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**Notification No. B 19** — The Goods and Services Tax (Amendment) Bill is hereby published for general information. It was introduced in Parliament on the 13th day of August 2012.

# **Goods and Services Tax (Amendment) Bill**

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**Bill No. 19/2012.**

*Read the first time on 13th August 2012.*

A BILL

*i n t i t u l e d*

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 2012 and shall, with the exception of sections 5(*a*) and (*d*) and 9, come into operation on 1st October 2012.

5 (2) Sections 5(*a*) and (*d*) and 9 shall be deemed to have come into operation on 1st January 2012.

### Amendment of section 6

2. Section 6 of the Goods and Services Tax Act (referred to in this Act as the principal Act) is amended by inserting, immediately after subsection (6), the following subsection:

“(7) Notwithstanding anything in this section, the Comptroller may publish the names and such other particulars of the persons and places specified in the Sixth Schedule, in such form or manner, as he thinks fit.”.

### 15 Amendment of section 8

3. Section 8(4) of the principal Act is amended by deleting the words “Tax on the importation of goods shall be charged, levied and payable” and substituting the words “Tax shall be charged, levied and payable on any importation of goods (other than an exempt import)”.

### 20 Amendment of section 20

4. Section 20(2) of the principal Act is amended by inserting, immediately after paragraph (*aa*), the following paragraph:

“(*ab*) supplies of investment precious metals referred to in Part I of the Fourth Schedule, where any such supply —

- 25 (i) is made by an approved person referred to in section 37B; and
- (ii) is a supply that directly follows the refinement of goods (as defined in section 37B(2)) into such metals;”.

## Amendment of section 21

5. Section 21 of the principal Act is amended —

(a) by deleting the words “section 21A” in subsection (1) and substituting the words “sections 21A, 21B and 21C”;

(b) by deleting paragraph (h) of subsection (3) and substituting the following paragraph: 5

“(h) prescribed financial services supplied in connection with goods —

(i) for export outside Singapore; or

(ii) the supply of which involves the removal of the goods from a place outside Singapore to another place outside Singapore;”;

(c) by deleting sub-paragraphs (BA) and (BB) of subsection (3)(y)(B) and substituting the following sub-paragraphs: 15

“(BA) the goods have been brought to that place from an approved warehouse for the purpose of the repair of, maintenance of or performance of any other similar service on the goods, or for the purpose of an auction, an exhibition or any other similar event involving the display of goods; and 20

(BB) the goods will be returned to any approved warehouse after the activity or event referred to in sub-paragraph (BA).”;

(d) by deleting the words “and (s)” in subsection (4A) and substituting the words “, (s) and (y)”. 30

## **Amendment of section 22**

6. Section 22 of the principal Act is amended —

(a) by inserting, immediately after the words “specified in” in subsection (1), the words “Part I of”;

5 (b) by inserting, immediately after subsection (1), the following subsection:

“(1A) An importation of goods is an exempt import if it is of a description or of a class for the time being specified in Part II of the Fourth Schedule.”;

10 (c) by deleting subsection (2) and substituting the following subsection:

“(2) The Minister may by order vary the description of —

15 (a) financial services in paragraph 1 of Part I, and paragraphs 1 and 3 of Part III, of the Fourth Schedule by adding to or deleting from the Fourth Schedule or by varying any description or class of financial services for the time being specified in the Fourth Schedule; or

20 (b) investment precious metals in paragraph 1 of Part II, and paragraph 2 of Part III, of the Fourth Schedule by adding to or deleting from the Fourth Schedule or by varying any description or class of investment precious metals for the time being specified in the Fourth Schedule.”; and

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(d) by inserting, immediately after the words “Exempt supply” in the section heading, the words “and exempt import”.

## **Amendment of section 26**

30 7. Section 26 of the principal Act is amended by deleting subsections (1) and (2) and substituting the following subsections:

“(1) Except where the contrary intention appears, any written law relating to customs or excise duties on imported goods shall,

with such exceptions, modifications and adaptations as the Minister may by order prescribe, apply (so far as relevant) —

(a) in relation to any tax chargeable on the importation of goods as it applies in relation to any customs duty or excise duty; and

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(b) in relation to any goods in respect of which tax is chargeable on the importation thereof or would be so chargeable if the importation were not an exempt import, as it applies to goods in respect of which customs duty or excise duty is chargeable.

