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GOVERNMENT GAZETTE

ACTS SUPPLEMENT

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The following Act was passed by Parliament on 16th August 2010 and assented to by the President on 31st August 2010:—

REPUBLIC OF SINGAPORE

No. 20 of 2010.

I assent.

(LS)

S R NATHAN,
President.
31st August 2010.

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

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

Short title and commencement

1. This Act may be cited as the Goods and Services Tax (Amendment) Act 2010 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 2

2. Section 2(1) of the Goods and Services Tax Act (referred to in this Act as the principal Act) is amended by deleting the words “and in relation to imported goods has the meaning given to it by section 18(3)” in the definition of “open market value”.

Repeal and re-enactment of sections 11 and 12 and new sections 11A, 11B and 12A

3. Sections 11 and 12 of the principal Act are repealed and the following sections substituted therefor:

“Time of supply: general provisions

11.—(1) This section and sections 11A, 11B, 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.

(2) A supply of goods or services 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.

(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.

(5) For the purpose of determining the time when a supply of goods or services 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.

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.

(2) For the purposes of paragraphs 1(1) and (2) and 2 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.

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.

(3) Subject to subsection (7), 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.

(4) The Minister may by regulations prescribe supplies of goods or services which shall be excluded from subsection (3).

(5) Subject to subsections (3) and (7), where —

(a) a person making a supply of goods or services also makes a supply of financial services referred to in paragraph 1 of the Fourth Schedule to the recipient of the goods or services in respect of the supply of the goods or services; and

(b) the financial services provide for payment by instalments,

then the supply of the goods or services shall be treated as wholly taking place at the time when —

(i) the invoice in respect of the first instalment is issued or the first instalment is paid; or

(ii) where both events occur, the first of the 2 events occurs.

(6) Subject to subsection (7), where, pursuant to a supply of goods or services —

(a) a taxable person —

(i) in the case of a supply of goods —

- (A) if the goods are to be removed, allows their removal; or
- (B) if the goods are not to be removed, makes them available to the person to whom they are supplied; or
- (ii) in the case of a supply of services, performs the services,
as the case may be, whether on a single occasion or on different occasions;
- (b) the person then ceases to be a taxable person; and
- (c) no invoice or consideration covering the whole of the supply has been issued or received, as the case may be, by the taxable person prior to the date when the person ceases to be a taxable person,

the supply of goods or services shall be treated as taking place on the day immediately before the day the person ceases to be a taxable person, to the extent that it is not covered by any invoice already issued or consideration already received.

- (7) Subsections (2), (3), (5) and (6) shall not apply in relation to —
 - (a) any supply of goods referred to in section 11(3)(a) or (c); or
 - (b) any supply of goods or services made by a person whose application has been allowed by the Comptroller under section 11(3)(b).

Time of supply: directions and regulations

12.—(1) Notwithstanding sections 11, 11A and 11B, the Comptroller may, at the request of a taxable person, by direction in writing alter the time at which supplies made 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

(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 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, the Minister may by regulations —

(a) make provision with respect to the time at which (notwithstanding sections 11, 11A, 11B 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

(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.

(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.

Time of supply: transitional provision

12A. Notwithstanding anything in section 11, 11A, 11B or 12, the repealed sections 11 and 12 in force immediately before the date of commencement of section 3 of the Goods and Services Tax (Amendment) Act 2010 shall apply to any supply that is —

- (a) a supply of goods pursuant to which the goods are removed or made available before 1st January 2011; or
- (b) a supply of services pursuant to which the services are performed before 1st January 2011,

other than any supply to which regulations made under subsection (8) of that repealed section 12 applies.”.

Repeal and re-enactment of section 18

4. Section 18 of the principal Act is repealed and the following section substituted therefor:

“Value of imported goods

18.—(1) For the purposes of this Act, the value of imported goods shall be determined as follows:

- (a) subject to paragraph (b), the value of the goods shall be the aggregate of the following:
 - (i) the value of the goods determined in accordance with such method of valuation as may be prescribed pursuant to section 22 of the Customs Act (Cap. 70); and
 - (ii) so far as not already included in the value referred to in sub-paragraph (i), all taxes, duties and other charges levied either outside or, by reason of importation, within Singapore (except goods and services tax); and
- (b) subject to the Third Schedule, where goods from outside Singapore enter Singapore under customs control and one or more supplies of those goods involve —
 - (i) the goods being removed from a place under such customs control; or
 - (ii) the goods being made available whilst under such customs control,

the value of the goods shall be the aggregate of the following:

- (A) the value of the last of such supplies; and
- (B) so far as not already included in the value referred to in sub-paragraph (A) —
 - (BA) all taxes, duties and other charges levied either outside or, by reason of importation, within Singapore (except goods and services tax); and
 - (BB) all costs by way of commission, packing, transport and insurance and all other costs, charges and expenses incidental to the sale and the delivery of the goods up to the port or place of importation.

