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The following Act was passed by Parliament on 4 November 2019 and assented to by the President on 14 November 2019:—

REPUBLIC OF SINGAPORE

No. 33 of 2019.

I assent.

HALIMAH YACOB,
President.
14 November 2019.

(LS)

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 is the Goods and Services Tax (Amendment) Act 2019 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 2

2. Section 2(1) of the Goods and Services Tax Act (called in this Act the principal Act) is amended by inserting, immediately after the definition of “account with the electronic service”, the following definitions:

““accountant” means a public accountant within the meaning of the Accountants Act (Cap. 2);

“advocate and solicitor” means an advocate and solicitor within the meaning of the Legal Profession Act (Cap. 161);”.

New section 2A

3. The principal Act is amended by inserting, immediately after section 2, the following section:

“Digital payment tokens

2A.—(1) Subject to subsections (2) and (3), a reference in this Act to a digital payment token is a reference to a digital representation of value that has all of the following characteristics:

- (a) it is expressed as a unit;
- (b) it is designed to be fungible;
- (c) it is not denominated in any currency, and is not pegged by its issuer to any currency;
- (d) it can be transferred, stored or traded electronically;

(e) it is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, without any substantial restrictions on its use as consideration.

(2) A reference in this Act to a digital payment token does not include any of the following:

(a) money;

(b) anything which, if supplied, would be an exempt supply under Part I of the Fourth Schedule for a reason other than being a supply of one or more digital representations of value having the characteristics mentioned in subsection (1);

(c) anything which —

(i) gives an entitlement to receive, or an entitlement to direct the supply of, goods or services from a specific person or persons; and

(ii) ceases to function as a medium of exchange after the entitlement has been used.

(3) The Minister may, by order in the *Gazette*, do any of the following:

(a) add to the characteristics, or modify or remove any characteristic, in subsection (1) of digital payment tokens for the purposes of this Act, whether generally or for specific circumstances;

(b) add to the exclusions, or modify or remove any exclusion, in subsection (2).”.

Amendment of section 14

4. Section 14 of the principal Act is amended —

(a) by deleting the words “in the following circumstances:” in subsection (1) and substituting the word “where —”;

(b) by deleting sub-paragraph (i) of subsection (1)(a) and substituting the following sub-paragraph:

- “(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 —
- (A) belongs in Singapore;
 - (B) is a registered person, or is not a registered person but is liable to be registered under paragraph 1 or 1B of the First Schedule; and
 - (C) is not receiving the services as an individual in the private or personal capacity of the individual; or”;
- (c) by inserting the word “and” at the end of subsection (1)(a)(ii);
- (d) by deleting the words “claim the full amount of input tax credit” in subsection (1)(b) and substituting the words “credit for the full amount of his input tax”;
- (e) by inserting, immediately after subsection (1), the following subsection:
- “(1A) Subsection (1)(b) does not apply in relation to any input tax excluded by regulations made under section 19(14) from any credit under section 19.”;
- (f) by deleting the words “his business” in subsection (2) and substituting the words “a business for that supply”; and
- (g) by deleting subsections (5) and (6) and substituting the following subsections:
- “(5) Where a recipient who is a registered person is not within subsection (1)(b), the recipient may elect for all supplies to the recipient made in the circumstances under subsection (1)(a) to be treated as supplies of services to which subsection (2) applies (despite subsection (1)(b) not applying).

(6) Where a recipient who is a registered person receives any supply of services excluded or to any extent excluded under the Eighth Schedule that is made by a person mentioned in subsection (1)(a), the recipient may elect for all such supplies of services to be received by the recipient to be treated as supplies of services to which subsection (2) applies (and not supplies to which subsection (2) does not apply by reason of subsection (3)).”.

Amendment of section 15

5. Section 15(7) of the principal Act is amended by deleting the words “for determining” and substituting the words “by which a supplier may determine”.

