, and received by a person (called in this section the recipient) who belongs in Singapore for the purposes of any business carried on by him; or

(ii) supplied by a branch of a person in a country other than Singapore through which the person carries on any business, and received by a branch of the person in Singapore through which the person (called in this section the recipient) carries on any business; and

(b) the recipient is not entitled to claim the full amount of input tax credit under sections 19 and 20 for the prescribed accounting period or longer period mentioned in section 20(4)(b) in which the services are received.

(2) Subject to subsection (3), all the same consequences follow under this Act (and particularly so much as charges tax on a supply and entitles a taxable person to credit for input tax) as if the recipient had himself supplied the service in Singapore in the course or furtherance of his business, and that supply were a taxable supply.

(3) Reverse charge supplies are not to be taken into account as supplies made by the recipient when determining the allowance of input tax in his case under section 20(1).

(4) A recipient that is not within subsection (1)(b) may elect to be treated as a recipient to whom subsection (2) applies.

(5) Where a recipient under subsection (2) also receives any service that is excluded or that is to any extent excluded under the Eighth Schedule, which services are supplied to the recipient by a person or branch mentioned in

section 14(1)(a), the recipient may elect for the supply of the service to be a supply of services to the recipient under section 14(1)(a).

(6) An election under subsection (4) or (5) must be made in the form and manner, and within the time, required by the Comptroller.

(7) For the purposes of this section, a head office is treated as a branch.

(8) The Minister may make regulations to provide for the circumstances in which subsection (2) does not apply despite subsection (1)(a)(ii) and (b) being satisfied.

(9) The Minister may by order amend the Eighth Schedule.

*[section 15 of the principal Act is amended]*

### **Place where supplier or recipient of services belongs**

**15.**—(1) Subsection (3) shall apply for determining, in relation to any supply of services, whether the supplier belongs in one country or another.

*[by inserting, immediately after the word “recipient” in subsection (2), the words “...”]*

(2) Subsections (4) and (5) shall apply for determining, in relation to any supply of services, whether the recipient (including a recipient mentioned in section 14(1) or a recipient who has elected to have section 14(2) applied to him) belongs in one country or another.

(3) The supplier of services shall be treated as belonging in a country if —

- (a) he has in that country a business establishment or some other fixed establishment and no such establishment elsewhere;
- (b) he has no such establishment in any country but his usual place of residence is in that country; or
- (c) he has such establishments both in that country and elsewhere and the establishment of his which is most directly concerned with the supply is in that country.

(4) If the supply of services is made to an individual and received by him otherwise than for the purposes of any business carried on by him, he shall be treated as belonging in whatever country he has his usual place of residence.

(5) Where subsection (4) does not apply, the person to whom the supply is made shall be treated as belonging in a country if —

- (a) either of the conditions mentioned in subsection (3)(a) or (b) is satisfied; or

- (b) he has such establishments as are mentioned in subsection (3) both in that country and elsewhere and the establishment of his at which, or for the purposes of which, the services are most directly used or to be used is in that country.

(6) For the purposes of this section (but not for any other purpose) —

- (a) a person carrying on a business through a branch or agency in any country shall be treated as having a business establishment there; and
- (b) “usual place of residence”, in relation to a body corporate, means the place where it is incorporated or otherwise legally constituted.

*[by inserting, immediately after subsection (6), the following subsection]*

(7) The Minister may make regulations to provide for the matters for determining whether a customer receiving a Seventh Schedule supply belongs in Singapore.

*[section 17 of the principal Act is amended]*

### **Value of supply of goods or services**

17.—(1) For the purposes of this Act and subject to the Third Schedule, the value of any supply of goods or services shall be determined in accordance with this section.

*[by inserting, immediately after the word “supply” in subsection (2), the words “...”]*

(2) If the supply (other than one from which a reverse charge supply arises) is for a consideration in money, its value shall be taken to be such amount as, with the addition of the tax chargeable, is equal to the consideration.

*[by inserting, immediately after the words “If the supply” in subsection (3), the words “...”]*

(3) If the supply (including one from which a reverse charge supply arises) is not for a consideration or is for a consideration not consisting or not wholly consisting of money, the value of the supply shall be taken to be its open market value.

*[by inserting, immediately after subsection (3), the following subsections]*

(3A) A reverse charge supply has a value that is of an amount equal to the consideration for the services supplied by the person or branch mentioned in section 14(1)(a) or member of the group mentioned in section 30(1A), without any deduction of any amount required to be withheld as tax under the Income Tax Act (Cap. 134) (if applicable).

(3B) Where the reverse charge supply of a recipient under section 14(2) arises from —

- (a) a supply of services mentioned in section 14(1)(a)(ii); or
- (b) a supply of services between members of a group under section 30,

the recipient may deduct from the value of the reverse charge supply an amount equal to any cost that relates to any of the following that is included as part of the consideration for the services in fact supplied:

- (i) any salary or wages relating to the employees of (as the case may be) —
  - (A) the branch outside Singapore making the supply of services; or
  - (B) the member of the group outside Singapore making the supply of services;
- (ii) interest;
- (iii) any proportionate amount of mark-up in respect of such salary or wages and interest in sub-paragraphs (i) and (ii), respectively.

(3C) For purposes of the application of the Third Schedule where the reverse charge supply arises from a supply of services mentioned in section 14(1)(a)(ii), the branch mentioned in section 14(1)(a)(ii) and the recipient are treated as connected with each other.

*[by inserting, immediately after the word “services” in subsection (4), the words “...”]*

(4) Where a supply of any goods or services (**including one from which a reverse charge supply arises**) is not the only matter to which a consideration in money relates, the supply shall be deemed to be for such part of the consideration as is properly attributable to it.

(5) For the purposes of this Act, the open market value of a supply of goods or services shall be taken to be the amount that would fall to be taken as its value under subsection (2) if the supply were for such consideration in money as would be payable by a person who has no relationship with any person which would affect that consideration.

(6) The Minister may by order amend the Third Schedule and provide for the determination of the value of a supply of goods or services otherwise than in accordance with this section.

PART IV  
CREDIT FOR INPUT TAX AGAINST OUTPUT TAX

*[section 19 of the principal Act is amended]*

**Credit for input tax against output tax**

**19.**—(1) A taxable person shall, in respect of supplies made by him, account for and pay tax by reference to such accounting periods as the Minister may by regulations prescribe (referred to in this Act as a prescribed accounting period) at such time and in such manner as may be determined by the regulations and such regulations may make different provisions for different circumstances.

(2) Subject to this section, a taxable person is entitled at the end of each such period to credit for so much of his input tax as is allowable under section 20, and then to deduct that amount from any output tax that is due from him.

(3) Subject to subsection (4) —

*[by deleting paragraph (a) of subsection (3) and substituting the following paragraph]*

~~(a) “input tax”, in relation to a taxable person, means the following tax:~~

~~(i) tax on the supply to him of any goods or services; and~~

~~(ii) tax paid or payable by him on the importation of any goods,~~

~~being (in either case) goods or services used or to be used for the purpose of any business carried on or to be carried on by him; and~~

(a) “input tax”, in relation to a taxable person, means the following:

(i) tax on the supply to him of any goods or services;

(ii) tax on the reverse charge supply treated as made by him (as a recipient) to himself under section 14(2);

(iii) tax paid or payable by him on the importation of any goods,

being (in any such case) goods or services used or to be used for the purpose of any business carried on or to be carried on by him; and

(b) “output tax” means tax on supplies which a taxable person makes.

(3A) For the purpose of subsection (3)(a)(ii), tax payable by a taxable person on the importation of goods shall not include any tax that is accountable pursuant to regulations made under section 27A until such time as the tax has in fact been accounted for in accordance with those regulations.

*[by deleting subsection (4) and substituting the following subsection]*

~~(4) Where goods or services supplied to a taxable person, or goods imported by him, are used or to be used partly for the purposes of a business carried on or to be carried on by him and partly for other purposes, tax on supplies and importations shall be apportioned so that only so much as is referable to his business purposes is counted as his input tax.~~

(4) Where —

- (a) goods or services supplied to a taxable person;
- (b) services that are the subject of a reverse charge supply of a taxable person; or
- (c) goods imported by a taxable person,

are used or to be used partly for the purposes of a business carried on or to be carried on by him and partly for other purposes, tax on supplies and importations must be apportioned so that only so much as is referable to his business purposes is counted as his input tax.

(5) Subject to subsections (5A), (6) and (7), if either no output tax is due at the end of the period, or the amount of the credit exceeds that of the tax, then, the amount of the credit or, as the case may be, the amount of the excess shall be paid to the taxable person by the Comptroller.

(5A) In an accounting period —

- (a) where the tax accounted for by the taxable person pursuant to regulations made under section 27A is equal to or exceeds the amount of credit or excess referred to in subsection (5), the amount of the credit or excess shall be nil; and
- (b) where the tax accounted for is less than the amount of credit or excess, the amount of the credit or excess shall be the amount of the credit or excess less the amount of that tax.

(6) The whole or any part of the credit may, subject to and in accordance with regulations, be held over to be credited in and for a subsequent period; and the regulations may allow for it to be so held over either on the taxable person's own application or in accordance with general or special directions given by the Comptroller from time to time.

(7) Where at the end of any period an amount is due under subsection (5) to a taxable person who has failed to submit returns, to comply with any reasonable request by the Comptroller for information or to pay tax or penalty for any period as required by this Act, the Comptroller may —

- (a) withhold payment of that amount until that person has submitted the returns, complied with the request or paid the tax or penalty, as the case may be; and
- (b) deduct from the amount due any tax or penalty which the taxable person is liable to pay and which remains unpaid.

(8) No deduction shall be made under subsection (2) nor shall any payment be made under subsection (5), except on a claim made in such manner and within such time as may be prescribed by regulations.

(9) In the case of a person who has made no taxable supplies in the period concerned or any previous period, payment under subsection (5) shall be made subject to such conditions (if any) imposed by the Comptroller as he thinks fit, including conditions as to repayment in specified circumstances.

(10) Subject to subsections (8) and (9), any payment due under subsection (5) shall be paid within such time as may be prescribed by regulations.

*[by inserting, immediately after subsection (10), the following subsection]*

(10A) Where the Comptroller makes any payment under subsection (5), the Comptroller may deduct from the payment any expenses that the Comptroller may incur in making the payment.

(11) If the Comptroller fails to make payment within the prescribed time, interest on such amount as is outstanding shall, subject to such conditions as may be prescribed, be paid to the taxable person at such rate as may be prescribed and calculated in accordance with the regulations.

(12) Except as the Comptroller otherwise allows, where —

- (a) a taxable person fails to pay his supplier the consideration or any part thereof for the supply of any goods or services made by his supplier to him; and
- (b) the taxable person has credited under subsection (2) the input tax to which the consideration or the part thereof which he failed to pay relates,

the taxable person shall account of an amount equal to such input tax —

- (i) in the prescribed accounting period during which the initial specified period expires; and
- (ii) in accordance with the method which he was required to use when he first credited the input tax,

and the taxable person shall repay such amount to the Comptroller at the same time as any tax in respect of the prescribed accounting period would be payable by him.

(12A) Where a taxable person —

- (a) has complied with subsection (12); and
- (b) during the subsequent specified period, pays his supplier the whole or part of the consideration for the supply of goods or services referred to in subsection (12)(a),

the taxable person shall be entitled to treat an amount equal to the input tax relating to the payment referred to in paragraph (b) as if it were input tax for the prescribed accounting period during which the payment was made.

(13) The Minister may by regulations provide —

- (a) for tax on the supply of goods or services to a taxable person, or paid or payable by him on the importation of goods, to be treated as his input tax only if and to the extent that the charge to tax is evidenced and quantified by reference to such documents as may be specified in the regulations or as the Comptroller may direct either generally or in particular cases or classes of cases;
- (b) for a taxable person to count as his input tax, in such circumstances, to such extent and subject to such conditions as may be prescribed, tax on the supply to him of goods or services or paid by him on the importation of goods notwithstanding that he was not a taxable person at the time of the supply or payment;
- (c) for a taxable person that is a body corporate to count as its input tax, in such circumstances, to such extent and subject to such conditions as may be prescribed, tax on the supply or importation of goods acquired for it before its incorporation or on the supply of services before that time for its benefit or in connection with its incorporation;
- (d) in the case of a person who has been, but is no longer, a taxable person, for him to be paid by the Comptroller the amount of any tax on a supply of services made to him for the purposes of the business carried on by him when he was a taxable person.

(14) The Minister may by regulations provide, in relation to such supplies and importations as the regulations may specify, that tax charged on them or any part thereof is to be excluded from any credit under this section; and —

- (a) any such provision may be framed by reference to the description of goods or services supplied or goods imported, the person by whom they are supplied or imported or to whom they are supplied, the purposes for which they are supplied or imported, or any circumstances whatsoever; and

- (b) such regulations may contain provision for consequential relief from output tax.

(14A) For the purposes of this section, where a supply of any goods or intellectual property rights is made by way of a sale, lease or licence of any interest in or right over the goods or intellectual property rights to a bare trustee (with such interest or right to be held as a bare trustee), the supply to the bare trustee is to be treated as a supply made to the persons or person for whose business the bare trustee holds the interest or right.

(15) In this section —

“initial specified period” means a period of 12 months from the due date for payment of the consideration or the part thereof, as the case may be, by the taxable person to his supplier;

“subsequent specified period” means —

- (a) where the prescribed accounting period during which the relevant input tax was first credited under subsection (2) ends before 1st January 2007, a period —
- (i) commencing on the day immediately following the end of the initial specified period; and
  - (ii) ending on a day 6 years from the end of that prescribed accounting period; or
- (b) where the prescribed accounting period during which the relevant input tax was first credited under subsection (2) ends on or after 1st January 2007, a period —
- (i) commencing on the day immediately following the end of the initial specified period; and
  - (ii) ending on a day 5 years from the end of that prescribed accounting period.

PART V  
RELIEFS

*[section 21 of the principal Act is amended]*

**Zero-rating for exports and international services**

**21.**—(1) Subject to this section and sections 21A, 21B and 21C, a supply of goods is zero-rated only if the goods are exported and a supply of services is zero-rated only if the services are international services.

(2) Where a taxable person supplies goods or services and the supply is zero-rated, then, whether or not tax would be chargeable on the supply apart from this section —

- (a) no tax shall be charged on the supply; but
- (b) it shall in all other respects be treated as a taxable supply,

and accordingly the rate at which tax is treated as charged on the supply shall be nil.