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(2) Without prejudice to the generality of subsection (1), the Director-General of Customs may, by virtue of that subsection, exercise any power conferred on him by any written law relating to customs or excise duties (including the power to issue permits and impose conditions on the import, export, transshipment and removal of goods) as if —

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(a) the reference in that written law to customs duty or excise duty includes a reference to tax chargeable on the importation of goods; and

(b) the reference in that written law to goods in respect of which customs duty or excise duty is chargeable includes a reference to goods in respect of which tax is chargeable on the importation thereof or would be so chargeable if the importation were not an exempt import.”.

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### **Amendment of section 37**

8. Section 37(4) of the principal Act is amended by deleting the words “an auction, an exhibition or other similar event” in paragraph (a)(ii) and substituting the words “the repair of, maintenance of or performance of any other similar service on the goods, or for the purpose of an auction, an exhibition or any other similar event”.

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### **Amendment of section 37A**

9. Section 37A(2) of the principal Act is amended by deleting the word “conducted” and substituting the words “carried out”.

### **New section 37B**

5     **10.** The principal Act is amended by inserting, immediately after section 37A, the following section:

#### **“Refining of goods into investment precious metals**

**37B.—**(1) The Minister may by regulations make provision in relation to the following:

10           (a) for the approval by the Comptroller of any person as an approved refiner or an approved consolidator;

(b) where —

15                   (i) goods are consigned by 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 an approved person for refining into any investment precious metal by an approved refiner (including where the approved person is also the approved refiner); and

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                  (ii) the approved person delivers the investment precious metal obtained through the refining to another person pursuant to a supply of the investment precious metal by the overseas person to the other person,

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for the approved person to account for the supply of the investment precious metal as if it were his supply made in the course or furtherance of his business, in such form and manner as the Comptroller may determine;

30           (c) where —

(i) goods are consigned by an overseas person to an approved person for refining by an approved

refiner (including where the approved person is also the approved refiner);

- (ii) goods other than investment precious metals arise as a result of or remain after the process of refining the goods (including precious metals, by products, and any residue or scrap); and 5
- (iii) the approved person delivers such other goods to another person pursuant to instructions of the overseas person, whether or not consideration is received by the approved person or the overseas person in connection with the delivery, 10

for the approved person to account for tax in substitution for the overseas person as if the approved person had himself supplied such other goods in the course or furtherance of his business, and, where no consideration is received, as if there had been a supply of such other goods, in such form and manner as the Comptroller may determine. 15

(2) In this section —

“approved person” means an approved refiner or an approved consolidator; 20

“consolidator” means a person who supplies or delivers goods to a refiner for the purpose of refining the goods;

“investment precious metal” means any investment precious metal specified in Part II of the Fourth Schedule; 25

“precious metal” means gold, silver or platinum that does not qualify as an investment precious metal;

“refine”, in relation to goods —

(a) means to process or convert the goods into, or extract from the goods, any investment precious metal, or precious metal; and 30

(b) includes the minting of any coin that is an investment precious metal, or precious metal,



and “refiner” shall be construed accordingly.”.

### **Amendment of section 41**

**11.** Section 41 of the principal Act is amended —

(a) by deleting the word “and” at the end of subsection (1)(b);

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

10 “(d) require any taxable person making any exempt supply to another person to provide that other person, within such time as may be prescribed or such time as the Comptroller may allow, with an invoice containing such particulars as may be so specified, including but not limited to particulars of the supply and the persons by and to whom  
15 the supply is made.”; and

(c) by inserting, immediately after the word “tax” in the section heading, the word “, etc.”.