(2) In the application of the Customs Act (Cap. 70), by virtue of section 26, to any goods which are not subject to either customs duty or excise duty, such goods shall be construed as being under “customs control” within the meaning of section 3(2) of the Customs Act —

- (a) as if they are dutiable goods; and
- (b) as if the reference to a licensed warehouse in section 3(2) of the Customs Act includes a warehouse or other place licensed under section 37(5)(b).”.

Amendment of section 19

5. Section 19 of the principal Act is amended —

- (a) by inserting, immediately after subsection (3), the following subsection:

“(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.”;
- (b) by deleting the words “subsections (6) and (7)” in subsection (5) and substituting the words “subsections (5A), (6) and (7)”;

(c) by inserting, immediately after subsection (5), the following subsection:

“(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.”.

Amendment of section 21

6. Section 21 of the principal Act is amended —

(a) by deleting sub-paragraphs (i), (ii) and (iii) of subsection (3)(a) and substituting the following sub-paragraphs:

“(i) in the case of transport by air or land, where the transportation is —

- (A) from a place outside Singapore to another place outside Singapore;
- (B) from a place in Singapore to a place outside Singapore; or
- (C) from a place outside Singapore to a place in Singapore; and

(ii) in the case of transport by sea, where the transportation is —

- (A) from a place outside Singapore to another place outside Singapore; or
- (B) from a place in Singapore or to a place in Singapore, and substantially outside Singapore;”;

(b) by deleting the words “paragraph (a)(ii) or (iii)” in subsection (3)(b) and substituting the words “paragraph (a)(i) and (ii) (other

than in relation to any transportation that is from a place outside Singapore to another place outside Singapore)”;

- (c) by deleting the words “For the purposes of subsection (3)” in subsection (4) and substituting the words “For the purposes of subsections (3), (6), (6A) and (6B)”;
- (d) by deleting the definition of “ship” in subsection (4)(a) and substituting the following definition:

“ “ship” means any ship (including an oil rig) but does not include any ship —

- (i) that is licensed under the Maritime and Port Authority of Singapore Act (Cap. 170A) as a passenger harbour craft or pleasure craft;
- (ii) in respect of which a vessel permit has been granted by the Public Utilities Board under regulations made under the Public Utilities Act (Cap. 261); or
- (iii) that is designed or adapted for use for recreation or pleasure and is so used within Singapore (unless the use within Singapore is for such purpose that is incidental to its use outside Singapore as the Comptroller may allow);”;

- (e) by deleting paragraph (b) of subsection (6) and substituting the following paragraph:

“(b) has shipped them —

- (i) for use as stores or fuel on an aircraft; or
- (ii) for sale by retail as merchandise to persons carried on an aircraft,”;

- (f) by inserting, immediately after subsection (6), the following subsections:

“(6A) Subject to subsection (6B), a supply relating to goods is zero-rated where the Comptroller is satisfied that the goods are —

- (a) for use as stores or fuel on a ship;
- (b) for installation on a ship or a ship under construction;

- (c) for use in the maintenance or operation of a ship; or
- (d) for sale by retail as merchandise to persons carried on a ship,

and, in any of those cases, if such other conditions or restrictions, if any, as may be prescribed by the Minister in regulations or as the Comptroller may impose are fulfilled.

(6B) Where there is a supply relating to goods referred to in subsection (6A) in relation to any ship which is designed or adapted for use for recreation or pleasure, the supply is zero-rated under that subsection only if the Comptroller is satisfied that the goods are used outside of Singapore.”;

- (g) by deleting the words “zero-rated under subsection (6)” in subsection (8) and substituting the words “zero-rated under subsection (6) or (6A)”;
- (h) by deleting the words “subsection (6) or (7)” in subsection (8)(b) and substituting the words “subsection (6), (6A) or (7)”.

Amendment of section 23

7. Section 23 of the principal Act is amended by deleting the section heading and substituting the following section heading:

“Relief on supply of certain goods under Margin Scheme”.

