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The following Act was passed by Parliament on 8th October 2014 and assented to by the President on 6th November 2014:—

REPUBLIC OF SINGAPORE

No. 31 of 2014.

I assent.

TONY TAN KENG YAM,
President.
6th November 2014.



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 2014 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 inserting, immediately after the definition of “authorised person”, the following definition:

““bare trustee” means a trustee who —

- (a) holds any goods, intellectual property rights or licence to use any intellectual property rights, on trust for the business of —
 - (i) persons carrying on the business in partnership; or
 - (ii) a person that is a club, an association, a society or an organisation;
- (b) has no interest in the goods, rights or licence other than that by reason of the office and legal title as trustee; and
- (c) has no duty to perform in relation to the goods, rights or licence, other than to act in accordance with instructions given by the persons or person, as the case may be, for any supply relating to the goods, rights or licence;”.

New section 10A

3. The principal Act is amended by inserting, immediately after section 10, the following section:

“Making of supply: bare trustees

10A. For the purposes of this Act, any supply made by a bare trustee relating to any goods, intellectual property rights or licence to use any intellectual property rights held by the bare trustee, is to be treated as a supply made by the persons or person

for whose business the bare trustee holds the goods, rights or licence.”.

Amendment of section 19

4. Section 19 of the principal Act is amended by inserting, immediately after subsection (14), the following subsection:

“(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.”.

Amendment of section 21

5. Section 21 of the principal Act is amended by deleting the words “supply relating to goods” in subsections (6A) and (6B) and substituting in each case the words “sale or letting on hire of goods”.

Amendment of section 21B

6. Section 21B of the principal Act is amended —

- (a) by deleting the words “supply relating to goods” in subsection (1) and substituting the words “sale or letting on hire of goods”; and
- (b) by deleting the words “supplies relating to goods” in the section heading and substituting the words “sale or letting on hire of goods”.

Amendment of section 27

7. Section 27(2) of the principal Act is amended by deleting paragraph (a) and substituting the following paragraph:

“(a) provide that goods imported by a taxable person in the course or furtherance of any business carried on by the taxable person (as referred to in subsection (1)(a)) may, subject to such requirements (including conditions,

whether precedent or subsequent) as may be prescribed, include —

- (i) imported goods which are consigned to the taxable person as recipient in order for the taxable person to make supplies using or in relation to those goods, other than supplies referred to in section 22; or
- (ii) goods which are imported in the circumstances referred to in section 33B;”.

Amendment of section 27A

8. Section 27A(2) of the principal Act is amended by deleting paragraph (a) and substituting the following paragraph:

“(a) provide that goods imported by a taxable person in the course or furtherance of any business carried on by the taxable person (as referred to in subsection (1)) may, subject to such requirements (including conditions, whether precedent or subsequent) as may be prescribed, include —

- (i) imported goods which are consigned to the taxable person as recipient in order for the taxable person to make supplies using or in relation to those goods, other than supplies referred to in section 22; or
- (ii) goods which are imported in the circumstances referred to in section 33B; and”.

New section 33B

9. The principal Act is amended by inserting, immediately after section 33A, the following section:

“Claiming of input tax on import of processed goods

33B.—(1) The Minister may by regulations make provision for a taxable person to claim any tax paid or payable by the 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:

- (a) the taxable person makes a supply to his customer who is —
 - (i) a person who belongs in Singapore; or
 - (ii) a taxable person who does not belong in Singapore;
- (b) the supply comprises the application of any process to, or the carrying out of any process on, goods which the taxable person's customer consigns to the taxable person in Singapore;
- (c) in connection with the supply, the 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 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.”.

Amendment of Second Schedule

10. The Second Schedule to the principal Act is amended by inserting, immediately after paragraph 8, the following paragraph:

“9. In paragraphs 5 and 7 —

- (a) a reference to a person carrying on a business includes a reference to any persons or person, as the case may be, carrying on a business for which a bare trustee holds any goods; and
 - (b) a reference to goods forming part of the assets of the business carried on by a person includes a reference to goods held by a bare trustee for the business of the persons or person, as the case may be.”.
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