### **Amendment of section 89**

**12.** Section 89 of the principal Act is amended —

20 (a) by inserting, immediately after the word “may,” in subsection (1), the words “if he thinks fit, and upon such conditions as he may impose,”;

(b) by inserting, immediately after the word “may” in subsection (2), the words “, if he thinks fit, and upon such  
25 conditions as he may impose,”; and

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

“(2A) Where —

30 (a) the Comptroller is satisfied that the person to whom relief from, or a remission or refund of, tax is given fails to comply with any condition

imposed under subsection (1) (whether a condition precedent or condition subsequent); or

- (b) the Minister is satisfied that the person to whom relief from, or a remission or refund of, tax is given fails to comply with any condition imposed under subsection (2) (whether a condition precedent or condition subsequent),

an amount equal to the amount of tax to which the relief, remission or refund relates shall be recoverable as a debt due to the Government.

(2B) The amount recoverable under subsection (2A) shall be payable at the place stated in a notice served by the Comptroller on the person within one month after the service of the notice.

(2C) The Comptroller may, in his discretion and subject to such terms and conditions (including interest) as he may impose, extend the time limit within which payment is to be made.

(2D) Sections 60(1), 78 and 87 shall apply to the collection and recovery by the Comptroller of the amount recoverable under subsection (2A) and any interest imposed under subsection (2C) as they apply to the collection and recovery of tax.”.

### **Amendment of First Schedule**

**13.** Paragraph 8(1) of the First Schedule to the principal Act is amended by deleting sub-paragraph (ii) of sub-paragraph (a) and substituting the following sub-paragraph:

“(ii) exempt supplies of —

(A) financial services specified in paragraph 1 of Part I of the Fourth Schedule, where the financial services are international services under section 21(3); or

(B) investment precious metals referred to in paragraph 1A of Part I of the Fourth Schedule, where the supplies of the investment precious metals are supplies referred to in section 21(6), (6A) or (7); or”.

## Amendment of Fourth Schedule

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

(a) by deleting the Schedule heading “EXEMPT SUPPLIES” and substituting the following Part heading:

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“PART I  
EXEMPT SUPPLIES”;

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

*“Investment Precious Metals*

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1A. The supply of any investment precious metal specified in Part II, other than a supply that is treated as a supply of such goods pursuant to paragraph 2 of the Second Schedule.”;

(c) by deleting the sub-heading “*Interpretation*” and substituting the following Part and Part Headings:

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“PART II  
EXEMPT IMPORTS  
*Investment Precious Metals*

1. The following precious metals:

(a) gold which —

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- (i) is in the form of a bar, an ingot or a wafer;
- (ii) is of a purity of at least 99.5%; and
- (iii) possesses investment characteristics;

(b) silver which —

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- (i) is in the form of a bar, an ingot or a wafer;
- (ii) is of a purity of at least 99.9%; and
- (iii) possesses investment characteristics;

(c) platinum which —

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- (i) is in the form of a bar, an ingot or a wafer;
- (ii) is of a purity of at least 99%; and
- (iii) possesses investment characteristics;

- (d) any of the following gold coins which is or was legal tender in its country of origin, and is of a purity of at least 99.5%:
- (i) America Buffalo coin;
  - (ii) Australia Kangaroo Nugget coin;
  - (iii) Australia Lunar coin; 5
  - (iv) Austria Philharmoniker coin;
  - (v) Canada Maple Leaf coin;
  - (vi) China Panda coin;
  - (vii) Malaysia Kijang Emas coin;
  - (viii) Mexico Libertad coin; 10
  - (ix) Singapore Lion coin;
- (e) any of the following silver coins which is or was legal tender in its country of origin, and is of a purity of at least 99.9%:
- (i) America Eagle coin; 15
  - (ii) Australia Kookaburra coin;
  - (iii) Australia Koala coin;
  - (iv) Australia Lunar coin;
  - (v) Austria Philharmoniker coin;
  - (vi) Canada Maple Leaf coin; 20
  - (vii) China Panda coin;
  - (viii) Mexico Libertad coin;
- (f) any of the following platinum coins which is or was legal tender in its country of origin, and is of a purity of at least 99%: 25
- (i) America Eagle coin;
  - (ii) Australia Koala coin;
  - (iii) Australia Platypus coin;
  - (iv) Canada Maple Leaf coin.

