

Goods and Services Tax (Amendment) Bill

Bill No. 15/2007.

Read the first time on 9th April 2007.

A BILL

intituled

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 may be cited as the Goods and Services Tax (Amendment) Act 2007 and shall, with the exception of section 11, come into operation on 1st July 2007.

5 (2) Section 11 shall be deemed to have come into operation on 17th February 2006.

Repeal and re-enactment of section 16

2. Section 16 of the Goods and Services Tax Act (referred to in this Act as the principal Act) is repealed and the following section substituted
10 therefor:

“Rate of tax

16. Tax shall be charged at the rate of —

- (a) 4% for the period from 1st January 2003 to 31st December 2003 (both dates inclusive);
- 15 (b) 5% for the period from 1st January 2004 to 30th June 2007 (both dates inclusive); and
- (c) 7% from and including 1st July 2007,

and shall be charged on —

- 20 (i) the supply of goods or services, by reference to the value of the supply as determined under this Act; and
- (ii) the importation of goods, by reference to the value of the goods as determined under this Act.”.

Amendment of section 19

3. Section 19(15) of the principal Act is amended by deleting the
25 definition of “subsequent specified period” and substituting the following definition:

“ “subsequent specified period” means —

- (a) where the prescribed accounting period during which the relevant input tax was first credited under subsection (2)
30 ends before 1st January 2007, a period —
 - (i) commencing on the day immediately following the end of the initial specified period; and

- (ii) ending on a day 6 years from the end of that prescribed accounting period; or
- (b) where the prescribed accounting period during which the relevant input tax was first credited under subsection (2) ends on or after 1st January 2007, a period —
 - (i) commencing on the day immediately following the end of the initial specified period; and
 - (ii) ending on a day 5 years from the end of that prescribed accounting period.”.

10 **Amendment of section 21**

4. Section 21 of the principal Act is amended —

- (a) by inserting, immediately after the words “Subject to this section” in subsection (1), the words “and section 21A”;
- (b) by inserting, immediately before the words “services supplied” in subsection (3)(e), (f) and (g), the words “subject to subsection (4B),”;
- (c) by deleting paragraph (j) of subsection (3) and substituting the following paragraph:
 - “(j) subject to subsections (4B) and (4C), services supplied —
 - (i) under a contract with a person who belongs in a country outside Singapore; and
 - (ii) which directly benefit a person who belongs in a country other than Singapore and who is outside Singapore at the time the services are performed;”;
- (d) by deleting the word “or” at the end of subsection (3)(s);
- (e) by deleting the full-stop at the end of paragraph (t) of subsection (3) and substituting the word “; or”, and by inserting immediately thereafter the following paragraph:
 - “(u) subject to subsection (4D), services comprising either of or both —

(i) the supply of a right to promulgate an advertisement by means of any medium of communication; and

(ii) the promulgation of an advertisement by means of any medium of communication,

where the Comptroller is satisfied that the advertisement is intended to be substantially promulgated outside Singapore.”; and

(f) by inserting, immediately after subsection (4A), the following subsections:

“(4B) The services referred to in subsection (3)(e), (f), (g) and (j) shall not include any services comprising either of or both —

(a) the supply of a right to promulgate an advertisement by means of any medium of communication; and

(b) the promulgation of an advertisement by means of any medium of communication.

(4C) The services referred to in subsection (3)(j) shall not include any services which are supplied directly in connection with —

(a) land or any improvement thereto situated inside Singapore; or

(b) goods situated inside Singapore at the time the services are performed, other than goods referred to in subsection (3)(g).

(4D) The services referred to in subsection (3)(u) shall not include any services comprising only of the promulgation of an advertisement by means of the transmission, emission or reception of signs, signals, writing, images, sounds or intelligence by any nature of wire, radio, optical or other electro-magnetic systems whether or not such signs, signals, writing, images, sounds or intelligence have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception.”.

New section 21A

5. The principal Act is amended by inserting, immediately after section 21, the following section:

“Zero-rating of supply of certain tools, etc.