New section 27A

8. The principal Act is amended by inserting, immediately after section 27 in Part V, the following section:

“Deferment of payment of tax on importation of goods

27A.—(1) The Minister may by regulations in relation to goods imported by any taxable person in the course or furtherance of any business carried on by him, permit those goods to be delivered or removed in accordance with those regulations notwithstanding that the tax chargeable on the importation has yet to be paid and notwithstanding —

- (a) any other provision of this Act; or

(b) any written law relating to customs or excise duties applicable in accordance with section 26.

(2) Regulations made under subsection (1) may require a taxable person referred to in that subsection to account for and pay the tax chargeable on the importation of the goods in such form and manner, within such time and to such person as may be prescribed.

(3) The Comptroller may, for the protection of revenue, impose conditions in relation to any importation of goods referred to in subsection (1).

(4) The Comptroller may publish the names and such other particulars of the taxable persons to whom regulations made under this section apply in such form or manner as he thinks fit.”.

Repeal and re-enactment of section 37

9. Section 37 of the principal Act is repealed and the following section substituted therefor:

“Goods under customs control

37.—(1) Subject to subsection (4), where goods from outside Singapore enter Singapore under customs control and one or more supplies of those goods involve —

- (a) the goods being removed from a place under such customs control; or
- (b) the goods being made available whilst under such customs control,

then (except for the purposes of section 18(1)(b)) all such supplies of the goods shall be disregarded for the purposes of this Act.

(2) Subject to subsection (4), where —

- (a) goods are produced or manufactured whilst under customs control in the customs territory in a place specified in a licence granted under section 63(1) of the Customs Act (Cap. 70) or such produced or manufactured goods are mixed, whilst under customs control in the customs territory, with imported goods; and

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- (b) one or more supplies of the produced or manufactured goods, or those produced or manufactured goods mixed with imported goods, involve —
 - (i) the goods being removed from a place under such customs control; or
 - (ii) the goods being made available whilst under such customs control,

then —

- (A) all such supplies other than the last supply shall, except where the contrary intention appears, be disregarded for the purposes of this Act; and
 - (B) the following shall apply in relation to the last supply:
 - (BA) the supply shall be treated for the purposes of this Act as taking place at the time the goods are removed from such customs control;
 - (BB) the value of the supply shall be treated as including any customs duty or excise duty to which the goods are subject;
 - (BC) the tax on the supply shall be payable at the duty point —
 - (I) if the goods are subject to customs duty or excise duty, by the person required to pay any such duty, unless otherwise prescribed; and
 - (II) if the goods are not subject to customs duty or excise duty, by the person by whom the goods are removed.
- (3) Subject to subsection (4), where —
- (a) imported goods that are under customs control (referred to in this section as the first-mentioned goods) are used to produce or manufacture other goods in the customs territory in a place specified in a licence granted under section 63(1) of the Customs Act (Cap. 70); and

(b) no supplies of the other goods involve —

- (i) the other goods being removed from a place under such customs control; or
- (ii) the other goods being made available whilst under such customs control,

then, when the other goods are removed from customs control —

- (A) the first-mentioned goods shall be treated as having been removed from customs control at the time the other goods are produced or manufactured; and
- (B) the tax payable on the importation of the first-mentioned goods shall be payable at the duty point pertaining to the other goods —
 - (BA) if the other goods are subject to customs duty or excise duty, by the person who is required to pay the duty; and
 - (BB) if the other goods are not subject to customs duty or excise duty, by the person by whom the other goods are removed,

unless otherwise prescribed.

(4) Notwithstanding subsections (1), (2) and (3), where —

- (a) the goods referred to in subsections (1), (2)(a) and (3)(a) are brought under customs control into the customs territory and are thereafter —
 - (i) brought to 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 goods continue to remain under customs control); and
 - (ii) brought to that place for the purpose of an auction, an exhibition or other similar event involving the display of goods;
- (b) one or more supplies of the goods are made whilst they are in that place; and
- (c) the goods supplied are then removed directly from that place so as to be removed from customs control,

those supplies shall not be disregarded for the purpose of this Act and shall be chargeable to tax in accordance with the provisions of this Act (other than this section).