Amendment of section 17

6. Section 17 of the principal Act is amended —

- (a) by deleting the words “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)” in subsection (3A) and substituting the words “in fact supplied that gave rise to the reverse charge supply”;
- (b) by inserting, immediately after subsection (3A), the following subsection:

“(3AA) Where a reverse charge supply arises from services supplied by a person or branch mentioned in section 14(1)(a) or member of the group mentioned in section 30(1A), then, for the purpose of determining the value of the reverse charge supply, any amount required to be withheld as tax under the Income Tax Act must not, if included in the consideration for the supply in fact made, be deducted.”; and

- (c) by deleting the words “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” in subsection (3B) and substituting the words “then, for the purpose of determining the value of the reverse charge supply, any of the following that is included as part of the consideration for the services in fact supplied may be deducted”.

Amendment of section 28A

7. Section 28A(1) of the principal Act is amended by deleting paragraph (b) and substituting the following paragraph:

“(b) section 32(1);”.

Amendment of section 30

8. Section 30(4) of the principal Act is amended by inserting, immediately after the word “fit” in paragraph (d), the words “including, where all members of the group are taxable persons registered under paragraph 1B of the First Schedule, a condition that no claim may be made for any credit for any input tax of the representative member (including any amount treated as such under this section)”.

Amendment of section 33

9. Section 33 of the principal Act is amended —

- (a) by deleting subsection (1) and substituting the following subsections:

“(1) Where a person does not have his usual place of residence in Singapore and the person is accountable for any tax, or has duties imposed on the person by or under this Act, then the person (called in this section the overseas registrant) —

- (a) must, if he is not a registered (Seventh Schedule — pay-only) person;
and

(b) may, if he is a registered (Seventh Schedule — pay-only) person, appoint and maintain a section 33(1) agent in matters by reference to which that overseas registrant is so accountable or on whom the duties are so imposed.

(1A) The section 33(1) agent —

- (a) is substituted for the overseas registrant as the person accountable for the tax; or
- (b) is under an obligation to discharge any duties imposed on the overseas registrant by or under this Act,

as the case may be, in accordance with the appointment of the section 33(1) agent.

(1B) The overseas registrant must —

- (a) if he is not a registered (Seventh Schedule — pay-only) person — provide the Comptroller with details of his section 33(1) agent when applying to be registered under this Act;
- (b) if he is a registered (Seventh Schedule — pay-only) person — notify the Comptroller in writing of the section 33(1) agent appointed by the overseas registrant not more than 30 days after the date of the appointment; and
- (c) where there is —
 - (i) a change in any detail of the section 33(1) agent provided under paragraph (a); or
 - (ii) a change of the section 33(1) agent appointed by the overseas registrant,

notify the Comptroller in writing of the change not less than 30 days before the date

of the change, or any other period allowed by the Comptroller in a particular case.

(1C) The Comptroller may, in any particular case, waive the requirement under subsection (1) in respect of an overseas registrant that is not a registered (Seventh Schedule — pay-only) person, subject to any condition that the Comptroller may impose, including a condition to provide security in the form and manner required by the Comptroller.

(1D) The Comptroller may at any time direct any overseas registrant to replace a section 33(1) agent of the overseas registrant with another section 33(1) agent.”;

(b) by deleting the word “and” at the end of subsection (5)(a);
and

(c) by deleting the full-stop at the end of paragraph (b) of subsection (5) and substituting the word “; and”, and by inserting immediately thereafter the following paragraph:

“(c) “section 33(1) agent”, in relation to an overseas registrant, means an agent, a manager or a factor —

(i) whose usual place of residence is in Singapore; and

(ii) who is appointed by the overseas registrant for either or both of the following purposes:

(A) to be substituted for the overseas registrant as the person accountable for the tax;

(B) to discharge any duties imposed on the overseas registrant by or under this Act.”.

Amendment of section 44

10. Section 44 of the principal Act is amended —

- (a) by inserting, immediately after the word “money” in subsection (1), the words “or digital payment tokens”; and
- (b) by inserting, immediately after the word “moneys” in subsection (1A), the words “and digital payment tokens”.