## PART III 30

## INTERPRETATION AND APPLICATION

*Interpretation*”;

- (d) by deleting the words “paragraph 3” in paragraph (a) of the definition of “Islamic debt securities arrangement” in paragraph 3 and substituting the words “this definition”;
- (e) by inserting, immediately after the words “described in paragraph 2(a), (b) and (c)” in the definition of “non-residential property” in paragraph 3, the words “of Part I”;
- (f) by inserting, immediately before the words “means a company” in the definition of “special purpose vehicle” in paragraph 3, the words “, in relation to an Islamic debt securities arrangement,”;
- (g) by renumbering paragraph 3 as paragraph 1 of the new Part III, and by inserting immediately thereafter the following paragraph:

“2. In this Schedule, gold, silver or platinum, as the case may be, possesses investment characteristics if —

(a) it is refined (as defined in section 37B(2)) by —

(i) in the case of gold or silver, a refiner who is or was in the “Good Delivery” list of the London Bullion Market Association;

(ii) in the case of platinum, a refiner who is or was in the “Good Delivery” list of the London Platinum and Palladium Market; or

(iii) in any case, a refiner who —

(A) intends to be on the “Good Delivery” list of the London Bullion Market Association or the London Platinum and Palladium Market, as the case may be; and

(B) is endorsed by the International Enterprise Singapore Board established under section 3 of the International Enterprise Singapore Board Act (Cap. 143B) at the following times:

(BA) in the case of a supply of investment precious metals, at the time of the supply;

- (BB) in the case of an import of investment precious metals, at the time the investment precious metals are removed from customs control;
- (b) it bears a mark or characteristic that is internationally accepted as guaranteeing its quality; and 5
- (c) it trades at a price based on the spot price of gold, silver or platinum, as the case may be.”;
- (h) by inserting, immediately after the words “paragraph 2” in paragraph 4(1), the words “of Part I”; 10
- (i) by inserting, immediately after the words “Paragraph 1(m), (n) and (o)” in paragraph 4(2), the words “of Part 1”;
- (j) by inserting, immediately after the words “Paragraph 2” in paragraph 4(3), the words “of Part I”;
- (k) by deleting the words “paragraphs 2(c) and 4(3)(c)” in paragraph 4(4) and substituting the words “paragraph 3(3)(c) of this Part and paragraph 2(c) of Part I”; and 15
- (l) by renumbering paragraph 4 as paragraph 3 of the new Part III.

## **New Sixth Schedule**

**15.** The principal Act is amended by inserting, immediately after the Fifth Schedule, the following Schedule:

### “SIXTH SCHEDULE

Section 6(7)

#### DISCLOSURE OF NAMES AND PARTICULARS OF PERSONS AND PLACES

1. Approved warehouses for the purposes of section 21(3)(y) or 21C.
2. Taxable persons approved under section 21B(1).
3. Taxable persons to whom regulations made under section 27, 27A or 37A apply. 30
4. Approved persons referred to in section 37B.
5. Refiners referred to in paragraph 2(a)(iii)(B) of Part III of the Fourth Schedule.”.

## Miscellaneous amendments

16.—(1) Section 11B(5) of the principal Act is amended by deleting the words “paragraph 1 of the Fourth Schedule” in paragraph (a) and substituting the words “paragraph 1 of Part I of the Fourth Schedule”.

5 (2) Section 14(1) of the principal Act is amended by deleting the words “the Fourth Schedule” and substituting the words “Part I of the Fourth Schedule”.

(3) The principal Act is amended —

(a) by deleting subsection (7B) of section 21;

10 (b) by deleting subsection (5) of section 21B;

(c) by deleting subsection (4) of section 27;

(d) by deleting subsection (4) of section 27A; and

(e) by deleting subsection (3) of section 37A.

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## EXPLANATORY STATEMENT

This Bill seeks to amend the Goods and Services Tax Act (Cap. 117A).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 6 to provide for the disclosure of the names and particulars of persons and places specified in the new Sixth Schedule inserted vide clause 15. The persons and places are those that are involved in schemes under which relief from tax is provided or payment of tax is deferred. Such disclosure is necessary to ensure the proper working of the schemes.

Clause 3 amends section 8(4) to provide for exempt imports on which no tax is to be charged, levied and paid.