5 **21A.**—(1) Subject to such conditions as the Minister may prescribe, the supply by any taxable person of —

- (a) any prescribed tool used in the manufacture of goods;
- (b) any services directly in connection with such tool; or
- (c) any prototype of such tool,

10 to a person who belongs in a country outside Singapore and who is not a registered person, shall be zero-rated where such tool is used in Singapore for the manufacture of goods for the person who belongs in a country outside Singapore.

15 (2) Where a supply of goods or services by a taxable person is zero-rated under subsection (1), then, whether or not tax would be chargeable on the supply apart from this section —

- (a) no tax shall be charged on the supply; but
- (b) it shall in all other respects be treated as a taxable supply,

20 and accordingly the rate at which tax is treated as charged on the supply shall be nil.”.

Repeal and re-enactment of section 29

6. Section 29 of the principal Act is repealed and the following section substituted therefor:

“Input tax deemed incurred in relation to insurance cash payments

25 **29.**—(1) The Minister may by regulations provide —

- (a) that where the premium payable to an insurer under any contract of insurance is subject to tax at a rate specified under section 16, the insurer is deemed to have incurred input tax on any cash payment made by him upon the occurrence of an insured event and which is obligatory under that contract of insurance (referred to in this section as

deemed input tax), except in such situation as the Minister may decide otherwise for the protection of revenue;

(b) that any regulations made under paragraph (a) shall apply only where the contract of insurance is taken out by such person as may be prescribed;

(c) for the determination of the amount of deemed input tax referred to in paragraph (a) and the period in which the deemed input tax is deemed to have been incurred;

(d) for the adjustment of the amount of deemed input tax referred to in paragraph (a) where, after any cash payment referred to in that paragraph has been made, the insurer recovers such payment or any part thereof from any person (other than his re-insurer under a re-insurance contract);

(e) for the determination of the amount of the adjustment referred to in paragraph (d), and the period in which such adjustment is to be made; and

(f) for such incidental and supplementary matters as appear to the Minister necessary or expedient.

(2) Where input tax is deemed to have been incurred under any regulations made under subsection (1), such deemed input tax shall, for the purposes of this Act, be treated as input tax within the meaning of section 19.”.

Amendment of section 45

7. Section 45 of the principal Act is amended —

(a) by deleting subsection (5) and substituting the following subsection:

“(5) An assessment under subsection (1) or (2) of an amount of tax due for any prescribed accounting period shall not be made —

(a) in the case of a prescribed accounting period ending before 1st January 2007, more than 7 years from the end of the prescribed accounting period; and

(b) in the case of a prescribed accounting period ending on or after 1st January 2007, more than 5 years from the end of the prescribed accounting period.”; and

(b) by inserting, immediately after subsection (10), the following subsections:

“(10A) Where the Comptroller raises an assessment under subsection (1) upon the failure of a person to make any returns, and, subsequent to such assessment, the person makes a return, the Comptroller may, in his discretion, take into account the return and revise his assessment as he deems fit.

(10B) For the purpose of subsection (10A), where a person makes a return in respect of a prescribed accounting period ending on or after 1st January 2007 more than 5 years from the end of the prescribed accounting period, the return shall be treated as not having been made.”.

Amendment of section 46

8. Section 46 of the principal Act is amended by deleting subsection (2) and substituting the following subsection:

“(2) Any records kept in pursuance of this section shall be preserved —

(a) in the case of records relating to a prescribed accounting period ending before 1st January 2007, for a period of not less than 7 years from the end of the prescribed accounting period; and

(b) in the case of records relating to a prescribed accounting period ending on or after 1st January 2007, for a period of not less than 5 years from the end of the prescribed accounting period.”.