(3) A supply of services shall be treated as a supply of international services where the services or the supply are for the time being of any of the following descriptions:

.....

- (j) subject to subsections (4B) and (4C), services supplied —
  - (i) under a contract with a person who belongs in a country outside Singapore; and

*[by deleting sub-paragraph (ii) of subsection (3)(j) and substituting the following sub-paragraph]*

~~(ii) which directly benefit a person who belongs in a country other than Singapore and who is outside Singapore at the time the services are performed;~~

(ii) which directly benefit —

(A) a person who belongs in a country other than Singapore and who is outside Singapore at the time the services are performed; or

(B) a registered person who belongs in Singapore;

- (k) prescribed services supplied —

- (i) under a contract with a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country outside Singapore; and

*[by deleting sub-paragraph (ii) of subsection (3)(k) and substituting the following sub-paragraph]*

~~(ii) which directly benefit a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country other than Singapore;~~

- (ii) which directly benefit —

- (A) a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country other than Singapore; or

- (B) a registered person who belongs in Singapore;

.....

- (s) services supplied —

- (i) under a contract with a person who belongs in a country outside Singapore; and

*[by deleting sub-paragraph (ii) of subsection (3)(s) and substituting the following sub-paragraph]*

~~(ii) which directly benefit a person belonging in a country other than Singapore,~~

- (ii) which directly benefit —

- (A) a person who belongs in a country other than Singapore; or

- (B) a registered person who belongs in Singapore,

relating to the co-location in Singapore of computer server equipment belonging to the person referred to in sub-paragraph (i) or (ii);

.....

- (y) prescribed services supplied directly in connection with prescribed goods —

- (i) under a contract with a person who belongs in a country outside Singapore; and

*[by deleting sub-paragraph (ii) of subsection (3)(y) and substituting the following sub-paragraph]*

~~(ii) which directly benefit a person who belongs in a country other than Singapore,~~

(ii) which directly benefit —

(A) a person who belongs in a country other than Singapore; or

(B) a registered person who belongs in Singapore,

if, at the time the prescribed services are performed, the prescribed goods are —

(A) at an approved warehouse; or

(B) at any place from which they may not be removed except with the permission of the proper officer of customs (and by virtue of which the prescribed goods remain under customs control), if —

(BA) the goods have been brought to that place from an approved warehouse for the purpose of the repair of, maintenance of or performance of any other similar service on the goods, or for the purpose of an auction, an exhibition or any other similar event involving the display of goods; and

(BB) the goods will be returned to any approved warehouse after the activity or event referred to in sub-paragraph (BA).

.....

(4A) For the purposes of subsection (3)(j), (k), (s) and (y), the person with whom the contract is made and the person who directly benefits from the services may be the same person or different persons.

(4B) The services referred to in subsection (3)(e), (f), (g) and (j) shall not include any services comprising either of or both —

(a) the supply of a right to promulgate an advertisement by means of any medium of communication; and

(b) the promulgation of an advertisement by means of any medium of communication.

(4C) The services referred to in subsection (3)(j) shall not include any services which are supplied directly in connection with —

(a) land or any improvement thereto situated inside Singapore; or

(b) goods situated inside Singapore at the time the services are performed, other than goods referred to in subsection (3)(g).

(4D) The services referred to in subsection (3)(u) shall not include any services comprising only of the promulgation of an advertisement by means of the transmission, emission or reception of signs, signals, writing, images, sounds or intelligence by any nature of wire, radio, optical or other electro-magnetic systems whether or not such signs, signals, writing, images, sounds or intelligence have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception.

(5) Where a description referred to in subsection (3) or (6AA)(a) is a transaction which would not otherwise be a supply of services, the transaction shall, for the purposes of this Act, be treated as a supply of services in Singapore.

.....

(9) The Comptroller may, if he thinks fit, waive payment of the whole or part of the tax payable under subsection (8).

*[by inserting, immediately after subsection (9), the following subsection]*

**(10) This section does not apply to Seventh Schedule supplies.**

*[section 21A of the principal Act is amended]*

### **Zero-rating of supply of certain tools, machinery and prototypes**

*[by inserting, immediately after the words “registered person” in subsection (1), the words “...”]*

**21A.—(1)** Subject to such conditions as the Minister may prescribe, the supply by any taxable person of —

- (a) any prescribed tool or prescribed machinery used in the manufacture of goods;
- (b) any services directly in connection with such tool or machinery; or
- (c) any prototype of such tool or machinery,

to a person who belongs in a country outside Singapore and who is not a registered person **or is a registered (section 8(1A) supplies — pay only) person**, shall be zero-rated where such tool is used in Singapore for the manufacture of goods for the person who belongs in a country outside Singapore.

(2) Where a supply of goods or services by a taxable person is zero-rated under subsection (1), then, whether or not tax would be chargeable on the supply apart from this section —

- (a) no tax shall be charged on the supply; but
- (b) it shall in all other respects be treated as a taxable supply,

and accordingly the rate at which tax is treated as charged on the supply shall be nil.

*[by inserting, immediately after subsection (2), the following subsection]*

(3) This section does not apply to Seventh Schedule supplies.

*[section 21B of the principal Act is amended]*

**Zero-rating of sale or letting on hire of goods to approved taxable person in shipping or marine industry**

**21B.**—(1) The Minister may by regulations, in relation to a sale or letting on hire of goods for a prescribed purpose made by any taxable person to a taxable person in the shipping or marine industry who is approved by the Comptroller, permit the supply to be zero-rated.

(2) Where a supply by a taxable person is zero-rated under subsection (1), then, whether or not tax would be chargeable on the supply apart from this section —

- (a) no tax shall be charged on the supply; but
- (b) it shall in all other respects be treated as a taxable supply,

and accordingly the rate at which tax is treated as charged on the supply shall be nil.

(3) Regulations made under subsection (1) may —

- (a) require the taxable person approved by the Comptroller and to whom a supply referred to in subsection (1) has been made to account for the tax on the supply that would, but for regulations made under subsection (1), be chargeable on the supply, in such circumstances, and in such form and manner and within such time, as may be prescribed; and
- (b) where any requirement of the regulations is not complied with or in such other circumstances as may be prescribed, require an amount equivalent to the tax that would, but for subsection (1), be chargeable on the supply to be accounted for.

(4) The Comptroller may, for the protection of revenue, impose conditions or restrictions in relation to any supply referred to in subsection (1).

*[by inserting, immediately after subsection (4), the following subsection]*

(5) This section does not apply to Seventh Schedule supplies.

*[section 25(2) of the principal Act is amended]*

### Refund or remission of tax in certain cases

**25.**—(1) The Minister may by regulations provide for the refund or remission of tax chargeable on the supply of goods or services, or on the importation of goods on a claim made in cases of bad debt or insolvency or in such other circumstances and by such person or body as may be prescribed.

(2) Without prejudice to the generality of subsection (1), such regulations may —

- (a) require a claim to be made within such time and in such form and manner as may be specified by or under the regulations;
- (b) require a claim to be evidenced and quantified by reference to such records and other documents preserved for such period, not exceeding 3 years from the making of the claim, as may be so specified;
- (c) provide for determining what amount (if any) is the outstanding amount of the consideration in particular cases including but not limited to those cases involving part payment or mutual debts;
- (d) provide for the apportionment of tax attributable to the supply of goods or services for the purposes of carrying on the business or of exempt supplies or of any other purpose;

*[be inserting, immediately after paragraph (d), the following paragraphs]*

- (da) provide for the circumstances in which, instead of a refund of any amount being made to a person, the amount may or is to be used to reduce the whole or any part of any tax due or which may become due from the person under this Act, by the whole or any part of such amount and to further provide that —
  - (i) the amount of the tax due from the person is reduced by the amount of the reduction; and
  - (ii) the amount of the reduction is, to the extent of that amount, deemed to have been refunded to the person by the Comptroller;
- (db) provide that, where the Comptroller makes any refund to a person, the Comptroller may deduct from the refund any expenses that the Comptroller may incur in making the refund;
- (e) require the repayment or recovery of a refund or remission under this section where any requirement of the regulations is not complied with or in such other circumstances as may be prescribed;

- (f) prohibit the selling, giving or receiving in prescribed circumstances of goods in respect of which a claim for refund has been submitted and approved through the prescribed means;
- (g) provide for the seizure and forfeiture of goods where —
  - (i) there is reasonable cause to suspect that the goods have been used or are intended to be used by any person in seeking or obtaining any refund referred to in subsection (1), in circumstances that constituted or would constitute an offence under section 62 or 63;  
or
  - (ii) there is reasonable cause to believe that the goods may aid in any investigation or prosecution in connection with such offence; and
- (h) make different provisions for different circumstances.

PART VI  
SPECIAL CASES

*[section 28 of the principal Act is amended]*

**Application to Government**

**28.**—(1) This Act shall apply in relation to taxable supplies made by the Government in the course or furtherance of a business (other than such taxable supplies as the Minister may, by order in the *Gazette*, prescribe) as it applies in relation to taxable supplies made by a taxable person in the course or furtherance of a business.

(2) Where the supply by a ministry or department of the Government or an organ of State of any goods or services does not amount to the carrying on of a business but it appears to the Minister that similar goods or services are or might be supplied by taxable persons in the course or furtherance of any business, then, if and to the extent that the Minister so directs, the supply of those goods or services by that ministry, department or organ shall be treated for the purposes of this Act as a supply in the course or furtherance of any business carried on by it.

*[by inserting, immediately after subsection (2), the following subsection]*

(3) Section 38A applies to relevant supplies of goods and services made by, and made to, the Government in the course or furtherance of a business, as if the Government is a taxable person registered under this Act at the time the supplies are made.

*[the principal Act is amended by inserting, immediately after section 28, the following section]*

**Application to persons registered by virtue of Seventh Schedule supplies**

**28A.**—(1) Subject to subsections (2) and (5), the following do not apply to a registered (section 8(1A) supplies — pay only) person:

- (a) Part IV;
- (b) sections 30 and 32(1);
- (c) section 44 in relation to Seventh Schedule supplies of the person;
- (d) any regulations relating to invoices and receipts, and the display of prices, for Seventh Schedule supplies of the person.

(2) The person may apply to the Comptroller for all provisions mentioned in subsection (1) to apply to the person.

(3) The application must be in such form and manner, and be made within such time, as the Comptroller may require.

(4) The Comptroller may approve the application subject to such conditions as the Comptroller may impose.

(5) Upon approval of the application, the provisions mentioned in subsection (1) apply to the person subject to such modifications as may be prescribed in regulations made under section 86.

*[section 30 of the principal Act is amended]*

### **Persons treated as a group**

*[by deleting the word “Where” in subsection (1) and substituting the words “...”]*

**30.—(1)** Subject to subsection (1A), ~~where~~ ~~Where~~, under the provisions of any regulations made under subsection (3), any 2 or more persons are treated as members of a group and registered in the name of a representative member —

- (a) any supply of goods or services by a member of the group to another member of the group shall be disregarded;
- (b) any business carried on by a member of the group shall be treated as carried on by the representative member;
- (c) any other supply of goods or services by or to a member of the group shall be treated as a supply by or to the representative member; and
- (d) any tax paid or payable by a member of the group on the importation of any goods shall be treated as paid or payable by the representative member and the goods to be treated for the purposes of sections 26 and 45(6) and (6A) as imported by the representative member.

*[by inserting, immediately after subsection (1), the following subsection]*

(1A) Where a supply made by one member of the group to another member of the group is a supply of services that would, but for subsection (1)(a), give rise to a reverse charge supply under section 14(2), the supply —

- (a) is not disregarded; and
- (b) is treated as made to the representative member as the recipient mentioned in section 14.

(2) All members of the group shall be liable jointly and severally for any tax due from the representative member.

(3) Where the Comptroller, in accordance with regulations made by the Minister, approves an application for 2 or more persons to be treated as members of a group, then, from the beginning of a prescribed accounting period they shall be so treated, and one of them shall be the representative member.

(4) Notwithstanding subsection (1), any regulations made under subsection (3) may provide —

- (a) for the circumstances in which 2 or more persons are eligible to make an application to be treated as members of a group;
- (b) for the manner and time within which any application to be treated as members of a group is to be made;
- (c) for the Comptroller, if he thinks it necessary for the protection of the revenue, to refuse an application to be treated as members of a group;
- (d) for the Comptroller to impose such conditions as he may think fit;
- (e) for the Comptroller, if he thinks it necessary for the protection of the revenue, to reduce or disallow credit for any amount of input tax where that amount of input tax would otherwise have been attributable to exempt supplies if the application under subsection (3) had not been approved;
- (f) for the circumstances in which the Comptroller may terminate the registration of a group; and
- (g) for the application of the provisions of this section, with such exceptions, modifications and adaptations as may be prescribed, where a business, or part of a business, carried on by a taxable person is transferred to another taxable person who is treated as a member of a group under this section.

*[section 33 of the principal Act is amended]*

### **Agents**

**33.**—(1) Where a person who is accountable for any tax, or on whom any duties are imposed by or under this Act, does not have his usual place of residence in Singapore, the Comptroller may, by notice in writing served on any agent, manager or factor who has acted on behalf of that person in matters by reference to which that person is accountable or on whom the duties are imposed, direct that he shall be substituted for that person as the person accountable for the tax or that he shall be under an obligation to discharge those duties or any of them.

*[by deleting subsections (2) to (2C) and substituting the following subsections]*

~~(2) For the purposes of this Act, goods imported by a taxable person and supplied by him as agent for a person who is not a taxable person may be treated as imported and supplied by the taxable person as principal.~~

~~(2A) For the purposes of subsection (2), goods imported by a taxable person and supplied by him as agent for a person who is not a taxable person shall be deemed to include goods which, following their import, undergo a treatment or process for the purposes of the supply.~~

~~(2B) For the purposes of this Act, goods imported by a taxable person as agent for a person who is not a taxable person and supplied by a substituted agent as agent for the person who is not a taxable may be treated as imported by the taxable person as principal and supplied by the substituted agent as principal.~~

~~(2C) For the purposes of subsection (2B), unless the Comptroller otherwise allows, goods supplied by the substituted agent for a person who is not a taxable person shall not include goods which, following their import, undergo a treatment or process.~~

(2) For the purposes of this Act, goods imported by a taxable person and supplied by him as agent for a person that —

- (a) is not a taxable person; or
- (b) is a taxable (section 8(1A) supplies) person other than a registered (section 8(1A) supplies — full) person,

may be treated as imported and supplied by the taxable person as principal.

