

Goods and Services Tax (Amendment) Bill

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Bill No: 59/2004

Read the first time: 19th October 2004

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Explanatory Statement

Expenditure of Public Money

Goods and Services Tax (Amendment) Bill

Bill No. 59/2004

Read the first time on 19th October 2004.

An Act to amend the Goods and Services Tax Act (Chapter 117A of the 2001 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 2004 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 —

(a) by deleting the definition of “authentication code” and substituting the following definitions:

““account with the electronic service”, in relation to any person, means a computer account within the electronic service which is assigned by the Comptroller to that person for the storage and retrieval of electronic records relating to that person;

“authentication code”, in relation to any person, means an identification or identifying code, a password or any other authentication method or procedure which is assigned to that person for the purposes of identifying and authenticating the access to and use of the electronic service by that person;”;

- (b) by deleting the definition of “database report”;
- (c) by deleting the definition of “electronic notice” and substituting the following definitions:

““electronic record” has the same meaning as in the Electronic Transactions Act (Cap. 88);

“electronic service” means the electronic service provided by the Comptroller under section 42(1);” and

- (d) by deleting the definition of “registered user”.

Amendment of section 21

3. Section 21 of the principal Act is amended —

- (a) by deleting paragraphs (j), (k) and (l) of subsection (3) and substituting the following paragraphs:

“(j) services supplied —

- (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 and who is outside Singapore at the time the services are performed,

not being services which are supplied directly in connection with —

- (A) land or any improvement thereto situated inside Singapore; or
- (B) goods situated inside Singapore at the time the services are performed, other than goods referred to in paragraph (g);

(k) prescribed services supplied —

- (i) under a contract with a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country outside

Singapore; and

- (ii) which directly benefit a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country other than Singapore;

(l) prescribed services in connection with —

- (i) the handling of ships or aircraft; or
- (ii) the handling or storage of goods carried in any ship or aircraft;”;

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

“(s) services supplied —

- (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,

relating to the co-location in Singapore of computer server equipment belonging to the person referred to in sub-paragraph (i) or (ii).”;

(c) by deleting the definition of “designated area” in subsection (4)(a); and

(d) by inserting, immediately after subsection (4), the following subsection:

“(4A) For the purposes of subsection (3)(j), (k) and (s), the person with whom the contract is made and the person who directly benefits from the services may be the same person or different persons.”.

Amendment of section 24

4. Section 24 of the principal Act is amended by deleting subsection (4) and substituting the following subsection:

“(4) The Minister may, having regard to any international agreement or

arrangement and subject to such conditions as he may impose, give to any person —

- (a) relief from, or a remission or refund of, the whole or part of any tax chargeable on the importation of goods or supply of goods or services by him; or
- (b) a refund of the whole or part of any tax on the supply of goods or services to him —
 - (i) which, if he were a taxable person, would be his input tax; or
 - (ii) for which, as a taxable person, he is not entitled to any credit as input tax under this Act,

if the relief, remission or refund appears to the Minister to be necessary or expedient to give effect to the agreement or arrangement.”.

Repeal and re-enactment of section 27

5. Section 27 of the principal Act is repealed and the following section substituted therefor:

“Importation and supply of goods by taxable persons

27.—(1) The Minister may by regulations —

- (a) in relation to goods imported by any taxable person in the course or furtherance of any business carried on by him, permit those goods to be —
 - (i) delivered or removed without payment of the tax chargeable on the importation; or
 - (ii) delivered or removed, and supplied to any other person, without payment of the tax chargeable on the importation or on the supply; and
- (b) in relation to goods supplied by any taxable person in the course or furtherance of any business carried on by him to another taxable person, permit those goods to be supplied without payment of the tax chargeable on the supply.

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

- (a) require a taxable person referred to in that subsection to account for