Amendment of section 90

9. Section 90 of the principal Act is amended —

(a) by deleting the word “Where” in subsection (1) and substituting the words “Except as provided in subsection (1A), where”; and

(b) by inserting, immediately after subsection (1), the following subsections:

“(1A) Subject to subsection (1C), where any person makes a claim in accordance with subsection (1B) —

(a) that any money was overpaid or erroneously paid by him as tax or penalty under this Act —

5 (i) in the case of a claim relating to tax on a supply made or deemed to have been made by a person not registered for tax purposes, on or after 1st January 2007; and

10 (ii) in any other case, in respect of a prescribed accounting period ending on or after 1st January 2007; or

(b) that any money is due to him under this Act in respect of a prescribed accounting period ending on or after 1st January 2007,

15 it shall be lawful for the Comptroller to refund or pay such money to the person if it is proved to the satisfaction of the Comptroller that the money was overpaid or erroneously paid as tax or penalty by, or the money is due to, the person.

(1B) A claim referred to in subsection (1A) shall be made —

20 (a) in writing in such form and manner as the Comptroller may determine; and

(b) within 5 years from —

25 (i) in the case of a claim referred to in subsection (1A)(a)(i), the date on which the tax was paid by the buyer to the supplier; and

(ii) in the case of a claim referred to in subsection (1A)(a)(ii) or (b), the end of the prescribed accounting period to which the claim relates.

30 (1C) The Comptroller may refuse to make any refund or payment under subsection (1A) if the claim relates to any tax or penalty which has not been received by the Comptroller.”.

New section 90A

10. The principal Act is amended by inserting, immediately after section 90, the following section:

“Advance rulings

5 **90A.**—(1) The Comptroller may, on an application made by a person in accordance with Part I of the Fifth Schedule, make a ruling on any of the matters specified in that Part in accordance with that Part.

10 (2) Part I of the Fifth Schedule shall apply to and in connection with an application under subsection (1) and any ruling made by the Comptroller under that subsection.

 (3) The fees specified in Part II of the Fifth Schedule shall be payable to and retained by the Authority in respect of any application under subsection (1).

15 (4) The Authority may, in exceptional circumstances in its discretion, waive in whole or in part any fee payable by an applicant under subsection (3).

 (5) The Minister may by order amend the Fifth Schedule.

20 (6) In this section, “Authority” means the Inland Revenue Authority of Singapore established under section 3 of the Inland Revenue Authority of Singapore Act (Cap. 138A).”.

Amendment of Fourth Schedule

11. The Fourth Schedule to the principal Act is amended —

25 (a) by deleting the full-stop at the end of sub-paragraph (q) of paragraph 1 and substituting a semi-colon, and by inserting immediately thereafter the following sub-paragraph:

30 “(r) the provision of financing by a financial institution in connection with a qualifying Islamic financial arrangement in relation to non-residential property, for which the financial institution derives an effective return.”;

 (b) by inserting, immediately after the definition of “debt security” in paragraph 3, the following definition:

“ “effective return” means —

(a) in the case of a qualifying Islamic financial arrangement described in paragraphs (a), (b) and (c)(i) of the definition of that arrangement, the difference between the price of the non-residential property sold by the financial institution to the purchaser over the cost of the non-residential property bought by the financial institution; and

(b) in the case of a qualifying Islamic financial arrangement described in paragraphs (a), (b) and (c)(ii) of the definition of that arrangement, the difference between the payments made by the purchaser over the cost of the non-residential property bought by the financial institution;”;

(c) by inserting, immediately after the definition of “equity security” in paragraph 3, the following definition:

“ “financial institution” means —

(a) an institution licensed or approved by the Monetary Authority of Singapore, or exempted from such licensing or approval under any written law administered by the Monetary Authority of Singapore; and

(b) any institution outside Singapore that is licensed or approved, or exempted from such licensing or approval, by its financial supervisory authority for the carrying on of financial activities;”;

(d) by inserting, immediately after the definition of “life insurance contract” in paragraph 3, the following definitions:

“ “Monetary Authority of Singapore” means the Monetary Authority of Singapore established under section 3 of the Monetary Authority of Singapore Act (Cap. 186);

“non-residential property” means any land, building, flat or tenement other than any land, building, flat or tenement described in paragraph 2(a), (b) and (c);