Amendment of section 56

11. Section 56 of the principal Act is amended —

- (a) by deleting the words “and in appeals to, or in cases stated for the opinion of, the High Court and in appeals from decisions of the High Court under section 54” in subsection (1);
- (b) by deleting the words “, the High Court or the Court of Appeal, as the case may be,” in subsection (2);
- (c) by deleting the words “the Board or the Court” in subsection (2) and substituting the words “the Board”;
- (d) by deleting the words “, the High Court or the Court of Appeal” wherever they appear in subsection (3);
- (e) by deleting the word “identity” in subsection (3) and substituting the word “name”; and
- (f) by deleting the words “of Review and Supreme Court” in the section heading.

New sections 62A and 62B

12. The principal Act is amended by inserting, immediately after section 62, the following sections:

“Penalty for misrepresenting status of person

62A.—(1) A person who receives a Seventh Schedule supply (*X*) commits an offence if —

- (a) *X* belongs in Singapore under section 15 and is not a registered person; and

(b) *X* provides (whether or not to the person making the supply) any information for the purpose of the supply that is false as to —

(i) whether *X* belongs in Singapore under section 15; or

(ii) whether *X* is a registered person.

(2) A person who is guilty of an offence under subsection (1) shall on conviction —

(a) be punished with a fine of an amount equal to the amount of tax undercharged on the supply in consequence of the false information, or which would have been undercharged if the person making the supply had accepted the information as true; and

(b) also be liable to a further fine of an amount not exceeding \$10,000.

Penalty for wilfully misrepresenting status of person

62B.—(1) A person who receives a Seventh Schedule supply (*X*) commits an offence if —

(a) *X* belongs in Singapore under section 15 and is not a registered person;

(b) *X* provides (whether or not to the person making the supply) any information for the purpose of the supply; and

(c) *X* wilfully provides the information with intent to induce the person making the supply into making a determination that —

(i) *X* does not belong in Singapore for purposes of the supply; or

(ii) *X* is a registered person.

(2) For the purpose of subsection (1), where —

(a) *X* purchases the supply using a device; and

- (b) a mobile country code, an IP address or other information identifies the physical location of the device at the time *X* makes the purchase,

then *X*, in using the device, is treated as providing information as to that physical location.

(3) A person who is guilty of an offence under subsection (1) shall on conviction —

- (a) be punished with a fine equal to 3 times the amount of the tax undercharged on the supply in consequence of the person making the supply having been induced as mentioned in subsection (1)(c), or which would have been undercharged if the person making the supply had been so induced; and

(b) also be liable to —

(i) a further fine not exceeding \$10,000; or

(ii) imprisonment for a term not exceeding 7 years, or to both.”.

Amendment of section 64A

13. Section 64A(2) of the principal Act is amended by deleting the word “Where” and substituting the words “Subject to subsection (3), where”.

Amendment of section 84

14. Section 84 of the principal Act is amended —

- (a) by deleting the words “made in the course or furtherance of a business” in subsections (1)(f)(i) and (2A)(a)(i) and substituting in each case the words “(whether or not made in the course or furtherance of a business), that is relevant for the purposes of this Act”; and

(b) by deleting paragraph (a) of subsection (2) and substituting the following paragraph:

“(a) any information concerning his or any other person’s income, assets or liability,

or concerning his or any other person's transactions (whether or not made in the course or furtherance of a business), that is relevant for the purposes of this Act; or”.

Repeal and re-enactment of sections 92 and 93

15. Sections 92 and 93 of the principal Act are repealed and the following sections substituted therefor:

“Temporary arrangements for Seventh Schedule supplies

92.—(1) Where an agreement provides (expressly or impliedly) for a Seventh Schedule supply to be performed progressively and continuously over a period, then —

- (a) if the agreement was made before 19 February 2018 — tax is not chargeable on the supply; and
- (b) if the agreement was or is made on or after 19 February 2018 but before 1 January 2020 — tax is chargeable on the supply to the extent the services are performed on or after 1 January 2020.