(2A) For the purposes of subsection (2), goods imported by a taxable person and supplied by him as agent for a person that —

- (a) is not a taxable person; or
- (b) is a taxable (section 8(1A) supplies) person other than a registered (section 8(1A) supplies — full) person,

are deemed to include goods which, following their import, undergo a treatment or process for the purposes of the supply.

(2B) For the purposes of this Act, goods that are —

- (a) imported by an agent (“A”) that is a taxable person, for a person (“P”) that —
  - (i) is not a taxable person; or
  - (ii) is a taxable (section 8(1A) supplies) person other than a registered (section 8(1A) supplies — full) person; and

- (b) supplied for *P* by another agent (called in this section a substituted agent) that is a taxable person, appointed by *P* to take custody of the goods imported by *A*,

may be treated as imported by *A* as principal and supplied by the substituted agent as principal.

(2BA) A person is not a substituted agent for the purposes of subsection (2B) unless the Comptroller has been informed, in such form and manner as the Comptroller may require, of the person's appointment as such.

(2C) For the purposes of subsection (2B), unless the Comptroller otherwise allows, goods supplied by the substituted agent for *P* where *P* —

- (a) is not a taxable person; or
- (b) is taxable (section 8(1A) supplies) person other than a registered (section 8(1A) supplies — full) person,

do not include goods which, following their import, undergo a treatment or process.

(2D) For the purposes of subsections (2) and (2B), where the taxable person or the substituted agent, as the case may be, ceases to be a taxable person before making a supply of the goods, and any credit for input tax has been allowed to the taxable person on the importation of the goods —

- (a) in the case of subsection (2), the taxable person shall pay to the Comptroller the amount of the credit; and
- (b) in the case of subsection (2B), the substituted agent shall pay to the Comptroller the amount of the credit.

*[by deleting subsection (3) and substituting the following subsection]*

~~(3) For the purposes of subsections (2) and (2B), a person who does not belong in Singapore may be treated as not being a taxable person if as a result he will not be required to be registered under this Act.~~

(3) For the purposes of subsections (2)(a) and (2B)(a)(i), a person who does not belong in Singapore may be treated as not being a taxable person if as a result he will not be required to be registered by virtue of paragraph 1 of the First Schedule.

(3A) For the purpose of subsection (3), a person shall be treated as belonging in Singapore if —

- (a) he has in Singapore a business establishment or some other fixed establishment and no such establishment elsewhere;
- (b) he has no such establishment in any country but his usual place of residence is in Singapore; or

- (c) he has such establishments both in Singapore and elsewhere and the establishment of his which is most directly concerned with the supply is in Singapore.

(4) Where goods or services are supplied through an agent who acts in his own name, the Comptroller may, if he thinks fit, treat the supply both as a supply to the agent and as a supply by the agent.

(5) For the purposes of this section —

*[by inserting the word “and” at the end of subsection (5)(a)]*

- (a) a person carrying on a business through a branch or an agency in any country shall be treated as having a business establishment there; **and**

*[by deleting the word “; and” at the end of subsection (5)(b) and substituting a full-stop]*

- (b) “usual place of residence”, in relation to a body corporate, means the place where it is incorporated or otherwise legally constituted; **and**.

*[by deleting paragraph (c) of subsection (5)]*

~~(c) “substituted agent” means a taxable person who —~~

~~(i) is appointed as agent by the person referred to in subsection (2B) who is not a taxable person, to take custody of the goods imported by the taxable person referred to in that subsection; and~~

~~(ii) has informed the Comptroller, in such form and manner as the Comptroller may require, of his appointment.~~

*[section 33A(1) of the principal Act is amended]*

### **Repayment of tax to persons in business overseas**

*[by inserting, immediately after the words “other than Singapore”, the words “...”]*

**33A.**—(1) The Minister may by regulations provide for the repayment, to persons carrying on business in countries other than Singapore **other than any registered (section 8(1A) supplies — full) person**, of tax on the importation of goods by them which would be their input tax if they had been taxable persons in Singapore.

(2) Repayment shall be made in such cases only, and subject to such conditions as the regulations may prescribe or as the Comptroller may impose (either generally or in particular cases).

(3) Regulations made under this section may provide —

- (a) for claims and repayments to be made only through agents in Singapore;

- (b) either generally or for specified purposes —
  - (i) for the agents to be treated under this Act as if they were taxable persons; and
  - (ii) for treating claims as if they were returns under this Act and repayments as if they were repayments of input tax; and
- (c) for generally regulating the methods by which the amount of any repayment is to be determined and the repayment is to be made.

*[section 33B(1) of the principal Act is amended]*

### **Claiming of input tax on import of processed goods**

*[by deleting the words “...”and substituting the words “...”]*

**33B.**—(1) The Minister may by regulations make provision for ~~a taxable person to claim any tax paid or payable by the taxable person~~ a taxable person other than a registered (section 8(1A) supplies — pay only) person to claim any tax paid or payable by such taxable person on the importation of goods as input tax under section 19 (as if the whole of the input tax were allowable under section 20), where the importation occurs in the following circumstances:

*[by deleting words “the taxable person” wherever they appear in paragraphs (a), (c) and (d) and substituting words “such taxable person”]*

- (a) ~~the taxable person~~ such taxable person makes a supply to his customer who is —
    - (i) a person who belongs in Singapore; or
- [by insert, immediately after the word “Singapore” in paragraph (a)(i), the words “...”]*
- (ii) a taxable person who does not belong in Singapore ~~other than a registered (section 8(1A) supplies — pay only) person;~~

*[by deleting words “the taxable person’s” in paragraph (b) and substituting words “such taxable person’s”]*

- (b) the supply comprises the application of any process to, or the carrying out of any process on, goods which ~~the taxable person’s~~ such taxable person’s customer consigns to the taxable person in Singapore;
- (c) in connection with the supply, ~~the taxable person~~ such taxable person removes the goods to a country outside Singapore for a process to be applied to or carried out on the goods; and

- (d) ~~the taxable person~~ such taxable person then imports the goods back into Singapore after the process in paragraph (c) has been applied to or carried out on the goods.
- (2) Regulations made under subsection (1) may —
- (a) prescribe the conditions (including conditions subsequent) to which a claim for the deduction of an amount of tax pursuant to that subsection is subject; and
- (b) require the taxable person to repay to the Comptroller, if any such condition is not satisfied, the amount of tax allowed to the taxable person in such form and manner, and in such time, as may be prescribed.
- (3) The Comptroller may, for the protection of revenue, impose conditions or restrictions in relation to any claim referred to in subsection (1).
- (4) In this section, “process”, in relation to goods, includes (but is not limited to) any treatment.
- (5) For the purposes of this section, the customer is treated as belonging in Singapore if the customer —
- (a) has in Singapore a business establishment or some other fixed establishment and no such establishment elsewhere;
- (b) has no such establishment in any country but his usual place of residence is in Singapore; or
- (c) has such establishments both in Singapore and elsewhere and among which the establishment of the customer that is most directly concerned with the supply referred to in subsection (1) being made to him, is in Singapore.
- (6) For the purposes of subsection (5) —
- (a) a customer carrying on a business through a branch or an agency in any country is to be treated as having a business establishment there; and
- (b) “usual place of residence”, in relation to a body corporate, means the place where it is incorporated or otherwise legally constituted.

*[section 37A(1) of the principal Act is amended]*

**Process applied to or carried out on goods of a person belonging in a country other than Singapore**

**37A.**—(1) The Minister may by regulations make provisions for a supply, made by a taxable person approved by the Comptroller, which involves any process (including but not limited to any treatment) being applied to or carried out on goods —

*[by deleting paragraphs (a) and (b) and substituting the following paragraphs]*

~~(a) under a contract with a person who belongs in a country outside Singapore and is not registered under this Act (referred to in this section as an overseas person); and~~

~~(b) which directly benefits a person who belongs in a country outside Singapore and is not registered under this Act (referred to in this section as an overseas person);~~

(a) under a contract with a person who —

(i) belongs in a country outside Singapore and is not a registered person; or

(ii) is a registered (section 8(1A) supplies — pay only) person, (referred to in this section as an overseas person); and

(b) which directly benefits a person who —

(i) belongs in a country outside Singapore and is not a registered person; or

(ii) is a registered (section 8(1A) supplies — pay only) person, (referred to in this section as an overseas person),

to be disregarded for the purposes of this Act (other than for the purposes of section 27(2)(a)) subject to such conditions or restrictions as may be prescribed or as the Comptroller may impose for the protection of the revenue.

(2) Regulations made under subsection (1) may provide for the following in relation to goods to or on which a process has been applied or carried out:

(a) for the goods —

(i) to be delivered to the satisfaction of the Comptroller only to —

(A) any taxable person approved by the Comptroller; or

(B) the customer of an overseas person to whom the overseas person supplies the goods;

(ii) to be exported to the satisfaction of the Comptroller; or

(iii) if the goods are of such type or description as may be prescribed, to be destroyed or disposed of to the satisfaction of the Comptroller by the taxable person or any other person,

and, where any taxable person (including a taxable person referred to in subsection (1)) fails to do so, for the taxable person to pay to the Comptroller an amount equal to the tax that would have been payable if the taxable person had himself made a supply of the goods in the course or furtherance of his business;

- (b) for a taxable person approved by the Comptroller who receives the goods from another approved person to declare, in such form and manner as the Comptroller may require, his receipt of those goods;
- (c) where a taxable person approved by the Comptroller, to the satisfaction of the Comptroller —
  - (i) delivers the goods to the customer of the overseas person referred to in paragraph (a)(i)(B); or
  - (ii) in relation to such of those goods which are of such type or description as may be prescribed, destroys or disposes of the goods or delivers them to another person for the destruction or disposal, in circumstances where consideration for the goods is received by the taxable person or the overseas person upon the destruction or disposal,

for the taxable person to account for and pay tax in substitution for the overseas person, as if the taxable person had himself supplied the goods in the course or furtherance of his business.

(2A) Regulations made under subsection (1) may provide that, upon such conditions as may be prescribed being satisfied, where the goods are —

- (a) supplied to the overseas person in Singapore; and
- (b) delivered to the taxable person approved by the Comptroller for the purposes of any process being applied to or carried out on the goods under a contract with and directly benefitting the overseas person,

the goods shall be treated as having been supplied to the taxable person in the course or furtherance of his business for the purpose of the taxable person claiming input tax on the supply of the goods under section 19 as if the whole of the input tax were allowable under section 20.

(2B) A person who belongs in a country outside Singapore referred to in subsection (1)(a) or (b) may, for the purposes of determining his liability to be registered under this Act, disregard any supply of goods made by him if —

- (a) the tax on such supply is to be accounted for by the taxable person approved by the Comptroller pursuant to subsection (2)(c); or
- (b) in a case where a taxable person has applied to be but is not yet approved by the Comptroller, the tax on such supply would be accounted for by the taxable person pursuant to subsection (2)(c) if the taxable person were to be so approved,

as the case may be.

*[section 37B(1) of the principal Act is amended]*

### **Refining of goods into investment precious metals**

**37B.**—(1) The Minister may by regulations make provision in relation to the following:

- (a) for the approval by the Comptroller of any person as an approved refiner or an approved consolidator;
- (b) where —

*[by deleting sub-paragraph (i) of paragraph (b) and substituting the following sub-paragraph]*

- ~~(i) goods are consigned by a person who belongs in a country outside Singapore and is not registered under this Act (referred to in this section as an overseas person) to an approved person for refining into any investment precious metal by an approved refiner (including where the approved person is also the approved refiner); and~~
- (i) goods are consigned by a person who —
  - (A) belongs in a country outside Singapore and is not a registered person; or
  - (B) is a registered (section 8(1A) supplies — pay only) person, (referred to in this section as an overseas person) to an approved person for refining into any investment precious metal by an approved refiner (including where the approved person is also the approved refiner); and
- (ii) the approved person delivers the investment precious metal obtained through the refining to another person pursuant to a supply of the investment precious metal by the overseas person to the other person,

for the approved person to account for the supply of the investment precious metal as if it were his supply made in the course or furtherance of his business, in such form and manner as the Comptroller may determine;

(c) where —

- (i) goods are consigned by an overseas person to an approved person for refining by an approved refiner (including where the approved person is also the approved refiner);
- (ii) goods other than investment precious metals arise as a result of or remain after the process of refining the goods (including precious metals, by products, and any residue or scrap); and
- (iii) the approved person delivers such other goods to another person pursuant to instructions of the overseas person, whether or not consideration is received by the approved person or the overseas person in connection with the delivery,

for the approved person to account for tax in substitution for the overseas person as if the approved person had himself supplied such other goods in the course or furtherance of his business, and, where no consideration is received, as if there had been a supply of such other goods, in such form and manner as the Comptroller may determine.

(2) In this section —

“approved person” means an approved refiner or an approved consolidator;

“consolidator” means a person who supplies or delivers goods to a refiner for the purpose of refining the goods;

“investment precious metal” means any investment precious metal specified in Part II of the Fourth Schedule;

“precious metal” means gold, silver or platinum that does not qualify as an investment precious metal;

“refine”, in relation to goods (including goods that are investment precious metals or precious metals) —

- (a) means to process or convert the goods into, or extract from the goods, any investment precious metal, or precious metal; and
- (b) includes the minting of any coin that is an investment precious metal, or precious metal,

and “refiner” shall be construed accordingly.

PART VII  
ACCOUNTING AND ASSESSMENTS

*[section 46 of the principal Act is amended]*

**Duty to keep records**

**46.—**(1) Every taxable person shall keep the following records:

- (a) his business and accounting records;
- (b) his accounts as required by regulations made under section 41;
- (c) copies of all invoices and receipts issued by him;
- (d) invoices received by him;
- (e) documentation relating to importations and exportations by him;
- (f) all credit notes, debit notes or other documents which evidence an increase or decrease in consideration that are received, and copies of all such documents issued by him; and
- (g) such other records as may be prescribed.

