

Goods and Services Tax Act (Amendment of Fourth Schedule) Order 2010

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No. S 567

GOODS AND SERVICES TAX ACT (CHAPTER 117A)

GOODS AND SERVICES TAX ACT (AMENDMENT OF FOURTH SCHEDULE) ORDER 2010

In exercise of the powers conferred by section 22(2) of the Goods and Services Tax Act, the Minister for Finance hereby makes the following Order:

Short title and commencement

1. This Order may be cited as the Goods and Services Tax Act (Amendment of Fourth Schedule) Order 2010 and shall come into operation on 1st October 2010.

Amendment of Fourth Schedule

2. The Fourth Schedule to the Goods and Services Tax Act is amended —

(a) by deleting sub-paragraph (r) of paragraph 1 and substituting the following sub-paragraphs:

“(r) the provision of financing in connection with a qualifying Islamic financial arrangement in relation to non-residential property, for which the provider of the financing derives an effective return;

(s) the issue or transfer of ownership of Islamic debt securities under

an Islamic debt securities arrangement;

- (i) the provision of financing under an Islamic debt securities arrangement for which the provider of the financing derives an effective return.”;
- (b) by deleting the words “financial institution” wherever they appear in paragraphs (a) and (b) of the definition of “effective return” in paragraph 3 and substituting in each case the words “provider of the financing”;
- (c) by deleting “, (b)” in paragraphs (a) and (b) of the definition of “effective return” in paragraph 3;
- (d) by deleting the word “and” at the end of paragraph (a) of the definition of “effective return” in paragraph 3;
- (e) by inserting the word “and” at the end of paragraph (b) of the definition of “effective return” in paragraph 3, and by inserting immediately thereafter the following paragraph:

“(c) in the case of an Islamic debt securities arrangement, the payments referred to in paragraph (b) of the definition of “Islamic debt securities;”;

- (f) by deleting the definition of “financial institution” in paragraph 3 and substituting the following definitions:

“ “Islamic debt securities” means debt securities and trust certificates —

- (a) which are endorsed by any Shari’ah council or body, or by any committee formed for the purpose of providing guidance on compliance with Shari’ah law; and
- (b) where the amounts payable from such securities and trust certificates are periodic and supported by a regular stream of receipts from underlying assets;

“Islamic debt securities arrangement” means an arrangement under which —

- (a) immovable properties in Singapore, or all or part of the beneficial interest therein, are acquired by a special purpose vehicle from a person (referred to in paragraph 3 as the originator) where the acquisition is funded through the issuance of Islamic debt securities by the special purpose vehicle;
- (b) the immovable properties are leased by the special purpose vehicle to the originator; and