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The following Act was passed by Parliament on 22nd November 2011 and assented to by the President on 8th December 2011:—

**REPUBLIC OF SINGAPORE**

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**No. 24 of 2011.**

I assent.

TONY TAN KENG YAM,  
*President.*  
*8th December 2011.*



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.—(1) This Act may be cited as the Goods and Services Tax (Amendment) Act 2011 and shall, with the exception of section 2, come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

(2) Section 2 shall be deemed to have come into operation on 1st January 2011.

**Amendment of section 11**

2. Section 11 of the Goods and Services Tax Act (referred to in this Act as the principal Act) is amended —

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

“(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.”; and

(b) by deleting paragraphs (a) and (b) of subsection (4) and substituting the following paragraphs:

“(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.”.

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**Amendment of section 21****3. Section 21 of the principal Act is amended —**

- (a) by deleting the word “or” at the end of subsection (3)(w);
- (b) by deleting the full-stop at the end of paragraph (x) of subsection (3) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:

“(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
- (ii) which directly benefit a person who belongs in a country other than 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 an auction, an exhibition or other similar event involving the display of goods; and
  - (BB) the goods will be returned to any approved warehouse after the auction or exhibition or other similar event involving the display of goods.”;

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

““approved warehouse” means a warehouse or other premises approved by the Comptroller as an approved warehouse;” and

(d) by inserting, immediately after subsection (7), the following subsections:

“(7A) The Minister may by regulations provide for the following:

(a) for matters relating to the grant of approval by the Comptroller for a warehouse or other premises to be an approved warehouse;

(b) where such approval is subject to any condition or requirement and the person to whom the approval is granted fails to comply with any such condition or requirement, for matters relating to the payment to the Comptroller without demand by that person of the tax that would, but for subsection (3)(y) or section 21C, be chargeable on the supplies that are referred to therein (whether made by that person or any other person) and that take place during such period as may be prescribed, commencing on or after the date of the failure.

(7B) The Comptroller may publish such details of approved warehouses in such form or manner as he thinks fit.”.

#### **New sections 21B and 21C**

4. The principal Act is amended by inserting, immediately after section 21A, the following sections:

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**“Zero-rating of supplies relating to goods to approved taxable person in shipping or marine industry**

**21B.**—(1) The Minister may by regulations, in relation to a supply relating to 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).

(5) The Comptroller may publish the names and such other particulars of the taxable persons approved by the Comptroller under subsection (1) in such form or manner as he thinks fit.

**Zero-rating of grant or assignment of lease, tenancy or licence to occupy land**

**21C.**—(1) The grant or assignment by any taxable person of a lease, tenancy or licence to occupy land where the lease, tenancy or licence —

- (a) is granted or assigned under a contract with a person who belongs in a country outside Singapore; and
- (b) directly benefits a person who belongs in a country other than Singapore,

shall be zero-rated if —

- (i) the taxable person has made an application to and the Comptroller has approved the application for a warehouse or other premises to be an approved warehouse;
- (ii) the whole of the land which is the subject of the lease, tenancy or licence is part of the approved warehouse; and
- (iii) the land which is the subject of the lease, tenancy or licence is used by the taxable person in his business of storing prescribed goods other than the goods of the taxable person.

(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) In this section, “approved warehouse” has the same meaning as in section 21(4)(a).”.

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**Amendment of section 27**

5. Section 27(2) of the principal Act is amended —

(a) by inserting, immediately before paragraph (a), the following paragraph:

“(a) provide that goods imported by a taxable person in the course or furtherance of any business carried on by him (as referred to in subsection (1)(a)) may, where such requirements as may be prescribed are satisfied, include imported goods which are consigned to the taxable person as recipient in order for the taxable person to make supplies (other than supplies referred to in section 22) using or in relation to those goods;” and

(b) by re-lettering the existing paragraph (a) as paragraph (aa).

**Amendment of section 27A**

6. Section 27A of the principal Act is amended by deleting subsection (2) and substituting the following subsection:

“(2) Regulations made under subsection (1) may —

(a) provide that goods imported by a taxable person in the course or furtherance of any business carried on by him (as referred to in subsection (1)) may, where such requirements as may be prescribed are satisfied, include imported goods which are consigned to the taxable person as recipient in order for the taxable person to make supplies (other than supplies referred to in section 22) using or in relation to those goods; and

(b) require a taxable person referred to in subsection (1) 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.”.

**Amendment of section 33**

7. Section 33 of the principal Act is amended by inserting, immediately after subsection (2), the following subsection:

“(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.”.

**Amendment of section 37A**

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

- (a) by deleting the words “which comprises the treatment or processing of goods” in subsection (1) and substituting the words “which involves any process (including but not limited to any treatment) being applied to or carried out on goods”;
- (b) by inserting, immediately after the words “to be disregarded for the purposes of this Act” in subsection (1), the words “(other than for the purposes of section 27(2)(a))”;
- (c) by inserting, immediately after the word “following” in subsection (2), the words “in relation to goods to or on which a process has been applied or conducted”;
- (d) by deleting paragraph (a) of subsection (2) and substituting the following paragraph:

“(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;

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- (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;”;
- (e) by deleting the words “the treated or processed goods” in subsection (2)(b) and substituting the words “the goods”;
- (f) by deleting paragraph (c) of subsection (2) and substituting the following paragraph:
- “(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.”;

(g) by inserting, immediately after subsection (2), the following subsections:

“(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

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(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.”; and

(h) by deleting the words “Treatment or processing of goods” in the section heading and substituting the words “Process applied to or carried out on goods”.

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