*[by inserting, immediately after subsection (1), the following subsection]*

(1AA) Any person who is required to account for tax on a reverse charge supply must, in addition to the records referred to in subsection (1), maintain the following:

- (a) sufficient records of the reverse charge supply to enable the following particulars to be ascertained:
  - (i) the name and address of the person or branch mentioned in section 14(1)(a) or member of the group mentioned in section 30(1A) whose supply gave rise to the reverse charge supply (called in this section the overseas supplier);
  - (ii) the date on which, or the period during which, the services under the supply made by the overseas supplier were in fact received;
  - (iii) a description of the services in fact supplied;
  - (iv) the consideration for the supply made by the overseas supplier;
  - (v) the time by which payment of the consideration for the supply made by the overseas supplier is required;

- (vi) the reference number of any invoice relating to the supply made by the overseas supplier;
  - (vii) any contract, agreement or arrangement entered into in respect of the supply made by the overseas supplier;
  - (viii) where any invoice, contract, agreement or arrangement is in a foreign language, a translation of the same into English, if the Comptroller requires; and
  - (ix) such other records as may be prescribed;
- (b) where an election under section 11C(7)(i) or 14(4) or (5) has been made, a record of the election and such information and supporting documents relating to the election, in such form and manner, as required by the Comptroller.

*[by inserting, immediately after the words “subsection (1)” in subsection (1A), the words “or (1AA)”]*

(1A) Without affecting subsection (1) or (1AA), the Comptroller may, for the protection of revenue, direct in writing any taxable person to keep records of the models and serial numbers of any goods supplied to or by the taxable person; and the taxable person must comply with the direction.

*[by inserting, immediately after subsection (1A), the following subsections]*

(1B) Where the taxable person is an operator of an electronic marketplace mentioned in the Seventh Schedule, the duty of the operator to keep records under this section includes records relating to —

- (a) where paragraph 3(1)(b)(ii)(B) of the Seventh Schedule applies, all supplies of digital services of the relevant overseas underlying supplier, whether made to any person belonging in Singapore or not belonging in Singapore; and
- (b) where the operator makes an election under paragraph 5 of the Seventh Schedule, all supplies of digital services of any local underlying supplier (that are treated as made to the operator), whether in fact made to any person belonging in Singapore or not belonging in Singapore.

(1C) Despite subsection (1), a registered (section 8(1A) supplies — pay only) person need not keep records of supplies of goods or services made to the person or imports of goods by the person.

(2) Any records kept in pursuance of this section shall be preserved —

- (a) in the case of records relating to a prescribed accounting period ending before 1st January 2007, for a period of not less than 7 years from the end of the prescribed accounting period; and
- (b) in the case of records relating to a prescribed accounting period ending on or after 1st January 2007, for a period of not less than 5 years from the end of the prescribed accounting period.

(3) The duty under this section to preserve records may be discharged by the preservation of the information contained therein by such means as the Comptroller may approve.

*[by deleting the words “subsection (1) or (1A)” in subsection (3AA) and substituting the words “subsection (1), (1AA), (1A) or (1B)”]*

(3AA) Without affecting subsection (3), the Comptroller may direct in writing any taxable person to keep or preserve, or both keep and preserve, by any electronic means specified in the direction, any records under ~~subsection (1) or (1A)~~ subsection (1), (1AA), (1A) or (1B) of the taxable person as the Minister may prescribe; and the taxable person must comply with the direction.

(3A) Where the information is preserved in accordance with subsection (3) or (3AA), a copy of any document forming part of the records shall, subject to subsections (4) and (5), be admissible in evidence in any proceedings, whether civil or criminal, to the same extent as the records themselves.

(4) The Comptroller may, as a condition of approving under subsection (3) any means of preserving information contained in any records, impose such reasonable requirements as appear to him necessary for securing that the information will be as readily available to him as if the records themselves had been preserved.

(5) A statement contained in a document produced by a computer shall not by virtue of subsection (3A) be admissible in evidence in civil or criminal proceedings except in accordance with the Evidence Act (Cap. 97).

(6) Any person who without reasonable excuse fails to comply with this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 6 months or to both and, in the case of a second or subsequent conviction, to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 3 years or to both.

PART IX  
OFFENCES AND PENALTIES

*[section 64 of the principal Act is amended]*

*[by deleting the word “invoices” in the section heading and substituting the word “services”]*

**Offences in relation to goods and ~~invoices~~ services**

**64.**—(1) If any person acquires possession of or deals with any goods, or accepts the supply of any services, having reason to believe that tax on the supply of the goods or services or on the importation of the goods has been or will be evaded, he shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 and to a penalty of 3 times the amount of the tax.

*[by deleting subsection (2)]*

~~(2) If a person other than —~~

~~(a) a person registered under this Act;~~

~~(b) a person treated for the purposes of section 30 as a member of a group;~~

~~(c) a person treated as a taxable person under this Act;~~

~~(d) a person authorised to do so under any subsidiary legislation made under this Act; or~~

~~(e) a person acting on behalf of the Government,~~

~~issues an invoice or receipt showing an amount as being tax or as being attributable to tax, he shall be guilty of an offence and shall on conviction pay a penalty of 3 times the amount of tax so shown, and shall also be liable to a fine not exceeding \$10,000.~~

*[the principal Act is amended by inserting, immediately after section 64, the following section]*

**Offences in relation to unauthorised collections of tax or amounts attributable to tax**

**64A.**—(1) Subject to subsection (3), where any person collects or attempts to collect from any other person any amount as tax or as being attributable to tax, the person shall be guilty of an offence and shall on conviction —

(a) pay a penalty equal to 3 times the amount which the person collected or attempted to collect; and

(b) shall be liable to a fine not exceeding \$10,000.

(2) Where any person, without reasonable excuse or through negligence, collects or attempts to collect from any other person any amount as tax or as being attributable to tax, the person shall be guilty of an offence and shall on conviction —

- (a) pay a penalty equal to 3 times the amount which the person collected or attempted to collect; and
- (b) shall be liable to a fine not exceeding \$10,000, or to imprisonment for a term not exceeding 3 years, or to both.

(3) Subsections (1) and (2) do not apply to —

- (a) a specified person;
- (b) a person who is appointed for the due administration of this Act or any assistant employed in connection with the assessment and collection of tax; or
- (c) a person who is not appointed for the due administration of this Act or any assistant employed in connection with the assessment and collection of tax, but represents or holds himself out as such.

(4) Where any specified person, without reasonable excuse or through negligence, collects or attempts to collect from any other person —

- (a) any amount as tax or as being attributable to tax, where no tax is chargeable under this Act; or
- (b) any amount in excess of the tax chargeable under this Act that the specified person is permitted to collect under this Act,

then the specified person shall be guilty of an offence and shall on conviction —

- (i) pay a penalty equal to —
  - (A) for an offence under paragraph (a), 3 times the amount which the person collected or attempted to collect; and
  - (B) for an offence under paragraph (b), 3 times the amount which the person collected or attempted to collect, that is in excess of the amount the specified person was permitted to collect under this Act; and
- (ii) shall be liable to a fine not exceeding \$10,000, or to imprisonment for a term not exceeding 3 years, or to both.

(5) In this section, “specified person” means any of the following:

- (a) a person registered under this Act;

- (b) a person treated for the purposes of section 30 as a member of a group;
- (c) a person treated as a taxable person under this Act;
- (d) an agent appointed under section 79;
- (e) a person authorised under any subsidiary legislation made under this Act to issue an invoice or a receipt showing an amount of tax.

*[section 65 of the principal Act is amended]*

*[by deleting the words “...” in the section heading and substituting the words “...”]*

**Penalties for offences by ~~authorised and unauthorised persons~~ persons administering Act, etc.**

**65.** Any person who —

- (a) being a person appointed for the due administration of this Act or any assistant employed in connection with the assessment and collection of tax —
  - (i) withholds for his own use or otherwise any portion of the amount of tax collected;
  - (ii) demands from any person an amount in excess of the authorised assessment or tax;
  - (iii) renders a false return, whether verbal or in writing, of the amounts of tax collected or received by him; or
  - (iv) defrauds any person, embezzles any money or otherwise uses his position so as to deal wrongfully either with the Comptroller or any other individual; or

*[by deleting paragraph (b) and substituting the following paragraph]*

- ~~(b) not being authorised under this Act to do so, collects or attempts to collect tax under this Act,~~
- (b) not being a person appointed for the due administration of this Act or any assistant employed in connection with the assessment and collection of tax but represents or holds himself out as such, collects or attempts to collect tax under this Act,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 3 years or to both.

PART XI  
COLLECTION AND ENFORCEMENT

*[section 83E of the principal Act is repealed and the following sections substituted therefor]*

**Arrest of persons**

~~83E.—(1) The Minister may by regulations provide that the Comptroller or an authorised person may, in accordance with this section, arrest without warrant any of the following persons, and may search or cause to be searched, any person so arrested:~~

- ~~(a) any person found committing or attempting to commit, or employing or aiding any person to commit, or abetting the commission of, any offence under section 62 or 63 in connection with any refund sought or obtained pursuant to regulations made under section 25;~~
- ~~(b) any person whom he may reasonably suspect to have in his possession any goods liable to seizure pursuant to regulations made under section 25(2)(g)(i);~~
- ~~(c) any person against whom a reasonable suspicion exists that he has been guilty of any offence under section 62 or 63 in connection with any refund sought or obtained pursuant to regulations made under section 25.~~

~~(2) No woman shall be searched except by a woman.~~

~~(3) The Comptroller or an authorised person making an arrest without warrant shall, without unnecessary delay and subject to this section as to bail or previous release, take or send the person arrested before a Magistrate's Court.~~

~~(4) The Comptroller or an authorised person shall not detain in custody a person arrested without a warrant for a longer period than under the circumstances of the case is reasonable.~~

~~(5) Such period shall not exceed 48 hours exclusive of the time necessary for the journey from the place of arrest to the Magistrate's Court.~~

~~(6) A person who has been arrested by the Comptroller or an authorised person shall not be released except on his own bond or on bail or under the special order in writing of a Magistrate or the Comptroller or authorised person.~~

~~(7) If any person liable to arrest under this Act is not arrested at the time of committing the offence for which he is so liable, or after arrest makes his escape, he may, at any time afterwards, be arrested and be dealt with as if he had been arrested at the time of committing the offence.~~

### Arrest of persons

**83E.**—(1) The Comptroller, a specially authorised officer or a specially authorised customs officer (called in this section and sections 83F to 83I an arresting officer) may arrest without warrant any person whom the arresting officer reasonably believes —

- (a) is committing or attempting to commit, or employing or aiding any person to commit, or is abetting the commission of, any offence under section 62 or 63 in connection with any refund sought or obtained pursuant to regulations made under section 25;
- (b) has in his possession any goods liable to seizure pursuant to regulations made under section 25(2)(g)(i); or
- (c) has committed an offence under section 62 or 63 in connection with any refund sought or obtained pursuant to regulations made under section 25.

(2) Without affecting subsection (1), an arresting officer (other than a specially authorised customs officer) may arrest without warrant any person whom he reasonably believes —

- (a) has committed any offence under section 62 or 63; or
- (b) is doing any of the following:
  - (i) destroying or attempting to destroy any document or thing;
  - (ii) deleting or attempting to delete any information contained in any thing;
  - (iii) resisting or attempting to resist the taking of any document or thing by the arresting officer,

being any document, thing or information that may be relevant to an investigation of an offence under this Act, or that may be required as evidence in proceedings for an offence under this Act.

(3) An arresting officer may search or cause to be searched an arrested person.

(4) A woman must not be searched except by a woman.

(5) An arresting officer making an arrest must, without unnecessary delay and subject to subsection (8) and the regulations mentioned in subsection (10), take or send an arrested person before a Magistrate's Court.

(6) An arresting officer must not detain in custody an arrested person for a longer period than under the circumstances of the case is reasonable.

- (7) Such period must not exceed 48 hours, excluding the time necessary for the journey from the place of arrest to the Magistrate's Court.
- (8) An arrested person must not be released except —
- (a) on the person's own bond; or
  - (b) on bail by a Magistrate or an arresting officer; or
  - (c) under the special order in writing by a Magistrate or an arresting officer.
- (9) If any arrested person escapes, he may, at any time afterwards, be arrested in accordance with this section and section 83F.
- (10) The Minister may make regulations under section 86 to provide for —
- (a) any matter relating to the release of any person on any bond, bail, or special order under subsection (8); and
  - (b) the arrest of any person with or without warrant by an arresting officer for a breach of the conditions of a bond, bail or special order or other specified circumstances.

### **No unnecessary restraint**

**83F.**—(1) In making an arrest, an arresting officer must touch or confine the body of a person to be arrested unless the person submits to arrest by word or action.

(2) If the person forcibly resists or tries to evade arrest, the arresting officer may use all reasonable means necessary to make the arrest.

(3) An arrested person must not be subject to more restraint than is necessary to prevent the person's escape.

(4) An arresting officer may use handcuffs or any similar means of restraint on an arrested person to prevent the person from —

- (a) inflicting any bodily injury to himself or others;
- (b) damaging any property;
- (c) creating any disturbance; or
- (d) escaping from custody.

(5) The handcuffs or means of restraint must not be used for the purpose of punishment.

### **Arresting officer to be armed**

**83G.** An arresting officer may be provided with such batons and accoutrements as may be necessary for the effective discharge of his duties under sections 83E and 83F.

### **Search of place entered by person sought to be arrested**

**83H.**—(1) This section does not apply to a specially authorised customs officer.

(2) If an arresting officer has reason to believe that a person to be arrested under section 83E is inside any building or place and demands entry to that building or place, any person residing in or in charge of the building or place must allow the arresting officer free entry and provide all reasonable facilities for a search in it.

(3) If entry to that building or place cannot be gained under subsection (2), it is lawful for the arresting officer to enter and search the building or place.

(4) After stating his authority and purpose and demanding entry to a building or place, the arresting officer who is unable to obtain entry may, for the purposes of subsection (3), break open any outer or inner door or window or use any other reasonable means to gain such entry.

### **Arrested person may be orally examined**

**83I.**—(1) An arresting officer may examine orally a person arrested under section 83E.

(2) A person examined by an arresting officer need not state anything which —

- (a) the person is under any statutory obligation (other than sections 128, 128A, 129 and 131 of the Evidence Act (Cap. 97)) to observe secrecy; or
- (b) is subject to legal privilege.

(3) A statement made by an arrested person must —

- (a) be reduced in writing;
- (b) be read over to the person;
- (c) if the person does not understand English, be interpreted to the person in a language that the person understands; and
- (d) after correction (if necessary), be signed by the person.

