

**SUMMARY TABLE
PROPOSED AMENDMENTS TO THE GOODS AND SERVICES TAX ACT**

s/n.	Tax Change	Brief description of tax change	Amendment to GST Act	Explanation for Amendment
1	Electronic transactions via IRAS's new system	<p>IRAS will be replacing its information system, Inland Revenue Integrated System (IRIS) with a new system, Inland Revenue Interactive Network (IRIN).</p> <p>To enhance customer service, IRIN will enable the provision of e-services to taxpayers via individualised portals (e.g. e-notices and e-applications).</p> <p>Therefore, the GST Act will be amended to provide electronic transactions and notices with the same legal force as paper documents.</p>	<p>Sections 2(1), 42, and 87</p> <p>[Clauses 2, 7 and 11]</p>	<p>Clause 2 amends section 2(1) by inserting new definitions of “account with the electronic service”, “electronic record” and “electronic service”, by re-introducing the definition of “authentication code” and by deleting the definitions of “database report” and “registered user” as a result of the repeal and re-enactment of section 42 by clause 7.</p> <p>Clause 7 repeals and re-enacts section 42:</p> <p>(a) to provide for an electronic service for the registration of taxable persons, the filing or submission of returns, declarations and documents by any person or his agent, and the service of notices, directions, orders, permits, receipts and documents by the Comptroller; and</p> <p>(b) to make an electronic record of any return, declaration, notice, direction, order, permit, receipt or document, or any copy or print-out thereof, admissible in court as evidence of the facts stated therein if certain conditions</p>

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				<p>are satisfied.</p> <p>Clause 11 amends section 87 to provide for any notice, direction, order or other document to be served by transmitting an electronic record of that document to a person's account with the electronic service, if the person has given his consent for that document to be served on him through the electronic service.</p>
2	GST Board of Review	<p>To allow the efficient processing of cases, the GST Act will be amended to allow Minister for Finance the flexibility to appoint Deputy Chairmen to preside over hearing committees in the authority of the Chairman.</p> <p>In addition, the GST Act will be amended to require appellant and Comptroller to state the reasons for objecting to certain members of the GST Board of Review from hearing specific cases and to allow the Chairman or such Deputy Chairman of the Board as the Chairman may authorise to assess the merits of the reasons provided for the objections. This will enable all members of the Board to be more gainfully deployed for the appeal process.</p>	<p>Sections 50 and 51</p> <p>[Clauses 8 and 9]</p>	<p>Clause 8 amends section 50:</p> <p>(a) to empower the Minister to appoint as Chairman and Deputy Chairmen persons who are qualified to be a District Judge or who are accountants from among the Board of Review members;</p> <p>(b) to enable a Deputy Chairman to preside at Board meetings in the absence of the Chairman and a Board member to preside at the meetings in the absence of the Chairman and any Deputy Chairmen;</p> <p>(c) to provide that a committee of the Board (which exercises, discharges and performs the powers, functions and duties of the Board) must include at</p>

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				<p>least the Chairman or a Deputy Chairman of the Board; and</p> <p>(d) to specify that the Chairman, the Deputy Chairman or such other member of the Board as may be presiding at a Board meeting will have the second or casting vote where there is an equality of votes in a particular matter before it, and to specify the person who is to preside at every meeting of a committee of the Board.</p> <p>Clause 9 amends section 51 —</p> <p>(a) to require that a notice of appeal to the Board must include the reasons of the appellant for objecting to any member of the Board;</p> <p>(b) to provide that the Comptroller is required to provide reasons for objecting to any member of the Board;</p> <p>(c) to provide that the appellant and the Comptroller will not be entitled to object to the Chairman of the Board or any Deputy Chairman of the Board; and</p> <p>(d) to enable the Chairman or a Deputy Chairman authorised by the Chairman to determine whether the reasons for</p>

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				<p>objecting to any member of the Board are valid, and if the reasons are valid, the member of the Board objected to must not attend the hearing of the appeal.</p>
3	Zero-rating of services provided for and to overseas persons	Under the current GST legislation, the services must be made contractually to and beneficially for an overseas person in order to qualify for zero-rating. This reflects the policy intent that only services consumed overseas can be zero-rated in order to safeguard against round tripping and tax avoidance. The GST Act will be amended to clarify this policy intent.	<p>Section 21(3)(j), (k) and (s) New section 21(4A) [Clause 3]</p>	<p>Clause 3 amends section 21(3)(j), (k) and (s) to clarify that the services to qualify thereunder as international services are those supplied under a contract with a person who belongs outside of Singapore and which directly benefit a person who belongs outside Singapore.</p> <p>The clause further inserts a new section 21(4A) to clarify that these 2 persons can be the same or different persons.</p>
4	Zero-rating of services for handling of ships, aircrafts or goods	The GST Act will be amended to zero-rate services that are integral to handling of ships or aircrafts and handling or storage of goods carried in a ship or aircraft even if they are not carried out within the specified physical boundaries of Free Trade Zone (FTZ) or designated area(s) of a port, terminal or airport. This is to keep pace with the changes in industry practices as businesses are now required to transact via e-mode systems in the handling of ships or aircrafts and in bringing goods in and out of Singapore.	<p>Section 21(3)(l) [Clause 3]</p>	<p>Clause 3 amends section 21(3)(l) to allow the Minister to prescribe certain services in connection with the handling of ships or aircraft, or the handling or storage of goods carried in ships or aircrafts, as international services (without the need for the services to be carried out within a free trade zone or a designated area of a port, a terminal or an airport).</p> <p>The clause further deletes the definition of</p>

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				<p>“designated area” in section 21(4) which is consequently no longer necessary.</p> <p>The list of prescribed services will be provided for in the subsidiary legislation.</p>
5	GST scheme to ease cash-flow burden on exporters	The GST Act will be amended to introduce a new scheme whereby GST will be waived on certain products supplied from a specified party to another specified party in a qualifying industry which predominantly engages in products which have no local consumption.	<p>Section 27</p> <p>[Clause 5]</p>	<p>Clause 5 repeals and re-enacts section 27 to enable the Minister to make regulations to permit certain goods to be supplied by a taxable person to another taxable person without payment of tax on the supply.</p> <p>This power is in addition to the existing power of the Minister to make regulations relating to the delivery or removal, or delivery or removal and supply, of certain imported goods without payment of tax on the importation or on the supply.</p>
6	Powers of Minister/ Comptroller	The GST Act will be amended to clarify that the Minister/Comptroller has powers to grant refund to a person who has paid tax on imports or on goods and services supplied to him by a taxable person in certain circumstances.	<p>Sections 24(4), 89(1) and 89(2)</p> <p>[Clauses 4 and 12]</p>	Clause 4 amends section 24(4) to clarify that the Minister, in order to give effect to any international agreement or arrangement, may, in addition to granting relief from or remissions of tax chargeable on imports of goods or supplies of goods or services, grant refunds of such tax (including refunds of tax to a person to whom goods or services are supplied, which tax would be his input tax if he

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				<p>were a taxable person).</p> <p>Clause 12 amends section 89(1) and (2) to enable the Comptroller and the Minister to give to any person or class of persons, in addition to remissions of any tax chargeable on the import of goods or the supply of goods or services, or any penalties payable, relief from such tax or penalties. Refunds of such tax may also be given (including refunds of tax to a person or class of persons to whom goods or services are supplied, which tax would be his or their input tax if he or they were taxable persons).</p>