(5) The Minister may by regulations —

- (a) provide that the goods referred to in subsection (1), (2)(a) or (3)(a) —
 - (i) may be removed from customs control without payment of the tax in such circumstances as may be prescribed; and
 - (ii) for such tax to be accounted for together with the tax chargeable on the supply of goods or services by him;
- (b) provide for the licensing of warehouses or other places for the purposes of this section and such regulations may provide for the imposition of conditions thereon and the payment of any prescribed fee; and
- (c) prescribe anything which may be prescribed under this section.

(6) In the application of the Customs Act (Cap. 70), by virtue of section 26, to any goods which are not subject to either customs duty or excise duty, such goods shall be construed as being under “customs control” within the meaning of section 3(2) of the Customs Act —

- (a) as if they are dutiable goods; and
- (b) as if the reference to a licensed warehouse in section 3(2) of the Customs Act includes a warehouse or other place licensed under this section.

(7) In this section —

“customs territory” and “proper officer of customs” have the same meanings as in section 3(1) of the Customs Act;

“duty point”, in relation to any goods, means —

- (a) in the case of goods which are subject to customs duty or excise duty or both customs duty and excise duty, the time when the customs duty or excise duty takes effect, whichever is the earlier; or

- (b) in the case of goods which are not subject to either customs duty or excise duty, the time when the goods are removed from customs control.”.

Amendment of section 37A

10. Section 37A of the principal Act is amended —

- (a) by deleting the words “which comprises the treatment or processing of goods for and to a person who belongs in a country other than Singapore to be disregarded for the purposes of this Act subject to such conditions or restrictions as may be prescribed or as the Comptroller may impose for the protection of the revenue.” in subsection (1) and substituting the following words:

“which comprises the treatment or processing of goods —

- (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),

to be disregarded for the purposes of this Act subject to such conditions or restrictions as may be prescribed or as the Comptroller may impose for the protection of the revenue.”;

- (b) by deleting subsection (2) and substituting the following subsections:

“(2) Regulations made under subsection (1) may provide for the following:

- (a) for the treated or processed goods to be delivered only to —
- (i) any taxable person approved by the Comptroller;
or
- (ii) the customer of an overseas person to whom the overseas person supplies the goods,

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 treated or processed 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 delivers the goods to the customer of an overseas person referred to in paragraph (a)(ii), 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 to that customer in the course or furtherance of his business.

(3) The Comptroller may publish the names and such other particulars of the taxable persons to whom regulations made under this section apply in such form or manner as he thinks fit.”; and

- (c) by deleting the words “for and to” in the section heading and substituting the word “of”.

Amendment of section 38

11. Section 38 of the principal Act is amended by deleting subsection (4) and substituting the following subsections:

“(4) Notwithstanding sections 11, 11A, 11B and 12, for the purposes of this section, a prescribed supply of goods or services shall be treated as taking place —

- (a) in the case of a prescribed supply that is a supply of goods —
 - (i) if the goods are to be removed, at the time of the removal; or

(ii) if the goods are not to be removed, at the time when they are made available to the person to whom they are supplied; or

(b) in the case of a prescribed supply that is a supply of services, at the time when the services are performed.

(4A) Section 12(1) shall not apply for determining the time when any prescribed supply of goods or services is to be treated as taking place.”.

Repeal and re-enactment of section 39

12. Section 39 of the principal Act is repealed and the following section substituted therefor:

“Supplies spanning change of rate, etc.

39.—(1) This section shall apply where there is a change in the tax rate in force under section 16 or a change in the descriptions of exempt or zero-rated supplies, notwithstanding any different result that may arise by virtue of the application of sections 11, 11A, 11B and 12.

(2) Subject to subsections (3) and (7), where, pursuant to a supply of goods or services —

(a) before the change —

(i) in the case of a supply of goods —

(A) if the goods are to be removed, they are removed; or

(B) if the goods are not to be removed, they are made available to the person to whom they are supplied; or

(ii) in the case of a supply of services, the services are performed,

and, after the change, the invoice is issued or any consideration is received; or

(b) before the change, the invoice is issued or any consideration is received before the change, and, after the change —

(i) in the case of a supply of goods —

(A) if the goods are to be removed, they are removed; or

(B) if the goods are not to be removed, they are made available to the person to whom they are supplied; or

(ii) in the case of a supply of services, the services are performed,

then the rate at which tax is chargeable on the supply, or any question whether it is zero-rated or exempt, shall, if the person making it so elects, be determined at the time when the goods are removed or made available, or the services are performed, as the case may be.

