

Legislation

Goods and Services Tax (Amendment) Bill 2005 (B37/2005)

The Goods and Services Tax Act was passed on 22 November 2005.

Section 19(12) will be replaced with s 19(12) and 19(12A). The new sub-s (12) requires a taxable person who:

- 1 has failed to pay his supplier the consideration or any part thereof for the supply of goods or services made by his supplier to him; and
- 2 has credited the input tax relating to the consideration or the part thereof against his output tax,

to account of and repay to the Comptroller of Goods and Services Tax, in certain circumstances, an amount equal to such input tax. Under the new s 19(12A), where the taxable person subsequently pays his supplier the whole or part of the consideration during the period specified in the subsection, the taxable person is entitled to treat an amount equal to the input tax relating to the subsequent payment to his supplier as if it were input tax for the prescribed accounting period during which he made the subsequent payment.

Section 21(3)(p) is re-enacted to enable the Minister for Finance to prescribe the types of services comprising the repair, maintenance, broking or management of any ship or aircraft which are to be treated as international services for purposes of the Act. Further, a new s 21(3)(t) will be introduced, enabling the Minister to prescribe the types of services in connection with the provision of an electronic system relating to the import of goods into or the export of goods out of Singapore which are to be treated as international services for the purposes of the Act.

The Goods and Services Tax Act will also be amended to require the compulsory

making and submission of returns by any prescribed class of persons through the electronic service provided by the Comptroller of Goods and Services Tax, and to provide for any procedure for the making and submission of returns through such electronic service.

Income Tax (Amendment) Act 2005 (A34/2005)

The Income Tax (Amendment) Act 2005 has been gazetted and comes into force from various dates.

Primarily, the Income Tax (Amendment) Act 2005 implements the income tax changes announced in the Government's 2005 Budget Statement.

Money-changing and Remittance Businesses (Amendment) Act (Commencement) Notification 2005 (S686/2005)

Pursuant to the Money-changing and Remittance Businesses (Amendment) Act (Commencement) Notification 2005 (the 'Commencement Notification'), the Money-changing and Remittance Businesses (Amendment) Act 2005 (the 'Amendment Act') which was passed in Parliament on 15 August 2005, came into force on 2 November 2005.

The Money-changing and Remittance Businesses Act (the 'Act') will be amended pursuant to the Amendment Act to achieve the following:

- 1 to require the holder of a remittance licence to be incorporated and to have a minimum capital of S\$100,000;
- 2 to expand the scope of the power of the Monetary Authority of Singapore (the 'MAS') to revoke a licence granted under the Act, to empower the MAS to suspend a licence in lieu of revocation, and to provide for the

circumstances under which a licence will lapse or may be surrendered;

- 3 to remove the powers of the MAS to arrest a person reasonably suspected of having committed an offence under the Act and to conduct proceedings in respect of offences under the Act;
- 4 to make officers or partners of a licensee personally liable under certain circumstances for any loss suffered where the licensee has carried on its business in a fraudulent manner;
- 5 to empower the MAS to issue directions in respect of a licensee's inward remittance business; and
- 6 to increase the quantum of the penalties for certain offences under the Act.

The following Regulations are also issued under the Act:

- 1 The Money-changing and Remittance Businesses Regulations 2005.
 - a These Regulations set out matters in relation to licensing fees of money-changers and remittance agents, security deposit from remittance licence holders and auditor's report and financial statements.
 - b The Regulations revoked the Money-changing and Remittance Business (Licence Fees) Regulations and the Money-changing and Remittance Business (Security Deposit from Remittance Licensees) Regulations.
- 2 The Money-changing and Remittance Businesses (Exemption from Sections 9A and 9B) Notification 2005.

The above Regulations also came into force on 2 November 2005.

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