(4) Any person who, without reasonable excuse, fails or refuses to answer any question when examined under subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 12 months or to both.

(5) The generality of the term “reasonable excuse” in subsection (4) is not affected by subsection (2).

(6) Except as provided under subsection (2), it is not a defence to a charge under subsection (4) for a failure or refusal to provide any information demanded an arresting officer that the person is under a duty of secrecy in respect of that information (called in this section a displaced duty of secrecy).

(7) A person who in good faith provides information demanded by an arresting officer under subsection (1) is not treated as being in breach of a displaced duty of secrecy.

(8) No civil or criminal action for a breach of a displaced duty of secrecy, other than a criminal action for an offence under subsection (9), lies against the person mentioned in subsection (7) for providing any information if he had done so in good faith in compliance with a demand of an arresting officer under subsection (1).

(9) Any person who, in purported compliance with a demand of an arresting officer under subsection (1), provides any information known to the person to be false or misleading in a material particular —

- (a) without indicating to the arresting officer that the information is false or misleading and the part that is false or misleading; and
- (b) without providing correct information to the arresting officer if the person is in possession of, or can reasonably acquire, the correct information,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.

### **Disposal of item furnished or seized**

**83J.**—(1) Any item furnished to or seized by the Comptroller or an officer authorised by the Comptroller under sections 81 and 84 must —

- (a) where the item is produced in any criminal proceedings, be dealt with in accordance with section 364 of the Criminal Procedure Code 2010; or
- (b) in any other case, be dealt with in accordance with subsections (2) to (4).

(2) The Comptroller or an officer authorised by the Comptroller must serve a notice on the owner of the item instructing the owner to take custody of it within the period specified in the notice, which must be at least 48 hours after the date of service of the notice.

(3) If the owner fails to take custody of the item within the period specified in the notice, or where the owner is unknown or cannot be found, then —

- (a) if the item is a document (other than one specified in paragraph (d) or (e) of the definition of “document” in section 81(5)), then the item may be disposed of in such manner as the Comptroller directs; or
- (b) if the item is any thing not specified in paragraph (a), the Comptroller must make a report of this to a Magistrate.

(4) The Magistrate to whom a report is made under paragraph (3)(b) may order the item to be forfeited or disposed of in such manner as the Magistrate thinks fit.

(5) Nothing in this section affects any right to retain or dispose of any property which may exist in law part from this section.

*[section 84 of the principal Act is amended]*

#### **Power of Comptroller to obtain information and furnishing of information**

**84.—**(1) The Comptroller or any officer authorised by him in that behalf —

- (a) shall at all times have full and free access to all buildings, places, documents, computers, computer programs and computer software (whether installed in a computer or otherwise) for any of the purposes of this Act;
- (b) shall have access to any information, code or technology which has the capability of retransforming or unscrambling encrypted data contained in or available to such computers into readable and comprehensive format or text for any of the purposes of this Act;
- (c) shall be entitled —
  - (i) without fee or reward, to inspect, copy or make extracts from any such document, computer, computer program, computer software or computer output; and
  - (ii) at any reasonable time to inspect and check the operation of any computer, device, apparatus or material which is or has been in use in connection with anything to which this section applies;
- (d) may take possession of any such document, computer, device, apparatus, material, computer program or computer software where in his opinion —

- (i) the inspection, checking, copying thereof or extraction therefrom cannot reasonably be performed without taking possession;
  - (ii) any such items may be interfered with or destroyed unless possession is taken; or
  - (iii) any such items may be required as evidence in proceedings for an offence under this Act or in proceedings for the recovery of tax or penalty, or in proceedings by way of an appeal against an assessment;
- (e) shall be entitled to require —
- (i) the person by whom or on whose behalf the computer is or has been used, or any person having charge of, or otherwise concerned with the operation of the computer, device, apparatus or material, to provide the Comptroller or officer with such reasonable assistance as he may require for the purposes of this section; and
  - (ii) any person in possession of decryption information to grant him access to such decryption information necessary to decrypt data required for the purposes of this section; and

*[by delete paragraph (f) of subsection (1) and substituting the following paragraph]*

- ~~(f) shall be entitled to require a person in or at the building or place and who appears to the Comptroller or officer to be acquainted with any facts or circumstances concerning the person's or another person's transactions made in the course of a business —~~
- ~~(i) to answer any question to the best of that person's knowledge, information and belief; or~~
  - ~~(ii) to take reasonable steps to produce a document for inspection.~~
- (f) shall be entitled to require a person in or at the building or place, and who appears to the Comptroller or officer to be acquainted with —
- (a) any facts or circumstances concerning the person's or another person's transactions made in the course or furtherance of a business; or
  - (b) any facts or circumstances that are relevant to an investigation of, or the prosecution of a person for, an offence under this Act,

to do any or both of the following:

- (i) answer any question to the best of that person's knowledge, information and belief;
- (ii) to take reasonable steps to produce a document for inspection.

*[by deleting subsection (2) and substituting the following subsections]*

~~(2) The Comptroller may by notice require any person to give orally or in writing, as may be required, all such information concerning his or any other person's transactions made in the course of a business as may be demanded of him by the Comptroller for the purposes of this Act.~~

(1A) The Comptroller or a specially authorised officer may, for the purpose of investigating an offence under section 62 or 63, break open any outer or inner door or window, or use any other reasonable means, to gain entry to a building or place.

(1B) The Comptroller or a specially authorised officer may only exercise the power under subsection (1A) if —

- (a) he has reason to believe that there is in that building or place any document or thing that may be, or that contains information that may be —
  - (i) relevant to the investigation; or
  - (ii) required as evidence in proceedings for the offence being investigated;
- (b) he has reason to believe that the document or thing is likely to be concealed, removed or destroyed, or the information is likely to be deleted, by any person; and
- (c) he is unable to gain entry to that building or place after stating his authority and purpose and demanding such entry.

(1C) To avoid doubt, the Comptroller or a specially authorised officer who has gained entry to a building or place by exercising his power under subsection (1A), may exercise any of his powers under subsection (1) after such entry.

(1D) The Comptroller or a specially authorised officer may, after gaining entry into a building or place under subsection (1) or (1A) for the purpose of investigating an offence under this Act, search or caused to be searched a person found in the building or place for any document or thing which may be relevant for the investigation, or is required as evidence in proceedings for that offence.

(1E) A woman must not be searched except by a woman.

(2) The Comptroller may by notice require any person to give orally, in writing, or through the electronic service —

- (a) any information concerning his or any other person's income, assets or liability that is relevant for the purposes of this Act or concerning his or any other person's transactions made in the course or furtherance of a business; or
- (b) any information that is relevant for an investigation of, or the prosecution of a person for, an offence under this Act.

*[by deleting words "For the purposes of this Act, the" in subsection (2A) and substituting the word "The"]*

(2A) ~~For the purposes of this Act, the~~ The Comptroller may by notice require any person to attend personally before the Comptroller or an officer authorised by the Comptroller, at a place and time specified in the notice, to do one or both of the following:

*[by deleting paragraphs (a) and (b) of subsection (2A) and substituting the following paragraphs]*

- ~~(a) provide, to the best of that person's knowledge, information and belief, any information concerning the person's or any other person's transactions made in the course of a business;~~
- ~~(b) take reasonable steps to produce for inspection a document concerning those transactions.~~
- (a) provide, to the best of that person's knowledge, information and belief —
  - (i) any information concerning the person's or any other person's transactions made in the course or furtherance of a business; or
  - (ii) any information that is relevant for an investigation of, or the prosecution of a person for, an offence under this Act; or
- (b) take reasonable steps to produce for inspection any document concerning such transactions, or that contains such information.

(2B) The power to require a person to provide information or produce a document under subsection (1)(f) or (2), or when in attendance before the Comptroller or an authorised officer pursuant to a notice under subsection (2A), includes the power —

- (a) to require that person, or any person who is or was an officer or employee of that person, to provide an explanation of the information or document;
- (b) if the information is not provided or the document is not produced, to require that person to state, to the best of the person's knowledge and belief, where it is;

- (c) if the information is recorded otherwise than in legible form, to require the information to be made available to the Comptroller or authorised officer (as the case may be) in legible form; and
- (d) in the case of a document, to inspect, copy or make extracts from the document without fee or reward, and to take possession of the document if in the Comptroller or authorised officer's opinion —
  - (i) the inspection, copying or extraction cannot reasonably be performed without taking possession of the document;
  - (ii) the document may be interfered with or destroyed unless possession of the document is taken; or
  - (iii) the document may be required as evidence in proceedings for an offence under this Act or in proceedings for the recovery of tax or penalty, or in proceedings by way of an appeal against an assessment.

(2C) A statement made by any person asked under subsection (1)(f), or in compliance with a demand for information, must —

- (a) be reduced to writing;
- (b) be read over to the person;
- (c) if the person does not understand English, be interpreted for the person in a language that the person understands; and
- (d) be signed by the person.

(2D) Any person who, without reasonable excuse, fails, neglects or refuses to comply with any notice or requirement of the Comptroller or an officer authorised by the Comptroller under this section, or with a demand for information, shall be guilty of an offence and shall be liable on conviction to —

- (a) a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 12 months or to both; and
- (b) in the case of a continuing offence, a further fine not exceeding \$100 for every day or part of a day during which the offence continues after conviction.

(2E) Any person who, in purported compliance with a notice or requirement of the Comptroller or an officer authorised by the Comptroller under this section, or with a demand for information, produces any document which contains any information, or provides any information, known to the person to be false or misleading in a material particular —

- (a) without indicating to the Comptroller or the officer that the information is false or misleading and the part that is false or misleading; and
- (b) without providing correct information to the Comptroller or the officer if the person is in possession of, or can reasonably acquire, the correct information,

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.

(3) No person shall, by virtue of this section, be obliged to disclose (including through the production of a document) any particulars which he is under any statutory obligation to observe secrecy.

(3A) The generality of the term “reasonable excuse” in subsection (2D) is not affected by subsection (3).

(4) The Minister may by regulations make provision for requiring taxable persons to notify the Comptroller of such particulars of changes in circumstances relating to those persons or any business carried on by them as appear to the Comptroller to be required for the purpose of keeping the register kept under this Act up to date.

(5) In this section, “document” has the same meaning as in section 81.

(6) In this section, “demand for information” means a demand by the Comptroller or an officer authorised by the Comptroller to answer a question when in attendance before the Comptroller or the officer pursuant to a notice under subsection (2A).

PART XII  
GENERAL PROVISIONS

*[section 89 of the principal Act is amended]*

**Remission of tax or penalty**

**89.**—(1) The Comptroller may, if he thinks fit, and upon such conditions as he may impose, on the ground of poverty or where it is just and equitable to do so, give to any person or class of persons —

- (a) relief from, or a remission or refund of, the whole or part of any tax chargeable on the importation of goods or supply of goods or services by that person or class of persons;
- (b) a refund of the whole or part of any tax on the supply of goods or services to that person or class of persons —
  - (i) which, if he or they were taxable persons, would be his or their input tax; or

*[by deleting the word “or” at the end of subsection (1)(b)(i)]*

- (ii) for which, as a taxable person or as taxable persons, he or they would not be entitled to any credit as input tax under this Act; ~~or~~

*[by deleting the full-stop at the end of paragraph (c) of subsection (1) and substituting the word “; or”, and by inserting immediately thereafter the following sub-paragraph]*

- (c) relief or remission from the whole or part of any penalty payable by that person or class of persons; ~~or~~
- (d) relief from, or a remission or refund of, the whole or part of any tax on a reverse charge supply.

(2) The Minister may, if he thinks fit, and upon such conditions as he may impose, give to any person or class of persons —

- (a) relief from, or a remission or refund of, the whole or part of any tax chargeable on the importation of goods or supply of goods or services by that person or class of persons;
- (b) a refund of the whole or part of any tax on the supply of goods or services to that person or class of persons —
  - (i) which, if he or they were taxable persons, would be his or their input tax; or

*[by deleting the word “or” at the end of subsection (2)(b)(i)]*

- (ii) for which, as a taxable person or as taxable persons, he or they would not be entitled to any credit as input tax under this Act; ~~or~~

*[by deleting the full-stop at the end of paragraph (c) of subsection (2) and substituting the word “; or”, and by inserting immediately thereafter the following sub-paragraph]*

- (c) relief or remission from the whole or part of any penalty payable by that person or class of persons; ~~or~~
- (d) relief from, or a remission or refund of, the whole or part of any tax on a reverse charge supply.

(2A) Where —

- (a) the Comptroller is satisfied that the person to whom relief from, or a remission or refund of, tax is given fails to comply with any condition imposed under subsection (1) (whether a condition precedent or condition subsequent); or
- (b) the Minister is satisfied that the person to whom relief from, or a remission or refund of, tax is given fails to comply with any condition imposed under subsection (2) (whether a condition precedent or condition subsequent),

an amount equal to the amount of tax to which the relief, remission or refund relates shall be recoverable as a debt due to the Government.

(2B) The amount recoverable under subsection (2A) shall be payable at the place stated in a notice served by the Comptroller on the person within one month after the service of the notice.

(2C) The Comptroller may, in his discretion and subject to such terms and conditions (including interest) as he may impose, extend the time limit within which payment is to be made.

(2D) Sections 60(1), 78 and 87 shall apply to the collection and recovery by the Comptroller of the amount recoverable under subsection (2A) and any interest imposed under subsection (2C) as they apply to the collection and recovery of tax.

(3) The Minister may, if he thinks fit, and upon such conditions as he may impose, exempt any taxable person or class of taxable persons from collecting and accounting for tax on any taxable supply of goods or services.

*[section 90 of the principal Act is amended]*

### **Return of tax or penalty overpaid or erroneously paid**

**90.**—(1) Except as provided in subsection (1A), where a claim is made in writing in such form and manner as the Comptroller may determine and within

6 years that any money has been overpaid or erroneously paid as tax or penalty under this Act, it shall be lawful for the Comptroller to refund such money to the claimant if it is proved to the satisfaction of the Comptroller that the money has been so overpaid or erroneously paid.

