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The following Act was passed by Parliament on 3 November 2020 and assented to by the President on 25 November 2020:—

REPUBLIC OF SINGAPORE

No. 42 of 2020.

I assent.



HALIMAH YACOB,
President.
25 November 2020.

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 2020 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 5

2. Section 5(3) of the Goods and Services Tax Act (called in this Act the principal Act) is amended by inserting, immediately after the word “sections” in paragraph (a), “83A,”.

Amendment of section 6

3. Section 6 of the principal Act is amended —

(a) by inserting, immediately after subsection (6B), the following subsections:

“(6C) Despite anything in this section, the Comptroller —

(a) may furnish to —

(i) the chief executive officer of the Inland Revenue Authority of Singapore established under section 3 of the Inland Revenue Authority of Singapore Act (Cap. 138A); or

(ii) an officer duly authorised by the chief executive officer,

any information required for the performance of the official duties of the chief executive officer or authorised officer in administering any of the public schemes specified in Part 1 of the Sixth Schedule; and

(b) may allow the chief executive officer or authorised officer such access to any records or documents as may be

necessary for the performance of those official duties.

(6D) The Minister may by order in the *Gazette* amend Part 1 of the Sixth Schedule.”; and

(b) by inserting, immediately after the words “specified in” in subsection (7), the words “Part 2 of”.

Amendment of section 20

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

“(2A) Despite subsection (1), a taxable person is not entitled to credit for any input tax on any supply made to the taxable person which the taxable person knew or should have known was a part of any arrangement to cause loss of public revenue (whether or not the loss was in fact caused).

(2B) For the purpose of subsection (2A), an arrangement to cause loss of public revenue is an arrangement comprising 2 or more supplies (whether or not the supplies are in the same chain of supply or in different chains of supply), the effect of which is that one or more persons evade or avoid paying any amount of tax, or is able to seek to obtain any credit for or refund of tax which the person or persons would not otherwise be able to obtain.

(2C) Illustrations of an arrangement mentioned in subsection (2A) are set out in the Ninth Schedule, and the Minister may by order in the *Gazette* amend the Ninth Schedule.

(2D) For the purposes of this Act, a taxable person should have known that a supply made to the taxable person was a part of an arrangement mentioned in subsection (2A) if —

- (a) the circumstances connected with the supply made to the taxable person or with a supply made by the taxable person, or both, carried a reasonable risk of the supply being a part of such arrangement; and
- (b) the taxable person, before making a claim for credit for the input tax on the supply to the person —

- (i) did not take reasonable steps to ascertain whether the supply was a part of such arrangement; or
 - (ii) took reasonable steps to ascertain whether the supply was a part of such arrangement and —
 - (A) concluded that the supply was not a part of such arrangement and the conclusion is not one that a reasonable person would have made;
 - (B) was unable to conclude that the supply was not a part of such arrangement; or
 - (C) did not make any conclusion as to whether the supply was or was not a part of such arrangement.
- (2E) To avoid doubt —
 - (a) subsection (2D) applies in a case mentioned in paragraph (b)(i) of that subsection even if a reasonable person, after having taken reasonable steps, would have concluded that the supply was not a part of an arrangement mentioned in subsection (2A); and
 - (b) subsection (2D) applies in a case mentioned in paragraph (b)(ii)(B) or (C) of that subsection even if a reasonable person would have concluded that the supply was not a part of an arrangement mentioned in subsection (2A).
- (2F) To avoid doubt, where —
 - (a) the taxable person took reasonable steps to ascertain whether the supply was a part of an arrangement mentioned in subsection (2A) and concluded that the supply was not a part of such arrangement; and

- (b) the conclusion is one that a reasonable person would have made,

then, the person is not a person who should have known that the supply was a part of such arrangement, for the purposes of this Act.

(2G) The circumstances for the purposes of subsection (2D) include the following:

- (a) any of the supplies in question is not a supply which the taxable person would ordinarily enter into, given the nature and extent of the taxable person's business;
- (b) the value of any of the supplies in question is substantially in excess of the value of the assets of the business carried on by the taxable person or the risks required to be borne by the taxable person for the supply;
- (c) the reasonableness or commerciality of any of the supplies in question is questionable, for instance, where there is a ready supplier to the taxable person and a ready buyer from the taxable person for the same goods or services in circumstances where the need for the taxable person as an intervening supplier is unnecessary;
- (d) the consideration for the supply to the taxable person, or for any supply by the taxable person to a buyer, are pre-determined, or the profit of the taxable person is guaranteed;
- (e) the arrangement for payment of the consideration for the supply to the taxable person does not accord with usual business practice;
- (f) the taxable person has little or no knowledge of or past dealing with the supplier to the taxable person or the buyer from the taxable person, or both.”.