Clause 4 amends section 20(2) to allow the attribution of input tax to a supply of any investment precious metal that is the first supply of the metal to be made following its refinement, where the supply is made by an approved person under the new Approved Refiner and Consolidator Scheme (introduced vide clause 10).

Clause 5 makes various amendments to section 21.

Clause 5(a) makes a technical amendment to section 21(1) to make section 21 subject to sections 21B and 21C (which provide for the zero-rating of certain

supplies notwithstanding that they are neither supplies of goods for export nor supplies of international services referred to in section 21).

Clause 5(b) amends section 21(3)(h) to extend the scope of zero-rating referred to therein in relation to prescribed financial services to include such services supplied in connection with goods the supply of which involves the removal of the goods from a place outside Singapore to another place outside Singapore.

Clause 5(c) amends section 21(3)(y)(B) to extend the scope of zero-rating referred to therein in relation to prescribed services supplied directly in connection with prescribed goods under customs control, to include the performance of those services at a time when those goods are at a place for the purpose of the repair of, maintenance of or performance of any other similar service on the goods.

Clause 5(d) makes a technical amendment to section 21(4A) to include a reference to section 21(3)(y).

Clause 6 makes various amendments to section 22 to provide for the importation and supply of any investment precious metal to be exempt from tax, and to empower the Minister to vary by order the description of investment precious metals inserted in the Fourth Schedule vide clause 14.

Clause 7 amends section 26 to extend the application of legislation relating to customs and excise duties to exempt imports.

Clause 8 amends section 37(4) to extend the purposes for which goods under customs control can be brought to another place to include the repair of, maintenance of or performance of any other similar service on the goods. Accordingly, if the goods are supplied whilst they are at that place for such purpose and removed from customs control at that place, tax is chargeable on the supply.

Clause 9 makes a technical amendment to section 37A(2) to align with the wordings therein with those used in section 37A(1).

Clause 10 inserts a new section 37B to provide various matters in relation to the new Approved Refiner and Consolidator Scheme (ARCS). Under the ARCS, tax is suspended on the importation of goods by approved refiners and approved consolidators (approved persons) pursuant to regulations made under section 27, and special input tax claim rules will be applied to the approved persons.

The new section 37B(1) empowers the Minister to make regulations —

- (a) in relation to the approval of persons for the purposes of the ARCS; and
- (b) to impose various tax accounting requirements on approved persons in certain circumstances.

The new section 37B(2) provides for the various definitions for the purposes of the new section 37B.



Clause 11 amends section 41 to empower the Minister to make regulations to require invoices to be provided in connection with exempt supplies, within a certain time and containing certain particulars.

Clause 12 amends section 89 to allow the Comptroller and the Minister to impose conditions in respect of any relief from, or remission or refund of, tax. If the Comptroller or the Minister is satisfied that any condition is breached, the amount of tax to which the relief, remission or refund relates may be recovered as a debt due to the Government.

Clause 13 amends paragraph 8(1)(a)(ii) of the First Schedule —

- (a) by making a consequential amendment in order to make a reference to paragraph 1 of Part I of the Fourth Schedule, following the amendment made vide clause 14(a); and
- (b) by including a reference to certain exempt supplies of investment precious metals following the amendment made vide clause 14(b).

Clause 14 makes various amendments to the Fourth Schedule to make reference to exempt supplies and exempt imports of investment precious metals, and to provide for the definition of investment precious metals. The clause also makes technical amendments to the Fourth Schedule to divide the Schedule into Part I (Exempt supplies), Part II (Exempt imports) and Part III (Interpretation and application), and to make consequential changes arising from the same.

Clause 15 inserts a new Sixth Schedule for the purpose of the amendment to section 6 vide clause 2.

Clause 16 makes miscellaneous amendments to various provisions of the Act.

Clause 16(1) and (2) makes consequential amendments to sections 11B(5)(a) and 14(1), respectively, arising from the amendments made vide clause 14(a).

Clause 16(3) deletes various provisions of the Act that are no longer necessary as the matters to which they relate are covered by the new section 6(7) (inserted vide clause 2) and items 1, 2 and 3 of the new Sixth Schedule (inserted vide clause 15).

## EXPENDITURE OF PUBLIC MONEY

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

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