*[by deleting the words “the person” wherever it appears in subsection (1A) and substituting in each case the word “the claimant”]*

(1A) Subject to subsection (1C), where any person makes a claim in accordance with subsection (1B) —

- (a) that any money was overpaid or erroneously paid by him as tax or penalty under this Act —
  - (i) in the case of a claim relating to tax on a supply made or deemed to have been made by a person not registered for tax purposes, on or after 1st January 2007; and
  - (ii) in any other case, in respect of a prescribed accounting period ending on or after 1st January 2007; or
- (b) that any money is due to him under this Act in respect of a prescribed accounting period ending on or after 1st January 2007,

it shall be lawful for the Comptroller to refund or pay such money to ~~the person~~ **the claimant** if it is proved to the satisfaction of the Comptroller that the money was overpaid or erroneously paid as tax or penalty by, or the money is due to, ~~the person~~ **the claimant**.

(1B) A claim referred to in subsection (1A) shall be made —

- (a) in writing in such form and manner as the Comptroller may determine; and
- (b) within 5 years from —
  - (i) in the case of a claim referred to in subsection (1A)(a)(i), the date on which the tax was paid by the buyer to the supplier; and
  - (ii) in the case of a claim referred to in subsection (1A)(a)(ii) or (b), the end of the prescribed accounting period to which the claim relates.

(1C) The Comptroller may refuse to make any refund or payment under subsection (1A) if the claim relates to any tax or penalty which has not been received by the Comptroller.

*[by inserting, immediately after the word “refund” wherever it appears in subsection (2), the words “...”]*

(2) The Comptroller may reduce or altogether withhold any refund or payment due under this section to the extent that the refund or payment would unjustly enrich the claimant.

*[by deleting subsection (3) and substituting the following subsections]*

~~(3) Except as provided in this section, the Comptroller shall not be liable to repay any money which has been overpaid or erroneously paid as tax or penalty under this Act.~~

(3) The Comptroller may, instead of making a refund or payment of any amount to a claimant under this section, reduce the whole or any part of any tax due or which may become due from the claimant under this Act, by the whole or any part of such amount and —

- (a) the amount of the tax due from the claimant shall be reduced by the amount of the reduction; and
- (b) the amount of the reduction shall, to the extent of that amount, be deemed to have been refunded or paid to claimant by the Comptroller.

(4) Where the Comptroller makes any refund or payment to a claimant, the Comptroller may deduct from the refund or payment any expenses that the Comptroller may incur in making the refund or payment.

(5) Except as provided in this section, a person is not entitled to any refund or payment of any money which has been overpaid or erroneously paid by the person as tax or penalty under this Act.

*[section 91 of the principal Act is repealed and the following sections substituted therefor]*

**Temporary arrangements for supplies of services mentioned in section 8(1A) and reverse charge supplies: registration**

**91.**—(1) Where, on or before 22 October 2019, a person knows or could with reasonable diligence have known that he will be liable on 1 January 2020 to be registered —

- (a) by virtue of paragraph 1A(1)(b) of the First Schedule; or
- (b) by virtue of paragraph 1B(1)(b) of the First Schedule,

he must notify the Comptroller of that fact within the period between 1 October 2019 to 1 November 2019 (both dates inclusive), or within such longer time as the Comptroller may allow, and the Comptroller must register the person with effect from 1 January 2020.

(2) Where, during the period from 23 October 2019 to 31 December 2019 (both dates inclusive), a person knows or could with reasonable diligence have known that he will be liable on 1 January 2020 to be registered —

(a) by virtue of paragraph 1A(1)(b) of the First Schedule; or

(b) by virtue of paragraph 1B(1)(b) of the First Schedule,

he must notify the Comptroller of that fact no later than 31 January 2020, or within such longer time as the Comptroller may allow, and the Comptroller must register the person with effect from 1 February 2020 or from such earlier date as may be agreed between the Comptroller and him.

**Temporary arrangements for supplies of services mentioned in section 8(1A): scope of tax and time of supply**

**92.—**(1) Tax is not charged on any supply of services mentioned in section 8(1A) that takes place before 1 January 2020.

(2) Despite subsection (1), tax is charged on any supply of services mentioned in section 8(1A) to the extent the services are performed on or after 1 January 2020 pursuant to an agreement —

(a) made on or after 19 February 2018 and before 1 January 2020; and

(b) that provides (expressly or impliedly) for the supply of services to be performed progressively and continuously over a period that begins before, on or after 1 January 2020.

(3) Where subsection (2) applies, the supply of services is treated as being made as follows:

(a) on 1 January 2020 — to the extent the services are performed on or after 1 January 2020 and covered by any invoice issued or consideration received before 1 January 2020, if the person is a registered person on 31 December 2019;

(b) on 1 January 2020 — to the extent the services are performed on or after 1 January 2020 and covered by any invoice issued or consideration received before 1 January 2020, if the person is registered on 1 January 2020 by virtue of paragraph 1A(1)(b) of the First Schedule under section 91(1);

(c) on 1 February 2020 or an earlier date (as the case may be) under section 91(2) — to the extent the services are performed on or after 1 February 2020 or the earlier date and covered by any invoice issued or consideration received before 1 February 2020 or the earlier date, if

the person becomes liable for registration on 1 January 2020 by virtue of paragraph 1A(1)(b) of the First Schedule and is registered on 1 February 2020 or the earlier date under section 91(2);

- (d) on 1 March 2020 — to the extent the services are performed on or after 1 March 2020 and covered by any invoice issued or consideration received before 1 March 2020, if the person is a registered person by virtue of paragraph 1A(1)(a) of the First Schedule on 1 March 2020.

(4) Subject to subsection (2), where, before 1 January 2020, an invoice is issued for a supply of services mentioned in section 8(1A) and before 1 January 2020 —

- (a) no consideration or only a part of the consideration for the supply is paid; or
- (b) no services are performed or only a part of the services are performed,

tax is chargeable on the supply of services on the amount of the invoice less the higher of the following amounts:

- (i) any part consideration paid before 1 January 2020;
- (ii) the value of any services performed before 1 January 2020.

(5) The supply of services in subsection (4) is treated as taking place as follows:

- (a) on 1 January 2020 — if the person is a registered person on 31 December 2019;
- (b) on 1 January 2020 — if the person is registered on 1 January 2020 by virtue of paragraph 1A(1)(b) of the First Schedule under section 91(1);
- (c) on 1 February 2020 or an earlier date (as the case may be) under section 91(2) — if the person becomes liable for registration on 1 January 2020 by virtue of paragraph 1A(1)(b) of the First Schedule and is registered on 1 February 2020 or the earlier date under section 91(2);
- (d) on 1 March 2020 — if the person is a registered person on 1 March 2020 by virtue of paragraph 1A(1)(a) of First Schedule.

### **Temporary arrangements for reverse charge supplies: scope of tax and time of supply**

**93.—**(1) Tax is not charged on any reverse charge supply under section 14(2) that takes place before 1 January 2020.

(2) Despite subsection (1), where, before 1 January 2020, an invoice is issued for a supply of services that gives rise to a reverse charge supply under section 14(2) and before 1 January 2020 —

(a) no consideration or only a part of the consideration for the supply is paid; or

(b) no services are performed or only a part of the services are performed, tax is chargeable on the reverse charge on the amount of the invoice less the higher of the following amounts:

(i) any part consideration paid before 1 January 2020;

(ii) the value of any services performed before 1 January 2020.

(3) The reverse charge supply in subsection (2) is treated as taking place as follows:

(a) on 1 January 2020 — if the recipient is a registered person on 31 December 2019;

(b) on 1 January 2020 — if the recipient is registered on 1 January 2020 by virtue of paragraph 1B(1)(b) of the First Schedule under section 91(1);

(c) on 1 February 2020 or an earlier date (as the case may be) under section 91(2) — if the recipient becomes liable for registration on 1 January 2020 by virtue of paragraph 1B(1)(b) of the First Schedule and is registered on 1 February 2020 or the earlier date under section 91(2);

(d) on 1 March 2020 — if the recipient is a registered person on 1 March 2020 by virtue of paragraph 1B(1)(a) of First Schedule

*[the First Schedule to the principal Act is amended]*

## FIRST SCHEDULE

### REGISTRATION

#### Liability to be registered

1.—(1) A person who makes taxable supplies but is not registered is liable to be registered in accordance with any of the following:

(a) either —

- (i) at the end of any quarter the last day of which is a day before 1 January 2019, if the total value of all his taxable supplies made in Singapore in that quarter and the 3 quarters immediately preceding that quarter has exceeded \$1 million; or
- (ii) at the end of the year 2019 or a subsequent calendar year, if the total value of all his taxable supplies made in Singapore in that calendar year has exceeded \$1 million;

*[by inserting, immediately after the words “taxable supplies” in paragraph 1(1)(b), (2)(b) and (3)(a) and (b), the words “made in Singapore”]*

- (b) at any time, there are reasonable grounds for believing that the total value of his taxable supplies **made in Singapore** in the period of 12 months then beginning will exceed \$1 million.

(2) Where a business carried on by a taxable person is transferred to another person as a going concern and the transferee is not registered at the time of the transfer, then the transferee becomes liable to be registered at that time —

(a) if —

- (i) for a business transferred before 1 January 2019, the total value of all the transferee’s taxable supplies made in Singapore in the quarter in which the time of the transfer falls and the 3 quarters immediately preceding that quarter has exceeded \$1 million; or
- (ii) for a business transferred on or after 1 January 2019, the total value of all the transferee’s taxable supplies made in Singapore in the calendar year immediately preceding the calendar year in which the time of transfer falls has exceeded \$1 million; or

*[by inserting, immediately after the words “taxable supplies” in paragraph 1(2)(b), the words “...”]*

- (b) if there are reasonable grounds for believing that the total value of his taxable supplies **made in Singapore** in the period of 12 months then beginning will exceed \$1 million.
- (3) A person is not liable to be registered, as the case may be —
- (a) by virtue of sub-paragraph (1)(a)(i) or (2)(a)(i) at the end of any quarter if the Comptroller is satisfied that the value of his taxable supplies **made in Singapore** in the next 4 quarters will not exceed \$1 million; or
- (b) by virtue of sub-paragraph (1)(a)(ii) or (2)(a)(ii) at the end of any calendar year if the Comptroller is satisfied that the value of his taxable supplies **made in Singapore** in the next calendar year will not exceed \$1 million.

*[by deleting sub-paragraphs (4) and (5) of paragraph (1) and substituting the following sub-paragraph]*

~~(4) In determining the value of a person's supplies for the purposes of sub-paragraph (1)(a) or (2)(a), supplies made at a time when he was previously registered shall be disregarded if —~~

- ~~(a) his registration was cancelled otherwise than under paragraph 14; and~~
- ~~(b) the Comptroller is satisfied that before his registration was cancelled he had given the Comptroller all the information the Comptroller needed in order to determine whether to cancel the registration.~~

~~(5) In determining the value of a person's supplies for the purpose of sub-paragraph (1) or (2), supplies of goods or services that are capital assets of the business in the course or furtherance of which they are supplied shall be disregarded.~~

(4) In determining the liability of a person to register by virtue of this paragraph, the taxable supplies referred to in this paragraph exclude any reverse charge supplies of the person.

*[by inserting, immediately after paragraph 1, the following paragraphs]*

1A.—(1) A person who belongs in a country other than Singapore and makes any Seventh Schedule supply is liable to be registered —

- (a) at the end of the year 2019 or any subsequent calendar year, if in that year —
- (i) the total value of all his taxable supplies, and supplies outside Singapore which would have been taxable supplies if made in Singapore, has exceeded \$1 million; and

- (ii) the total value of his Seventh Schedule supplies has exceeded \$100,000; or
- (b) at any time on or after 1 January 2020, if there are reasonable grounds for believing that, in the period of 12 months then beginning —
  - (i) the total value of all his taxable supplies, and supplies outside Singapore which would have been taxable supplies if made in Singapore, will exceed \$1 million; and
  - (ii) the total value of his Seventh Schedule supplies will exceed \$100,000.

(2) Where a business carried on by a taxable person who belongs in a country other than Singapore and who makes any Seventh Schedule supply, is transferred on or after 1 January 2020 as a going concern to another person who belongs in a country other than Singapore, and the transferee is not registered at the time of the transfer, then the transferee becomes liable to be registered at that time if —

- (a) in the calendar year immediately preceding the calendar year in which the time of transfer falls —
  - (i) the total value of all his taxable supplies, and supplies outside Singapore which would have been taxable supplies if made in Singapore, has exceeded \$1 million; and
  - (ii) the total value of his Seventh Schedule supplies has exceeded \$100,000; or
- (b) there are reasonable grounds for believing that, in the period of 12 months then beginning —
  - (i) the total value of all his taxable supplies, and supplies outside Singapore which would have been taxable supplies if made in Singapore, will exceed \$1 million; and
  - (ii) the total value of his Seventh Schedule supplies will exceed \$100,000.

(3) A person is not liable to be registered by virtue of sub-paragraph (1)(a)(i) or (2)(a)(i) at the end of any calendar year if the Comptroller is satisfied that, in the next calendar year —

- (a) the total value of his taxable supplies, and supplies outside Singapore which would be taxable supplies if made in Singapore, will not exceed \$1 million; or
- (b) the value of his Seventh Schedule supplies will not exceed \$100,000 in the next calendar year.

(4) Where a person is liable to be registered by virtue of this paragraph and paragraph 1, the Comptroller must register the person in accordance with paragraph 1 rather than this paragraph.

(5) If a person registered by virtue of this paragraph subsequently becomes liable to be registered by virtue of paragraph 1, the person must inform Comptroller —

- (a) within 30 days after the date on which the person becomes so liable; or
- (b) if no particular day is identifiable as the day on which the person becomes so liable, within 30 days after the end of the quarter in which the person becomes so liable.

1B.—(1) A person who receives services within section 14(1)(a) but is not registered is liable to be registered —

- (a) at the end of the year 2019 or any subsequent calendar year, if in that year the total value of the supply of all such services received by him in Singapore has exceeded \$1 million, and the person is not entitled to claim the full amount of input tax credit under sections 19 and 20 in that calendar year; or
- (b) at any time on or after 1 January 2020, if there are reasonable grounds for believing that the total value of the supply of such services received by him in Singapore in the period of 12 months then beginning will exceed \$1 million, and the person is not entitled to claim the full amount of input tax credit under sections 19 and 20 in that period of 12 months.