(2) If any services under subsection (1)(b) are covered by an invoice issued or consideration received before 1 January 2020, the tax chargeable in relation to those services must be accounted for in the return for the accounting period in which the later of the following falls:

- (a) 1 January 2020;
- (b) the day on which the person making the supply is registered in accordance with the First Schedule.

(3) Subject to subsection (1), where an invoice for a Seventh Schedule supply was or is issued on or after 19 February 2018 but before 1 January 2020, tax is chargeable on the supply to the extent of —

- (a) the amount of the invoice received on or after 1 January 2020; or

(b) the value of the services to which the invoice relates that are performed on or after 1 January 2020, if lower.

(4) Subsection (3) does not apply if the whole amount of the invoice is received, or the whole of the services is performed, before 1 January 2020.

(5) Tax chargeable under subsection (3) must be accounted for in the return for the accounting period in which the later of the following falls:

(a) 1 January 2020;

(b) the day on which the person making the supply is registered in accordance with the First Schedule.

(6) Subject to subsection (1), where an invoice for a Seventh Schedule supply is issued on or after 1 January 2020 —

(a) tax is chargeable on the supply to the extent of the amount of the invoice received on or after that date; but

(b) the taxable person may elect for the tax to be chargeable only to the extent of the value of the services that are performed on or after that date, if lower.

(7) Subsection (6) does not apply if the whole amount of the invoice is received, and the whole of the services is performed, on or after 1 January 2020.

(8) For the purposes of this section, where only a part of the services under a Seventh Schedule supply is performed, the value of the part is a value that is, in the opinion of the Comptroller, reasonably attributable to the part.

Temporary arrangements for reverse charge supplies

93.—(1) Where an invoice for a supply in fact made that gives rise to a reverse charge supply was or is issued on or after 19 February 2018 but before 1 January 2020, tax is chargeable on the reverse charge supply to the extent of —

- (a) the amount of the invoice paid on or after 1 January 2020; or
- (b) the value of the services to which the invoice relates that are performed on or after 1 January 2020, if lower.

(2) Subsection (1) does not apply if the whole amount of the invoice is paid, or the whole of the services to which the invoice relates is performed, before 1 January 2020.

(3) Tax chargeable under subsection (1) must be accounted for in the return for the accounting period in which the later of the following falls:

- (a) 1 January 2020;
- (b) the day on which the recipient is registered in accordance with the First Schedule.

(4) Where an invoice for a supply in fact made that gives rise to a reverse charge supply is issued on or after 1 January 2020 —

- (a) tax is chargeable on the reverse charge supply to the extent of the amount of the invoice paid on or after that date; but
- (b) the recipient may elect for the tax to be chargeable only to the extent of the value of the services that are performed on or after that date, if lower.

(5) Subsection (4) does not apply if the whole amount of the invoice is paid, and the whole of the services is performed, on or after 1 January 2020.

(6) For the purposes of this section, where only a part of the services in fact supplied is performed, the value of the part is a value that is, in the opinion of the Comptroller, reasonably attributable to the part.”.

Amendment of First Schedule

16. The First Schedule to the principal Act is amended —

- (a) by inserting, immediately after the words “Seventh Schedule supplies” in paragraphs 1A(1)(a)(ii) and (b)(ii), (2)(a)(ii) and (b)(ii) and (3)(b), 3A(a)(ii) and 5(3)(b)(ii), the words “, other than exempt supplies,”;
- (b) by deleting the words “to claim the full amount of input tax credit under sections 19 and 20” in paragraph 1B(1)(a) and (b) and (2)(a) and (b) and substituting in each case the words “to credit for the full amount of input tax as mentioned in section 14(1)(b) (read with section 14(1A))”;
- (c) by deleting the word “or” at the end of paragraph 8(1)(a)(ii)(A);
- (d) by inserting, immediately after sub-paragraph (B) of paragraph 8(1)(a)(ii), the following sub-paragraph:
 - “(C) digital payment tokens specified in paragraph 1B of Part I of the Fourth Schedule, where the supplies of the digital payment tokens are supplies of international services under section 21(3);”;
- (e) by inserting, immediately after the words “Seventh Schedule supplies” in paragraph 8(1)(c), the words “, other than exempt supplies”; and
- (f) by deleting the words “or, for services mentioned in section 14(1)(a), received in the course or furtherance of a business” in paragraph 18(1) and substituting the words “in the course or furtherance of a business, or of services mentioned in section 14(1)(a), as the case may be”.

