

Feedback to MOF
Public Consultation on Goods & Services Tax (“GST”)
(Amendment) Bill 2019

Feedback on Goods & Services Tax (“GST”) (Amendment) Bill 2019

No.	Tax Change (Amendment to GST Act)	Comments	Proposed change to draft GST (Amendment) Bill
1	<p>Clause 8 proposes to amend section 30(4)(d) of the GST Act to include the following wording:</p> <p><i>“including, where all members of the group are taxable persons registered under paragraph 1B of the First Schedule, a condition that none of the members must claim for any input tax to which the member is entitled under this Act.”</i></p>	<p>A literal interpretation would empower the Comptroller of Goods and Services Tax (the Comptroller) to impose, for the purposes of group registration, a condition prohibiting members of the group from making any claims for input tax that the member might otherwise be entitled to claim under the Act.</p> <p>This does not conform to current practice regarding entitlement to input tax recovery and, therefore, appears to be a drafting error which requires clarification or amendment.</p>	<p>The intent of this tax change may be to ensure that only one person in a group registration, ie, the representative member, claims the relevant input tax on behalf of every other member of the same GST group. If this is the case, this section could be amended as follows (changes in bold):</p> <p><i>“including, where all members of the group are taxable persons registered under paragraph 1B of the First Schedule, a condition that none of the other group members must claim for any input tax to which the representative member is entitled under this Act.”</i></p>
2	<p>Clause 6 proposes to amend section 17 of the GST Act in respect of measures concerning reverse charge supplies between members of a Singapore GST group and the value of the supply subject to reverse charge GST.</p> <p>Currently the GST Act appears to have a legislative impediment making it difficult for a non-Singapore related</p>	<p>If a non-Singapore related party cannot voluntarily register for GST in advance of the 1/1/2020 effective date for the introduction of reverse charge GST on imported services, then it cannot join a local GST group registration. We are of the view that these voluntary registration requirements need to be amended for the following reasons:</p> <ol style="list-style-type: none"> 1. Non-Singapore related party (or parties) should be given the opportunity to join local GST groups which is not disallowed within the GST Act, GST Regulations and 	<p>In advance of the 1/1/2020 effective date when reverse charge GST on imported services commences in Singapore, we request consideration to amend the voluntary GST registration requirements under section 9(2), First Schedule of the GST Act.</p> <p>Such amendments should make it possible for a non-Singaporean (ie, overseas) entity to voluntarily register for GST effective from 1 January 2020. This is despite the fact the</p>

	<p>party to join an existing Singapore GST group registration.</p> <p>This may result in the non-Singapore related party being prevented from voluntarily registering for GST. If the non-Singapore related party cannot voluntarily register for GST then it cannot satisfy one of the conditions under Regulation 4 of the GST Regulations to join a local GST group registration. This is because one of the requirements for joining a local GST group requires a non-Singapore member to be registered for GST, ie, it cannot be a taxable person within the meaning given at section 8(2) of the GST Act.</p>	<p>included in existing IRAS guidance (eg, e-Tax GST: General Guide on Group Registration).</p> <p>2. Fair and equitable access is granted to utilize the concession from the value of the services subject to reverse charge GST as stated under section 17(3B) of the GST Act. Further, this would not penalize businesses with non-Singapore headquartered or service centre operations from providing services to their Singapore-based operations. This would ensure that such a concession is given full effect.</p>	<p>entity does not make taxable supplies in Singapore nor have a local establishment in Singapore as currently required under section 9(2), First Schedule of the GST Act.</p> <p>Any application for a non-Singaporean related party to voluntarily register for GST should only be granted on the basis that the entity concurrently satisfies one of the conditions under section 4(2) of the GST Regulations to be able to join an existing Singapore GST group registration where it cannot act as the representative member of the local GST group.</p>
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