(2) Where a business carried on by a taxable person who received services mentioned in section 14(1)(a) was transferred on or after 1 January 2020 as a going concern to another person and the transferee is not registered at the time of the transfer, the transferee becomes liable to be registered at that time if —

- (a) the total value of all supplies of services received by him in Singapore in the calendar year immediately preceding the year of the time of transfer has exceeded \$1 million, and the person is not entitled to claim the full amount of input tax credit under sections 19 and 20 in that calendar year; or
- (b) there are reasonable grounds for believing that the total value of all supplies of services received by him in Singapore in the period of 12 months then beginning will exceed \$1 million, and the person is not entitled to claim the full amount of input tax credit under sections 19 and 20 in that period of 12 months.

1C.—(1) In determining the value of a person’s supplies for the purposes of paragraphs 1(1)(a) or (2)(a), 1A(1)(a) or (2)(a) or 1B(1)(a) or (2)(a), supplies made at a time when he was previously registered shall be disregarded if —

- (a) his registration was cancelled otherwise than under paragraph 14; and
- (b) the Comptroller is satisfied that before his registration was cancelled he had given the Comptroller all the information the Comptroller needed in order to determine whether to cancel the registration.

(2) In determining the value of a person’s supplies for the purpose of paragraphs 1 and 1A, supplies of goods or services that are capital assets of the business in the course or furtherance of which they are supplied shall be disregarded.

*[by deleting the word “paragraph 1” in paragraph 2(1) and substituting the words “paragraphs 1, 1A and 1B”]*

2.—(1) Without prejudice to section 47 and to ~~paragraph 1~~ paragraphs 1, 1A and 1B, if the Comptroller makes a direction under this paragraph, the persons named in the direction shall be treated as a single taxable person carrying on the activities of a business described in the direction and that taxable person shall be liable to be registered with effect from the date of the direction or, if the direction so provides, from such later date as may be specified therein.

(2) The Comptroller may make a direction under this paragraph naming any person where the Comptroller is satisfied —

*[by deleting sub-paragraph (a) of paragraph 2(2) and substituting the following sub-paragraph]*

~~(a) that he is making or has made taxable supplies;~~

(a) that he —

- (i) is making or has made taxable supplies; or
- (ii) is a recipient within section 14(1);

*[by inserting, immediately after the words “taxable supplies” in paragraph 2(2)(b), the words “...”]*

(b) that the activities in the course of which he makes or made those taxable supplies or receives services mentioned in section 14(1)(a) (as the case may be) form only part of certain activities which should properly be regarded as those of the business described in the direction, the other

activities being carried on concurrently or previously (or both) by one or more other persons;

*[by inserting, immediately after the words “taxable supplies of” in paragraph 2(2)(c), the words “...”]*

*by inserting, immediately after the word “paragraph 1” in paragraph 2(2)(c), the word “, 1A or 1B”]*

- (c) that, if all the taxable supplies of [or the services mentioned in section 14\(1\)\(a\) received for \(as the case may be\)](#) that business were taken into account, a person carrying on that business would, at the time of the direction, be liable to be registered by virtue of paragraph 1, [1A or 1B](#); and
- (d) that the main reason or one of the main reasons for the person concerned carrying on the activities first referred to in subparagraph (b) in the way he does is the avoidance of a liability to be registered (whether that liability would be his, another person’s or that of 2 or more persons jointly).

(3) A direction made under this paragraph shall be served on each of the persons named in it.

*[by inserting, immediately after the words “making taxable supplies” in paragraph 2(4), the words “...”]*

(4) Where, after a direction has been given under this paragraph specifying a description of business, it appears to the Comptroller that a person who has not been named in that direction is making taxable supplies [or receiving services mentioned in section 14\(1\)\(a\) \(as the case may be\)](#) in the course of activities which should properly be regarded as part of the activities of that business, the Comptroller may make and serve on him a supplementary direction referring to the earlier direction and the description of business specified in it and adding that person’s name to those of the persons named in the earlier direction with effect from —

*[by inserting, immediately after the words “taxable supplies” in paragraph 2(4)(a), the words “...”]*

- (a) the date on which he began to make those taxable supplies [or receives the services mentioned in section 14\(1\)\(a\) \(as the case may be\)](#); or
- (b) if it was later, the date on which the single taxable person referred to in the earlier direction became liable to be registered.

*[by inserting, immediately after the words “taxable supplies made” in paragraph 2(5), the words “...”]*

(5) If, immediately before a direction (including a supplementary direction) is made under this paragraph, any person named in the direction is registered in respect of the taxable supplies made [or services mentioned in section 14\(1\)\(a\) received \(as the case may be\)](#) by him as mentioned in sub-paragraph (2) or (4), he shall cease to be liable to be so registered with effect from whichever is the later of —

- (a) the date with effect from which the single taxable person concerned became liable to be registered; and
- (b) the date of the direction.

(6) In relation to a business specified in a direction under this paragraph, the persons named in the direction, together with any person named in a supplementary direction relating to that business (being the persons who together are to be treated as the taxable person), are in sub-paragraphs (7) and (8) referred to as “the constituent members”.

(7) Where a direction is made under this paragraph, then, for the purposes of this Act —

- (a) the taxable person carrying on the business specified in the direction shall be registrable in such name as the persons named in the direction may jointly nominate by notice in writing given to the Comptroller not later than 14 days after the date of the direction or, in default of such a nomination, in such name as may be specified in the direction;
- (b) any supply of goods or services by or to one of the constituent members in the course of the activities of the taxable person shall be treated as a supply by or to that person;
- (c) each of the constituent members shall be jointly and severally liable for any tax due from the taxable person;
- (d) without prejudice to sub-paragraph (c), any failure by the taxable person to comply with any requirement imposed by or under this Act shall be treated as a failure by each of the constituent members severally; and
- (e) subject to sub-paragraphs (a) to (d), the constituent members shall be treated as a partnership carrying on the business of the taxable person and any question as to the scope of the activities of that business at any time shall be determined accordingly.

(8) If it appears to the Comptroller that any person who is one of the constituent members should no longer be regarded as such for the purposes of sub-paragraph (7)(c) and (d) and the Comptroller gives notice to that effect, that person shall not have any liability by virtue of those sub-paragraphs for anything done

after the date specified in that notice and, accordingly, on that date he shall be treated as having ceased to be a member of the partnership referred to in sub-paragraph (7)(e).

### End of liability to be registered

*[by deleting paragraph 3 and substituting the following paragraphs]*

~~3.—(1) Subject to sub-paragraph (2), a registered person who makes taxable supplies shall cease to be liable to be registered at any time if the Comptroller is satisfied that, the value of his taxable supplies in the period of 12 months then beginning will not exceed \$1 million.~~

~~(2) A person shall not cease to be liable to be registered by virtue of sub-paragraph (1) if the Comptroller is satisfied that the reason the value of his taxable supplies will not exceed \$1 million is that in the period in question he will cease making taxable supplies, or will suspend making them for a period of 30 days or more.~~

~~(3) In determining the value of a person's supplies for the purposes of sub-paragraph (1), supplies of goods or services that are capital assets of the business in the course or furtherance of which they are supplied shall be disregarded.~~

3. A person that is registered by virtue of paragraph 1 ceases to be liable to be so registered at any time if the Comptroller is satisfied that —

- (a) in the period of 12 months then beginning, the value of the person's taxable supplies will not exceed \$1 million; and
- (b) sub-paragraph (a) applies for a reason other than that the person will cease making taxable supplies, or will suspend making them for a period of 30 days or more.

3A. A person that is registered by virtue of paragraph 1A ceases to be liable to be so registered at any time if the Comptroller is satisfied that —

- (a) in the period of 12 months then beginning —
  - (i) the total value of his taxable supplies, and supplies outside Singapore which would be taxable supplies if made in Singapore, will not exceed \$1 million; or
  - (ii) the value of his Seventh Schedule supplies will not exceed \$100,000; and
- (b) sub-paragraph (a) applies for a reason other than that the person will cease making taxable supplies or supplies which would be taxable

supplies if made in Singapore, or will suspend making them for a period of 30 days or more.

3B. A person that is registered under paragraph 1B ceases to be liable to be so registered at any time if —

- (a) the Comptroller is satisfied that the value of his supplies mentioned in section 14(1) that will be so received in the period of 12 months then beginning will not exceed \$1 million; or
- (b) the person is entitled to claim the full amount of input tax credit under sections 19 and 20 in the period of 12 months mentioned in subparagraph (a).

3C. In determining the value of a person's supplies for the purposes of paragraphs 3 and 3A, supplies of goods or services that are capital assets of the business in the course or furtherance of which they are supplied must be disregarded.

#### Notification of liability and registration

4.—(1) A person who by virtue of paragraph 1(1)(a)(i) is liable to be registered at the end of any quarter must notify the Comptroller in such form as the Comptroller may determine of that liability within 30 days after the end of that quarter.

*[by inserting, immediately after the words “(1)(1)(a)(ii)” in paragraph 4(1A), the words “...”]*

(1A) A person who by virtue of paragraph 1(1)(a)(ii), 1A(1)(a) or 1B(1)(a) is liable to be registered at the end of any calendar year must notify the Comptroller in such form as the Comptroller may determine of that liability within 30 days after the end of that calendar year.

(2) The Comptroller shall register any such person (whether or not he so notifies the Comptroller) with effect from the end of the month following the month in which the 30th day falls or from such earlier date as may be agreed the Comptroller and him.

*[by deleting the words “...” in paragraph 5(1) and substituting the words “...”]*

5.—(1) ~~A person who by virtue of paragraph 1(1)(b) is liable to be registered by reason of the value of his taxable supplies~~ Subject to section 91(1) or (2) (as applicable), a person who by virtue of paragraph 1(1)(b), 1A(1)(b) or 1B(1)(b) is liable to be registered in any period shall notify the Comptroller in such form as

the Comptroller may determine of that liability within 30 days of the beginning of that period.

(2) Subject to sub-paragraph (3), the Comptroller shall register any such person (whether or not he so notifies the Comptroller) with effect from the end of the 30 days or from such earlier date as may be agreed between the Comptroller and him.

*[by deleting sub-paragraph (3) of paragraph 5 and substituting the following sub-paragraph]*

~~(3) Where there are reasonable grounds for believing that the value of such a person's taxable supplies in the first 30 days of the period will exceed \$1 million, the Comptroller may, if he thinks fit, register him with effect from the beginning of the period.~~

(3) Where there are reasonable grounds for believing that, in the first 30 days of the period —

- (a) for a person liable to be registered by virtue of paragraph 1(1)(b), the value of such a person's taxable supplies will exceed \$1 million;
- (b) for a person liable to be registered by virtue of paragraph 1A(1)(b) —
  - (i) the total value of all his taxable supplies, and supplies outside Singapore which would have been taxable supplies if made in Singapore will exceed \$1 million; and
  - (ii) the total value of his Seventh Schedule supplies will exceed \$100,000; or
- (c) for a person liable to be registered by virtue of paragraph 1B(1)(b), the total value of services mentioned in section 14(1)(a) received by him in Singapore, will exceed \$1 million,

then, the Comptroller may, if he thinks fit, register the person with effect from the beginning of the period.

*[by inserting, immediately after the word "paragraph 1(2)" in paragraph 6(1), the words "..."]*

6.—(1) A person who becomes liable to be registered by virtue of paragraph 1(2), 1A(2) or 1B(2) shall notify the Comptroller of the liability within 30 days of the time when the business is transferred.

(2) The Comptroller shall register any such person (whether or not that person so notifies the Comptroller) with effect from the time when the business is transferred.

7. Where a person becomes liable to be registered at the same time, as the case may be —

*[by deleting the word “or” at the end of paragraph 7(a)]*

(a) by virtue of sub-paragraphs (1)(a)(i) and (2)(a)(i) of paragraph 1; ~~or~~

*[by deleting the comma at the end of sub-paragraph (b) of paragraph 7 and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraphs]*

(b) by virtue of sub-paragraphs (1)(a)(ii) and (2)(a)(ii) of paragraph 1;

(c) by virtue of sub-paragraphs (1)(a) and (2)(a) of paragraph 1A; or

(d) by virtue of sub-paragraphs (1)(a) and (2)(a) of paragraph 1B,

the Comptroller shall register the person in accordance with paragraph 6(2) rather than paragraph 4(2).

#### Voluntary registration

8.—(1) Where a person who is not liable to be registered satisfies the Comptroller that he —

(a) makes supplies which are —

(i) taxable supplies; or

(ii) exempt supplies of —

(A) financial services specified in paragraph 1 of Part I of the Fourth Schedule, where the financial services are international services under section 21(3); or

(B) investment precious metals referred to in paragraph 1A of Part I of the Fourth Schedule, where the supplies of the investment precious metals are supplies referred to in section 21(6), (6AA), (6A) or (7);

*[by deleting the comma at the end of sub-paragraph (b) of paragraph 8(1) and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraphs]*

(b) is carrying on a business and intends to make such supplies in the course or furtherance of that business;

(c) is a person not belonging in Singapore and makes or is treated as making Seventh Schedule supplies; or

(d) is a recipient within section 14(1),

the Comptroller may, subject to such conditions as the Comptroller may think fit to impose, and if that person so requests, register him with effect from such date as may be agreed between the Comptroller and him.

(2) Subject to paragraph 12(2), a person registered under sub-paragraph (1) shall remain registered for a period of not less than 2 years or such other shorter period as the Comptroller may determine.

(3) Conditions under sub-paragraph (1) —

- (a) may be imposed wholly or partly by reference to, or without reference to, any condition prescribed for the purposes of this paragraph; and
- (b) may (whenever imposed) be subsequently varied by the Comptroller.

*[by inserting, immediately after the words “taxable supplies” in paragraph 8(4), the words “...”]*

(4) The Comptroller may cancel the registration of a person under this paragraph if he does not begin to make taxable supplies or receive services mentioned in section 14(1)(a) (as the case may be) by the date specified in his request or if he is in breach of any condition imposed under sub-paragraph (1).

9.—(1) Where a person who is not liable to be registered under this Act and is not already so registered satisfies the Comptroller that he —

- (a) makes supplies within paragraph (b), (c) or (d) of section 20(2); or
- (b) is carrying on a business and intends to make such supplies in the course or furtherance of that business,

and (in either case) is within sub-paragraph (2), the Comptroller may, subject to such conditions as the Comptroller may think fit to impose, and if that person so requests, register him with effect from such date as may be agreed between the Comptroller and him.

(2) A person is within this sub-paragraph if —

- (a) he has a business establishment in Singapore or his usual place of residence is in Singapore; and
- (b) he does not make and does not intend to make taxable supplies.