Amendment of Third Schedule

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

- (a) by inserting, immediately after the words “tax on the supply” in paragraph 1(1)(c), the words “(the tax not being

excluded by regulations made under section 19(14) from the credit”;

(b) by inserting, immediately after sub-paragraph (1) of paragraph 1, the following sub-paragraph:

“(1A) Without affecting sub-paragraph (1), where —

- (a) a supply mentioned in section 14(1)(a) or 30(1A) is made for a consideration in money;
- (b) the value of the supply is (apart from this paragraph) less than its open market value; and
- (c) the person, branch of the person or member of the group (as the case may be) in fact making the supply is connected with the recipient of the supply,

the Comptroller may direct that the value of the supply is to be taken to be its open market value.”;

(c) by inserting, immediately after the words “other than Singapore currency” in paragraph 11(1) and (1A), the words “or in digital payment tokens”; and

(d) by inserting, immediately after paragraph 14, the following sub-heading and paragraph:

“Reverse charge on supplies received from abroad

15.—(1) This paragraph applies in relation to services mentioned in section 14(1)(a)(i) or (ii) where —

- (a) the services were previously supplied by a taxable person who belongs in Singapore to the overseas supplier who subsequently supplied those services to the recipient; and
- (b) the previous supply of those services to the overseas supplier is a taxable supply that is not treated as a supply of international services under section 21(3).

(2) Despite section 17(3A), the recipient may elect for the value of the reverse charge supply (A) by the overseas supplier to the recipient to be reduced (as may be applicable) —

- (a) by the value of the services previously supplied that is subject to tax (B); or
- (b) if B exceeds A, to nil.

(3) To avoid doubt, section 17(3AA) and (3B) applies in determining A.”.

Amendment of Part I of Fourth Schedule

18. Part I of the Fourth Schedule to the principal Act is amended by inserting, immediately after paragraph 1A, the following sub-heading and paragraph:

“Digital payment tokens

1B. Supplies of digital payment tokens by way of any of the following:

- (a) the exchange of digital payment tokens for currency or other digital payment tokens;
- (b) the provision of any loan, advance or credit of digital payment tokens.”.

Amendment of Seventh Schedule

19. The Seventh Schedule to the principal Act is amended —

- (a) by inserting, immediately after “(O 1)” in paragraph 2(1)(b)(i), the words “that would be treated as a supply of international services under section 21(3)(q) if the supply had been made in Singapore”;
- (b) by inserting, immediately after the words “paragraph 5(3)(b)” in paragraph 3(2)(c), the words “or 6(2)(b)”; and
- (c) by inserting, immediately after paragraph 5, the following paragraph:

“Supplies to registered persons allowed to be treated as that of operator of electronic marketplace

6.—(1) Subject to any conditions imposed by the Comptroller, the Comptroller may, at the request of an operator of an electronic marketplace that belongs in Singapore, grant approval for the operator to be chargeable to tax on the following supplies:

- (a) for an operator without an election made under paragraph 5(1) — supplies of digital services made by any overseas underlying supplier through the electronic marketplace to a registered person;

(b) for an operator with an election made under paragraph 5(1) — supplies of digital services made by any overseas underlying supplier or any local underlying supplier through the electronic marketplace to a registered person.

(2) Where the operator is granted approval under sub-paragraph (1), then a supply mentioned in that sub-paragraph of digital services made by an overseas underlying supplier or a local underlying supplier (as the case may be) through the electronic marketplace to a registered person is treated as being 2 supplies, namely —

(a) a supply of services from the overseas underlying supplier or 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 registered person.”.

Amendment of Eighth Schedule

20. Paragraph 2 of the Eighth Schedule to the principal Act is deleted.
