

Goods and Services Tax (Amendment) Bill

Bill No. 23/99.

Read the first time on 6th July 1999.

A BILL

intituled

An Act to amend the Goods and Services Tax Act (Chapter 117A of the 1997 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
5 (Amendment) Act 1999 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Amendment of section 12

2. Section 12 (8) of the Goods and Services Tax Act (referred to in this Act as the principal Act) is amended by deleting the words “section 38 applies” in paragraph (d) and substituting the words “sections 37A and 38 apply”.

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Amendment of section 20

3. Section 20 (2) of the principal Act is amended by deleting the word “provides” in paragraph (d) and substituting the words “or regulations made under section 37A provide”.

New section 37A

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4. The principal Act is amended by inserting, immediately after section 37, the following section:

“Treatment or processing of goods for and to 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 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.

(2) Regulations made under subsection (1) may require that another taxable person, who receives such treated or processed goods from the taxable person referred to in subsection (1), shall account for and pay the tax as if the recipient had himself supplied the goods in Singapore in the course or furtherance of his business, and as if that supply were a taxable supply.”.

EXPLANATORY STATEMENT

This Bill seeks to amend the Goods and Services Tax Act (Cap. 117A) to enable the Minister to make regulations for certain supplies to be treated as out of scope and accordingly goods and services tax will not be chargeable on such supplies. At the same time, the approved supplier can claim credit for input tax attributable to such supplies under section 20 as amended by this Bill. The supply which will be treated as out of scope is a supply, made by an approved taxable person, which comprises the treatment or processing of goods for and to a person

who belongs in a country other than Singapore. The Bill also allows the regulations to require the recipient of such goods to account for and pay output tax as if he had himself supplied the goods. The Bill also amends section 12 (8) to allow regulations to be made with respect to the time of supply for the purposes of the recipient accounting for the output tax.

EXPENDITURE OF PUBLIC MONEY

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