(3) Where, in relation to an invoice issued before the date an increase in tax rate comes into operation —

(a) before that date, no consideration or only a part of the consideration was received; or

(b) before that date —

(i) in the case of a supply of goods —

(A) if the goods are to be removed, no goods were removed or only a part of the goods were removed; or

(B) if the goods are not to be removed, no goods are made available or only a part of the goods were made available to the person to whom they are supplied; or

(ii) in the case of a supply of services, no services were performed or only a part of the services were performed,

then the rate at which tax is chargeable on the supply shall be as follows:

(c) tax shall be charged at the old tax rate on the higher of the following amounts:

(i) any part consideration received before the date of change; or

(ii) the value of any goods removed or made available, or any services performed, as the case may be, before that date; and

(d) tax shall be charged at the new tax rate on the amount of the invoice less the amount on which tax is charged at the old tax rate under paragraph (c).

(4) For the purpose of subsection (3), an invoice referred to in that subsection shall, on the date the increase in tax rate comes into operation, cease to have effect to the extent of the amount on which tax is chargeable at the new tax rate under subsection (3)(d).

(5) Where an invoice that ceases to have effect under subsection (4) is a tax invoice, the person making the supply shall issue a new tax invoice specifying —

(a) the new tax rate; and

(b) the amount on which tax is chargeable at the new tax rate under subsection (3)(d),

and tax shall be chargeable on the supply to which the new tax invoice relates as if it were a separate supply.

(6) Nothing in subsection (2), (3), (4) or (5) shall affect any tax which (apart from those subsections) is chargeable on a supply to which an invoice referred to in subsection (3) relates, and such tax shall be accounted for and paid to the Comptroller as if those subsections had not been enacted.

(7) Where, in relation to an invoice issued before the date a supply ceases to be a zero-rated or an exempt supply —

(a) before that date, no consideration or only a part of the consideration was received; or

(b) before that date —

(i) in the case of a supply of goods —

(A) if the goods are to be removed, no goods were removed or only a part of the goods were removed; or

(B) if the goods are not to be removed, no goods are made available or only a part of the goods were

made available to the person to whom they are supplied; or

- (ii) in the case of a supply of services, no services were performed or only a part of the services were performed,

tax shall be chargeable at the rate applicable on that date on the amount of the invoice less the higher of the following amounts:

- (c) any part consideration received before that date; or
(d) the value of any goods removed or made available, or any services performed, as the case may be, before that date.

(8) For the purpose of subsection (7), an invoice referred to in that subsection shall, on the date the supply ceases to be a zero-rated or an exempt supply, cease to have effect to the extent of the amount on which tax is chargeable under subsection (7).

(9) Where an invoice that ceases to have effect under subsection (8) is a tax invoice, the person making the supply shall issue a new tax invoice specifying —

- (a) the tax rate applicable on the date the supply ceases to be a zero-rated or an exempt supply; and
(b) the amount on which tax is chargeable at that tax rate under subsection (7),

and tax shall be chargeable on the supply to which the new invoice relates as if it were a separate supply.

(10) Regulations made under section 41 may, in relation to any tax invoice which —

- (a) relates to a supply in respect of which an election is made under this section and which was issued before the election was made; or
(b) ceases to have effect under subsection (4) or (8),

provide for the replacement or correction of that invoice (including the issue of a credit note).

(11) No election may be made under this section in respect of a supply to which paragraph 6 of the Second Schedule applies.

(12) For the purposes of this section, where only a part of the goods are removed or made available, or only a part of the services are performed, as the case may be, the value of the supply so partly made shall be such value as is, in the opinion of the Comptroller, reasonably attributable to the supply so partly made.

(13) In this section —

“new tax rate” means the tax rate applicable on the date an increase in tax rate comes into operation;

“old tax rate” means the tax rate applicable immediately before the date an increase in tax rate comes into operation.”.

Amendment of section 41

13. Section 41 of the principal Act is amended —

- (a) by deleting the word “and” at the end of subsection (1)(a);
- (b) by deleting the full-stop at the end of paragraph (b) of subsection (1) and substituting the word “; and”, and by inserting immediately thereafter the following paragraph:

“(c) provide for the circumstances in which a document by a taxable person purporting to be a tax invoice in respect of a supply of goods or services to him by another taxable person, is to be treated as a tax invoice required under paragraph (b) to be provided by the taxable person supplying the goods or services.”; and

- (c) by deleting subsection (7) and substituting the following subsections:

“(7) At the end of a prescribed accounting period —

- (a) the amount of tax due from any person that is his output tax after deduction of input tax allowable under section 20; or

- (b) the amount due to any person under section 19(5),

as the case may be, shall be zero if the amount is less than \$5 or such other amount as the Minister may by order prescribe.

