

Goods and Services Tax (General) (Amendment No. 3) Regulations 2009

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No. S 626

GOODS AND SERVICES TAX ACT (CHAPTER 117A)

GOODS AND SERVICES TAX (GENERAL) (AMENDMENT NO. 3) REGULATIONS 2009

In exercise of the powers conferred by sections 27, 35A, 37 and 86(1) of the Goods and Services Tax Act, the Minister for Finance hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Goods and Services Tax (General) (Amendment No. 3) Regulations 2009 and shall come into operation on 1st January 2010.

Amendment of regulation 45A

2. Regulation 45A of the Goods and Services Tax (General) Regulations (Rg 1) (referred to in these Regulations as the principal Regulations) is amended —

- (a) by deleting the words “such other taxable person as may be approved under this regulation or regulation 45 (referred to in this regulation as a specified person)” in paragraph (1)(a)(ii) and substituting the words “a specified person”; and
- (b) by inserting, immediately after paragraph (13), the following paragraph:

“(14) In this regulation, “specified person” means —

- (a) a taxable person approved under this regulation or regulation 45;
- (b) a taxable person approved under regulation 45C; or
- (c) an approved contract manufacturer as defined in regulation 46.”.

New regulation 45C

3. The principal Regulations are amended by inserting, immediately after regulation 45B, the following regulation:

“Approved import tax suspension scheme

45C.—(1) A taxable person may apply to the Comptroller to be an approved person under this regulation, and the Comptroller may approve such application if the taxable person satisfies the Comptroller that —

- (a) he is in the aerospace industry;
- (b) he makes substantial supplies in the course or furtherance of his business and satisfies such requirements as the Comptroller may determine;
- (c) his accounting and internal control systems are able to meet such accounting standards as the Comptroller may require; and
- (d) he is able to comply with such other conditions as the Comptroller may impose for the protection of revenue.

(2) Subject to paragraph (4) —

- (a) imported goods (other than qualifying aircraft parts) that are not subject to a duty (whether customs duty or excise duty or both) may be delivered or removed without payment of the tax chargeable on the importation if the goods are imported by an approved person in the course or furtherance of any business carried on by him;

- (b) imported qualifying aircraft parts that are not subject to a duty (whether customs duty or excise duty or both) may be delivered or removed without payment of the tax chargeable on the importation if —
 - (i) the goods are imported by an approved person in the course or furtherance of any business carried on by him; or
 - (ii) the goods are consigned to an approved person as recipient for the purposes of making his taxable supplies in the course or furtherance of any business carried on by him; and
- (c) imported goods that are not subject to a duty (whether customs duty or excise duty or both) but on which tax would, apart from section 37 of the Act, be chargeable may be removed from a warehousing regime without payment of the tax chargeable on a supply of those goods whilst the goods are subject to a warehousing regime, if the supply —
 - (i) is not disregarded for purposes of section 37(1) of the Act; and
 - (ii) is for the purpose of a business carried on by an approved person.

(3) For the purposes of paragraph (2)(b), the importation of qualifying aircraft parts includes any movement of such parts from a free trade zone into the customs territory, whether the parts entered the free trade zone from outside Singapore or from the customs territory.

(4) Paragraph (2) shall not apply if, at the time of the importation or supply in question, the approved person does not satisfy the requirement set out in paragraph (1)(a).

(5) Every application made under paragraph (1) shall —

- (a) be made in such form as the Comptroller may determine; and
- (b) give a full and true account of the particulars or information furnished.

(6) The Comptroller may approve an application made under paragraph (1) on such conditions or with such requirements as he may, in his discretion, impose.

(7) The Comptroller may, in granting approval under paragraph (1), require the approved person to —

- (a) furnish security in such form and amount; and
- (b) make arrangements for the payment of tax,

as the Comptroller may determine.

(8) An approval granted under paragraph (1) shall have effect for such period as the Comptroller may determine.

(9) Unless the Comptroller otherwise allows or directs, notwithstanding that no tax is payable, an approved person shall account for the importation of goods in his return made under the Act for the period in which the importation occurred.

(10) An approved person shall immediately notify the Comptroller of any change in particulars furnished, the security given or the arrangements for the payment of tax.

(11) The Comptroller may, at any time, by notice in writing, vary or revoke any approval granted under this regulation if he is satisfied that the approved person —

- (a) has at any time ceased to satisfy any of the requirements for eligibility under paragraph (1);
- (b) has provided any false, misleading or inaccurate declaration or information in his application under paragraph (1);
- (c) has failed to account for or pay tax on any importation or supply by him on the basis that the importation or supply fell within paragraph (2) when the importation or supply did not fall within that paragraph; or
- (d) has failed to comply with any condition or requirement imposed by the Comptroller under paragraph (6).

(12) Unless the Comptroller otherwise allows, where the approved person fails to account for or pay tax on any importation or supply by him on the basis that the importation or supply falls within paragraph (2) when —

- (a) the importation or supply does not fall within paragraph (2); or
- (b) paragraph (2) does not, by virtue of paragraph (4), apply to the importation or supply,

he shall —

- (i) pay to the Comptroller without demand an amount equal to the tax which would, but for this regulation, have been chargeable on the importation or supply, as the case may be, to which the failure to comply relates; and
 - (ii) include the amount of tax as output tax in his return.
- (13) In this regulation —
 - “approved person” means a taxable person whose application to be an approved person has been granted by the Comptroller under paragraph (1);
 - “customs territory” and “free trade zone” have the same meanings as in section 3 of the Customs Act (Cap. 70);
 - “qualifying aircraft parts” has the same meaning as in section 21(4)(a) of the Act.”.

Deletion and substitution of regulation 46

4. Regulation 46 of the principal Regulations is deleted and the following regulation substituted therefor:

“Approved contract manufacturer and trader scheme

46.—(1) A taxable person may apply to the Comptroller to be an approved contract manufacturer, and the Comptroller may approve such application if the taxable person satisfies the Comptroller that —

- (a) he is in an industry approved by the Comptroller to provide treatment or processing of goods for and to an overseas person;
- (b) the total value of the supplies made by him comprising the treatment or processing of those goods for and to an overseas person —
 - (i) is not less than such amount as the Comptroller may determine; or
 - (ii) is not less than such proportion of the annual turnover of the taxable person as the Comptroller may determine;
- (c) the total amount or proportion of specified goods which are —
 - (i) exported by him; or