
First published in the *Government Gazette*, Electronic Edition, on 18th December 2000 at 5:00 pm.

No. S 576

**GOODS AND SERVICES TAX ACT
(CHAPTER 117A)**

**GOODS AND SERVICES TAX (GENERAL)
(AMENDMENT NO. 3) REGULATIONS 2000**

In exercise of the powers conferred by sections 21 (3) (*r*), 34A (3) 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 2000 and shall come into operation on 18th December 2000.

Amendment of regulation 37

2. Regulation 37 of the Goods and Services Tax (General) Regulations (Rg 1) (referred to in these Regulations as the principal Regulations) is amended by deleting paragraph (1) and substituting the following paragraph:

“(1) This regulation shall apply where a taxable person has deducted an amount of input tax which has been attributed to taxable supplies because he intended to use the goods or services in making either —

(a) taxable supplies; or

(b) both taxable and exempt supplies,

and during a period of 6 years commencing on the first day of the prescribed accounting period which the attribution was determined and before that intention is fulfilled, he uses or forms an intention to use the goods or services concerned —

(i) in making exempt supplies or both taxable and exempt supplies, instead of taxable supplies;

(ii) in making exempt supplies, instead of both taxable and exempt supplies; or

- (iii) in continuing to make both taxable and exempt supplies, but reducing the proportion of taxable supplies to exempt supplies.”.

New regulation 37A

3. The principal Regulations are amended by inserting, immediately after regulation 37, the following regulation:

“Adjustment of input tax deemed deducted

37A.—(1) This regulation shall apply to a transferee referred to in section 34A of the Act where the assets transferred to him are to be used in carrying on the same kind of business as that carried on by the transferor of the assets in making either —

- (a) taxable supplies; or
- (b) both taxable and exempt supplies,

and during a period of 6 years commencing on the day of the supply to him of the assets, the transferee uses or forms an intention to use the assets —

- (i) in making exempt supplies or both taxable and exempt supplies, instead of taxable supplies;
- (ii) in making exempt supplies, instead of both taxable and exempt supplies; or
- (iii) in continuing to make both taxable and exempt supplies, but reducing the proportion of taxable supplies to exempt supplies.

(2) Except as the Comptroller otherwise allows, where this regulation applies, the transferee shall on the return for the prescribed accounting period in which the use occurs or the intention is formed, as the case may be, account of an amount of the input tax deemed to have been deducted in respect of the supplies which have ceased or are intended to cease to be taxable supplies, in accordance with such method as the Comptroller may determine, and he shall repay the said amount to the Comptroller.

(3) For the purposes of this regulation, any question as to the nature of any supply shall be determined in accordance with the provisions of the Act and any regulations or orders made thereunder in force at the time the input tax was deemed to have been deducted.

(4) Subject to paragraph (5), paragraph (2) shall not apply where the input tax was deemed to have been deducted in respect of land supplied to the transferee which is no longer to be used to make to a taxable supply of land because the land has been rezoned as “Residential” or “Rural Centre and Settlement” in the Master Plan under the Planning Act (Cap. 232).

(5) Where any land is supplied to the transferee with any building thereon which is used or to be used for making exempt supplies, the transferee shall, for the purposes of paragraph (2), repay to the Comptroller input tax deemed to have been deducted in respect of only the building in accordance with such method as the Comptroller may determine.”.

Amendment of regulation 38

4. Regulation 38 of the principal Regulations is amended by deleting paragraph (1) and substituting the following paragraph:

“(1) This regulation shall apply where a taxable person has incurred an amount of input tax which has not been attributed to taxable supplies because he intended to use the goods or services in making either —

(a) exempt supplies; or

(b) both taxable and exempt supplies,

and during a period of 6 years commencing on the first day of the prescribed accounting period in which the attribution was determined and before that intention is fulfilled, he uses or forms an intention to use the goods or services concerned —

(i) in making taxable supplies or both taxable and exempt supplies, instead of exempt supplies;

(ii) in making taxable supplies, instead of both taxable and exempt supplies; or

(iii) in continuing to make both taxable and exempt supplies, but increasing the proportion of taxable supplies to exempt supplies.”.