(8) At the end of a prescribed accounting period, the amount of tax due from a person that is tax accounted for by him pursuant to regulations made under section 27A shall be nil if

it is less than \$5 or such other amount as the Minister may by order prescribe.”.

Amendment of section 42

14. Section 42 of the principal Act is amended —

- (a) by deleting the words “an electronic service for —” in subsection (1) and substituting the words “for the following to be effected electronically.”;
- (b) by deleting the words “any return, declaration or document” in subsections (1)(b), (3)(b), (4)(b), (5), (6), (8)(a), (9)(a) and (13)(b) and substituting in each case the words “any return, declaration, document, application or information”;
- (c) by deleting the words “the electronic service” wherever they appear in subsections (2), (3), (4), (6), (7), (8)(a) and (i), (9)(a), (10)(c), (12) and (13)(a), (b), and (c) and substituting in each case the words “an electronic service”;
- (d) by deleting the words “the return, declaration or document” in subsections (6)(a) and (b) and (9) and substituting in each case the words “the return, declaration, document, application or information”;
- (e) by inserting, immediately after the word “declaration,” in subsections (10)(a)(i) and (ii) and (11), the words “application, information,”; and
- (f) by inserting, immediately after subsection (13), the following subsection:

“(14) In this section, “electronic service” means any service established or approved by the Comptroller for any or all of the purposes in subsection (1).”.

Amendment of section 59

15. Section 59 of the principal Act is amended —

- (a) by inserting, immediately after the words “output tax” in subsection (1)(a), the words “or any tax that is accountable pursuant to regulations made under section 27A”; and

- (b) by inserting, immediately after the words “output tax” in subsection (2)(a), the words “or any tax that is accountable pursuant to regulations made under section 27A”.

Amendment of section 60

16. Section 60 of the principal Act is amended by inserting, immediately after subsection (1), the following subsection:

“(1A) Subsection (1) shall apply separately to —

- (a) the output tax of a taxable person after deduction of input tax allowable under section 20; and
- (b) tax accountable by a taxable person pursuant to regulations made under section 27A.”.

Amendment of Third Schedule

17. The Third Schedule to the principal Act is amended —

- (a) by deleting paragraphs 2 and 6;
- (b) by deleting the words “or in the case of the import of goods at the rate of exchange determined by the Director-General of Customs at the time applicable under the Customs Act (Cap. 70) for the calculation of customs or excise duties and valuation” in paragraph 11(1);
- (c) by deleting the words “approved exclusively for residential purposes under the Planning Act (Cap. 232)” in paragraph 13 and substituting the words “which is used or to be used principally for residential purposes”; and
- (d) by renumbering paragraph 13 as sub-paragraph (1) of that paragraph, and by inserting immediately thereafter the following sub-paragraph:

“(2) For the purpose of sub-paragraph (1), the Minister may, by order published in the *Gazette*, provide that any building, flat or tenement is to be included, or is not to be included, as a building, flat or tenement used or to be used principally for residential purposes.”.

Amendment of Fourth Schedule

18. The Fourth Schedule to the principal Act is amended —

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- (a) by deleting sub-paragraph (c) of paragraph 2 and substituting the following sub-paragraph:
- “(c) any land or part thereof with any building, flat or tenement thereon, being a building, flat or tenement which is used or to be used principally for residential purposes.”;
- (b) by deleting sub-paragraph (c) of paragraph 4(3) and substituting the following sub-paragraph:
- “(c) any building, flat or tenement which is not used or to be used principally for residential purposes.”; and
- (c) by inserting, immediately after sub-paragraph (3) of paragraph 4, the following sub-paragraph:
- “(4) For the purpose of paragraphs 2(c) and 4(3)(c), the Minister may, by order published in the *Gazette*, provide that any building, flat or tenement is to be included, or is not to be included, as a building, flat or tenement used or to be used principally for residential purposes.”.

Savings and transitional provision

19. For a period of 2 years after the date of commencement of this section, the Minister may, by regulations published in the *Gazette*, prescribe such provisions of a savings or transitional nature consequent on the enactment of this Act, as he may consider necessary or expedient.
