

Goods and Services Tax (Amendment) Bill

Bill No. 2/2016.

Read the first time on 25 January 2016.

A BILL

i n t i t u l e d

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.—(1) This Act is the Goods and Services Tax (Amendment) Act 2016.

(2) Sections 2(a) to (d), (f), (h) and (i) and 3 come into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 21

2. Section 21 of the Goods and Services Tax Act is amended —

(a) by inserting, immediately after the words “For the purposes of subsections (3), (6),” in subsection (4), “(6AA),”;

(b) by deleting the definition of “aircraft” in subsection (4)(a) and substituting the following definition:

“ “aircraft” means any aircraft —

(i) that is wholly used or intended to be wholly used for travel —

(A) from a place outside Singapore to another place outside Singapore;

(B) from a place in Singapore to a place outside Singapore; or

(C) from a place outside Singapore to a place in Singapore; or

(ii) that is a military aircraft;”;

(c) by inserting, immediately after the definition of “co-location” in subsection (4)(a), the following definition:

“ “non-international aircraft” means any aircraft —

(i) that is not wholly used or intended to be wholly used for travel —

(A) from a place outside Singapore to another place outside Singapore;

(B) from a place in Singapore to a place outside Singapore; or

(C) from a place outside Singapore to a place in Singapore; and

(ii) that is not a military aircraft;”;

(d) by inserting, immediately after the words “subsection (3)” in subsection (5), the words “or (6AA)(a)”;

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(e) by deleting sub-paragraph (ii) of subsection (6)(b) and substituting the following sub-paragraph:

“(ii) for use as merchandise for sale by retail to persons carried on an aircraft;”;

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

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“(6AA) Subject to subsection (6AB) —

(a) a supply of prescribed services is treated as a supply of international services to the extent that the supply is specifically attributable to any particular flight by a non-international aircraft that is —

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(i) from a place outside Singapore to another place outside Singapore;

(ii) from a place in Singapore to a place outside Singapore; or

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(iii) from a place outside Singapore to a place in Singapore; and

(b) a supply of goods is zero-rated to the extent that the supply comprises goods which, to the Comptroller’s satisfaction, are shipped —

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(i) for use as stores or fuel on any flight by a non-international aircraft referred to in paragraph (a); or

(ii) for use as merchandise for sale by retail to persons carried on any flight by a non-international aircraft referred to in paragraph (a).

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(6AB) Subsection (6AA) only applies if such other conditions or restrictions, if any, as may be prescribed by the Minister or as the Comptroller may impose are fulfilled.”;

5 (g) by deleting paragraph (d) of subsection (6A) and substituting the following paragraph:

“(d) for use as merchandise for sale by retail to persons carried on a ship,”;

10 (h) by deleting the words “subsection (6) or (6A)” in subsection (8) and substituting the words “subsection (6), (6AA)(b) or (6A)”;

(i) by inserting, immediately after the words “subsection (6),” in subsection (8)(b), “(6AB),”.

Amendment of section 82

15 **3.** Section 82 of the Goods and Services Tax Act is amended —

(a) by deleting subsection (1) and substituting the following subsection:

“(1) Where the Comptroller is of the opinion that any person —

20 (a) is about or is likely to leave Singapore without paying all tax assessed on or due from the person under this Act; or

25 (b) being outside Singapore, is likely, if the person returns to Singapore, to leave Singapore without paying all tax assessed on or due from the person under this Act,

30 then the Comptroller may issue a certificate containing particulars of such tax and a direction to the Controller of Immigration to prevent the person from leaving Singapore without paying the tax or furnishing security to the satisfaction of the Comptroller for payment of the tax.”; and

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

“(7) A reference in this section to tax due from a person under this Act includes a reference to an amount which becomes payable to the Comptroller by a tourist or a person holding himself out to be a tourist, after the approval for the refund of the amount is revoked under a scheme for the refund established by regulations made under section 25.

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(8) In subsection (7), “tourist” means a tourist as defined in regulations establishing the scheme referred to in that subsection.”.

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EXPLANATORY STATEMENT

This Bill seeks to amend the Goods and Services Tax Act (Cap. 117A).

Clause 1 relates to the short title and commencement.

Clause 2 amends section 21 —

- (a) to re-define “aircraft” in subsection (4)(a) so that it relates only to aircraft wholly used or intended to be wholly used for international travel (including where the use or intended use is for recreation or pleasure), and military aircraft — see clause 2(b);
- (b) to empower the Minister for Finance to prescribe, as international services, supplies of services relating to flights that do not start and end in Singapore undertaken by aircraft falling outside the revised definition of “aircraft”, and to provide for the zero-rating of certain supplies of goods in connection with such flights; and also to make various consequential amendments — see clause 2(f); and clause 2(a), (c), (d), (h) and (i); and
- (c) to make technical amendments to subsections (6)(b)(ii) and (6A)(d) to clarify the intent of those provisions — see clause 2(e) and (g).

Clause 3 amends section 82(1) to empower the Comptroller of Goods and Services Tax to issue a travel restriction order against a person outside Singapore. The clause further inserts a new subsection (7) to extend travel restriction orders to tourists, and persons holding themselves out as tourists, who have had their refunds relating to tax revoked.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