(3) Conditions under sub-paragraph (1) —

- (a) may be imposed wholly or partly by reference to, or without reference to, any condition prescribed for the purposes of this paragraph; and
- (b) may (whenever imposed) be subsequently varied by the Comptroller.

(4) The Comptroller may cancel the registration of a person under this paragraph if he does not begin to make supplies referred to in sub-paragraph (1)(a) by the date specified in his request or if he is in breach of any condition imposed under sub-paragraph (1).

(5) For the purposes of this paragraph —

- (a) a person carrying on a business through a branch or an agency in Singapore shall be treated as having a business establishment in Singapore; and
- (b) “usual place of residence”, in relation to a body corporate, means the place where it is incorporated or otherwise legally constituted.

#### Notification of end of liability, etc.

*[by deleting paragraph 10 and substituting the following paragraph]*

~~10. A person registered under paragraph 4, 5, 6 or 8 who ceases to make or have the intention of making taxable supplies shall notify the Comptroller in writing of that fact and the date thereof within 30 days of the day on which he does so.~~

10. A person registered under paragraph 4, 5, 6 or 8 who (as the case may be) —

- (a) ceases to make or have the intention of making taxable supplies; or
- (b) ceases to receive or have the intention of receiving services mentioned in section 14(1)(a),

shall notify the Comptroller in writing of that fact and the date thereof within 30 days of the day on which he does so.

11. A person registered under paragraph 9 who —

- (a) ceases to make or have the intention of making supplies within paragraph 9(1)(a); or
- (b) makes or forms the intention of making taxable supplies,

shall notify the Comptroller of that fact within 30 days of the day on which he does so unless, in the case of a person ceasing as mentioned in sub-paragraph (a), he would, when he so ceases, be otherwise liable or entitled to be registered under this Act if his registration and any provision preventing a person from being liable to be registered under different provisions at the same time were disregarded.

#### Cancellation of registration

12.—(1) Subject to sub-paragraph (2), where a registered person satisfies the Comptroller that he is not liable to be registered, the Comptroller shall, if that person so requests, cancel his registration with effect from the day on which the request is made or from such later date as may be agreed between the Comptroller and him.

*[by inserting, immediately after the words “taxable supplies” in paragraph 12(2), the words “...”]*

(2) The Comptroller may refuse to cancel the registration of any person registered under paragraph 8 where the Comptroller is not satisfied that that person has ceased to make taxable supplies or receive services mentioned in section 14(1)(a) (as the case may be) and if he thinks it necessary for the protection of the revenue.

13.—(1) Where the Comptroller is satisfied that a registered person has ceased to be registrable, the Comptroller may cancel his registration with effect from the day on which he so ceased or from such later date as may be agreed between the Comptroller and him.

(2) In this paragraph and paragraph 14, “registrable” means liable or eligible to be registered under paragraph 8(1).

14. Where the Comptroller is satisfied that on the day on which a registered person was registered he was not registrable, the Comptroller may cancel his registration with effect from that day.

#### Exemption from registration

15.—(1) Notwithstanding the preceding provisions of this Schedule, where a person who makes or intends to make taxable supplies satisfies the Comptroller that any such supply is zero-rated or would be zero-rated if he were a taxable person, the Comptroller may, if he thinks fit and on that person’s request, exempt him from registration until it appears to the Comptroller that the request should no longer be acted upon or is withdrawn.

*[by inserting, immediately after sub-paragraph (1) of paragraph 15, the following sub-paragraph]*

(1A) Despite the preceding provisions of this Schedule, where a person who is or intends to be a recipient under section 14(2), satisfies the Comptroller that he makes substantial zero-rated supplies out of his total taxable supplies (excluding any reverse charge supplies), the Comptroller may, if he thinks fit and on that

person's request, exempt him from registration until it appears to the Comptroller that the request should no longer be acted upon or is withdrawn.

(2) Where there is a material change in the nature of the supplies made by a person exempted from registration under this paragraph, he shall notify the Comptroller of the change —

- (a) within 30 days of the date on which it occurred; or
- (b) if no particular day is identifiable as the day on which it occurred, within 30 days of the end of the quarter in which it occurred.

(3) Where there is a material alteration in any quarter in the proportion of taxable supplies of such a person that are zero-rated, he shall notify the Comptroller of the alteration within 30 days of the end of the quarter.

### Supplementary

16. The value of a supply of goods or services shall be determined for the purposes of this Schedule on the basis that no tax is chargeable on the supply.

17.—(1) Any notification required or request made under this Schedule shall be made in such form and shall contain such particulars as the Comptroller may determine.

(2) Any person who is required under this Schedule to notify the Comptroller of his liability to be registered or who requests to be registered shall include in his notification or request a declaration to the effect that all the information entered in or accompanying it is true and complete.

(3) Where the notification or request referred to in sub-paragraph (2) is made by a partnership, it shall include, on such form as the Comptroller may determine, the name, address and signature of each partner.

(4) Every registered person except one to whom paragraph 10, 11, 12, 13 or 14 applies shall, within 30 days after any change has been made in the name, constitution or ownership of his business, or after any other event has occurred which may necessitate the variation of the register or cancellation of his registration, notify the Comptroller in writing of such change or event and furnish him with the full particulars thereof.

*[by inserting, immediately after the words "supplies made" in paragraph 18(1), the words "..."]*

18.—(1) References in this Schedule to registration are references to registration in a register kept with the Comptroller in such form as he may determine for the purposes of this Act and references in this Schedule to supplies are references to supplies made *or, for services mentioned in section 14(1)(a), received*, in the course or furtherance of a business.

(2) The Comptroller may allow inspection of the register referred to in subparagraph (1) under such circumstances and on such terms as he may impose.

*[by inserting, immediately after the words “taxable supplies” in paragraph 19, the words “...”]*

19. References in this Schedule to a person making taxable supplies *or receiving services mentioned in section 14(1)(a) (as the case may be)* shall include a reference to all the members of a partnership where such persons are carrying on business in partnership.

*[The Third Schedule to the principal Act is amended]*

### THIRD SCHEDULE

*[by inserting, at the end of the paragraph heading of paragraph 11, the word “: general”]*

Foreign exchange: **general**

11.—(1) ....

*[by inserting, immediately after paragraph 11, the following paragraph]*

Foreign exchange: **Seventh Schedule supplies**

11A.—(1) This paragraph applies in relation to any Seventh Schedule supply.

(2) Where any sum relevant for determining value is expressed in a currency other than Singapore currency, it is to be converted into Singapore currency at the selling rate of exchange prevailing in Singapore at one of the following times at the option of the taxable person:

- (a) the time of the supply;
- (b) the last day of the prescribed accounting period applicable to the supply;
- (c) the time of the filing of the return in relation to the supply;

(3) An option chosen by the taxable person must be applied —

- (a) in relation to all Seventh Schedule supplies made by the taxable person; and
- (b) unless the Comptroller otherwise allows, for at least 2 years after the first time the option is used.

.....

12. ....

*[the principal Act is amended by inserting, immediately after the Sixth Schedule, the following Schedules]*

## SEVENTH SCHEDULE

Section 8(1A)

### SUPPLIES FOR THE PURPOSES OF SECTION 8(1A)

#### **Interpretation**

1.—(1) In this Schedule —

“customer”, in relation to a supply of any digital service, means a person who receives the supply other than —

- (a) as a person registered under this Act; and
- (b) in the course or furtherance of any business carried on by the person;

“electronic marketplace” means a medium that —

- (a) allows suppliers to make supplies available to customers by electronic means; and
- (b) is operated by electronic means,

but not any medium that is solely for processing any payment for any supply;

“local underlying supplier”, in relation to a supply of digital services, means a supplier of any digital service that belongs in Singapore and makes the supply through an electronic marketplace;

“overseas underlying supplier”, in relation to a supply of digital services, means a supplier of any digital service that belongs in a country other than Singapore and makes the supply through an electronic marketplace.

(2) To avoid doubt, in this Part, a person that is only the internet service provider for an electronic marketplace, is not an operator of the electronic marketplace.

#### **Meaning of “digital service”**

2.—(1) For the purposes of this Schedule, “digital service” means any service supplied over the Internet or other electronic network and the nature of which renders its supply essentially automated with minimal or no human intervention, and impossible without the use of information technology and —

- (a) includes any of the following:
  - (i) any digital product;
  - (ii) any software or software update;

- (iii) any image, text or information, or the making available of any database;
  - (iv) any music, film or game;
  - (v) any distance teaching through any pre-recorded medium or e-learning;
  - (vi) any website supply, web-hosting, automated or digital maintenance of any programme;
  - (vii) any service providing or supporting a business or personal presence on any electronic network;
  - (viii) any search-engine or automated helpdesk service;
  - (ix) any listing service for the right to put goods or services for sale on any online market or auction house;
  - (x) any live streaming service;
  - (xi) any advertising service on any intangible media platform, where the Comptroller is satisfied that the advertisement is intended to be substantially promulgated in Singapore;
  - (xii) any support service performed, through electronic means, for arranging or facilitating the completion of underlying transactions; but
- (b) does not include any of the following (except to the extent included under paragraph (a)):
- (i) any telecommunication service as defined in the Fifth Schedule to the Goods and Services Tax (International Services) Order (O 1);
  - (ii) any advertising service on any intangible media platform, where the Comptroller is satisfied that the advertisement is intended to be substantially promulgated outside Singapore.

(2) The Minister may by order in the *Gazette* amend sub-paragraph (1).

### **Supplies for the purposes of section 8(1A)**

3.—(1) For the purpose of section 8(1A) —

- (a) the type of supply of services is any supply of digital services; and
- (b) the circumstances in which the supply of digital services is made, are any of the following circumstances:
  - (i) the supply is made to a customer who belongs in Singapore, and the taxable person belongs in a country other than Singapore;

- (ii) the supply is made to a customer who belongs in Singapore, and the taxable person is —
  - (A) an overseas underlying supplier; or
  - (B) the operator of an electronic marketplace treated under paragraph 4 as making the supply instead of an overseas underlying supplier;
- (iii) the supply is a supply mentioned in paragraph 5(3)(b).

(2) A supplier of any digital service must treat a person to whom the digital service is supplied as being a customer, unless the person provides to the supplier the unique identifier allocated by the Comptroller to the person upon the registration of the person under this Act.

### **Supply treated as that of operator of electronic marketplace**

4.—(1) For the purpose of paragraph 3(1)(b)(ii)(B), an operator of an electronic marketplace is treated as making the supply of digital services to a customer instead of the overseas underlying supplier making the supply through the electronic marketplace of the operator, if any of the following conditions are satisfied:

- (a) the operator authorises the consideration for the supply to be charged to the customer;
- (b) the operator authorises the delivery of the supply to the customer;
- (c) the operator sets the terms and conditions under which the supply is made;
- (d) the documentation provided to the customer identifies the supply as being made by the operator;
- (e) the operator and the overseas underlying supplier have agreed in writing that the operator is chargeable to tax on such supply.

(2) If more than one operator of an electronic marketplace is treated under sub-paragraph (1) as making the supply of digital services —

- (a) the first operator that authorises the charging of or receives consideration for the supply is treated as making the supply; and
- (b) if no operator exists that meets the requirement in sub-paragraph (a), then the first operator that authorises delivery of the supply is treated as making the supply.

(3) For the purposes of this paragraph —

- (a) an operator authorises the charging of consideration for a supply of digital services where it influences whether, at what time, or under which preconditions the customer can make payment for the supply of digital services; and
- (b) an operator authorises the delivery of a supply of digital services where it influences whether, at what time, or under which preconditions the delivery is made.

(4) This paragraph applies whether or not the operator of the electronic marketplace is a supplier of digital services that belongs in Singapore.

### **Elected supplies of operator of electronic marketplace**

5.—(1) Subject to such conditions as the Comptroller may impose, an operator of an electronic marketplace to which paragraph 4 applies may elect to also be chargeable to tax on all supplies of digital services made by local underlying suppliers through the electronic marketplace to customers who belong in Singapore.

(2) An election made under sub-paragraph (1) must be made by notifying the Comptroller in such form and manner and within such time as the Comptroller may require.

(3) Where an election under sub-paragraph (1) has been made in accordance with sub-paragraph (2), then a supply of digital services made by a local underlying supplier through the electronic marketplace to a customer who belongs in Singapore is treated as being 2 supplies, namely:

- (a) a supply of services from the local underlying supplier to the operator of the electronic marketplace; and
- (b) a supply of digital services by the operator of the electronic marketplace to the customer who belongs in Singapore.

(4) Where the operator of an electronic marketplace belongs in a country other than Singapore, then the supply of services mentioned in sub-paragraph (3)(a) is treated as a supply of services that are international services under section 21.

## **EIGHTH SCHEDULE**

### **Section 14(1)**

#### **SERVICES EXCLUDED FOR PURPOSES OF SECTION 14(1)**

1. The following services are excluded for the purpose of section 14(1):

- (a) any services the supply of which would, if the supply of the services were made by a taxable person in Singapore, be an exempt supply under section 22 and the Fourth Schedule;
- (b) any services the supply of which would, if the supply of the services were made by a taxable person in Singapore, be a supply of international services which is zero-rated under section 21(1);
- (c) any services the supply of which is attributable to taxable supplies under regulations made under section 20, unless the taxable person claiming input tax in respect of the first-mentioned supply may apply a fixed input tax recovery rate or formula for all input tax claimed by him.

2. Without affecting the generality of paragraph 1, services are excluded for the purpose of section 14(1) to the extent that —

- (a) such services were previously supplied by a taxable person who belongs in Singapore to the overseas supplier who subsequently supplied such services to the recipient; and
- (b) tax was charged on such previous supply to the overseas supplier, where such supply was not zero-rated under section 21 or exempt under section 22.

**CONSEQUENTIAL AMENDMENT**  
**TO INCOME TAX ACT**

**Deductions not allowed**

**15.—**(1) Notwithstanding the provisions of this Act, for the purpose of ascertaining the income of any person, no deduction shall be allowed in respect of —

...

- (*m*) any amount of output tax paid or payable under the Goods and Services Tax Act which is borne by the person if he is registered as a taxable person under that Act, but not any amount of output tax paid or payable on a reverse charge supply under section 14(2) of that Act, to the extent that credit of such amount as input tax is not allowed under that Act;

...