“qualifying Islamic financial arrangement”, in relation to non-residential property, means an arrangement that is entered into between a financial institution and a purchaser —

(a) which is endorsed by any *Shari’ah* council or body, or by any committee formed for the purpose of providing guidance on compliance with *Shari’ah law*;

- (b) which is provided by a financial institution that is permitted by the Monetary Authority of Singapore or any financial supervisory authority outside Singapore, as the case may be, to engage in the financial arrangement in question; and
- 5 (c) whereby the financial institution purchases the non-residential property from the seller with a view to selling the same to the purchaser and —
- (i) the financial institution immediately sells the non-residential property to the purchaser (whether in consideration of a lump sum payment or instalment payments); or
- 10 (ii) the financial institution immediately leases the non-residential property to the purchaser with an option for the purchaser to purchase the same;”.

15 **New Fifth Schedule**

12. The principal Act is amended by inserting, immediately after the Fourth Schedule, the following Schedule:

“FIFTH SCHEDULE

Section 90A

20 ADVANCE RULINGS

PART I

1.—(1) Subject to the provisions of this Part, on an application made in accordance with this Part, the Comptroller shall make a ruling on how any provision of this Act applies, or would apply, to a person and to an arrangement for which the ruling is sought.

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(2) The Comptroller may make a ruling on how any provision of this Act applies to the arrangement described in an application, whether or not reference was made to that provision in the application.

(3) The Comptroller shall not make a ruling on a provision of this Act that authorises or requires the Comptroller to —

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- (a) impose or remit a penalty;
- (b) inquire into the correctness of any return or other information supplied by any person;
- (c) prosecute any person; or

- (d) recover any debt owing by any person.
- (4) An application for a ruling shall —
- (a) be made in such form as the Comptroller may determine; and
 - (b) comply with the disclosure requirements of paragraph 9.
- 5 (5) An applicant for a ruling may at any time withdraw the application by notice in writing to the Comptroller.
2. The Comptroller may decline to make a ruling if —
- (a) the application for the ruling would require the Comptroller to determine any question of fact;
 - 10 (b) the Comptroller considers that the correctness of the ruling would depend on the making of assumptions, whether in respect of a future event or any other matter;
 - (c) the matter on which the ruling is sought is subject to an objection or appeal, whether in relation to the applicant or any other person; or
 - 15 (d) the applicant has outstanding debts relating to earlier ruling applications.
3. The Comptroller shall not make a ruling if —
- (a) the matter on which the ruling is sought is the subject of a return which has been or is due to be lodged under this Act;
 - (b) at the time the application is made or at any time before the ruling is issued, 20 the Comptroller considers that the person to whom the ruling is to apply is not seriously contemplating the arrangement for which the ruling is sought;
 - (c) the application is frivolous or vexatious;
 - (d) the matter on which the ruling is sought involves the interpretation of any foreign law;
 - 25 (e) a ruling already exists on how the relevant provision of this Act applies to the person and the arrangement, and the proposed ruling would apply to a period to which the existing ruling applies;
 - (f) an assessment (other than an assessment of any estimated tax) relating to the person, the arrangement, and a period to which the proposed ruling would 30 apply, has been made, unless the application is received by the Comptroller before the date the assessment is made;
 - (g) the Comptroller is undertaking an audit or investigation on how any provision of this Act applies to the applicant, or to an arrangement similar to the arrangement which is the subject of the application, during any period for 35 which the proposed ruling would apply were the ruling to be made;
 - (h) in the Comptroller's opinion, the applicant has not provided sufficient information in relation to the application after the Comptroller has requested further information;

- (i) in the Comptroller's opinion, it would be unreasonable to make a ruling in view of the resources available to the Comptroller; or
- (j) the application for the ruling would require the Comptroller to form an opinion as to a generally accepted accounting principle or to form an opinion as to a commercially acceptable practice.

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4. The Comptroller shall, where he has declined to make a ruling under paragraph 2 or has not made a ruling by virtue of paragraph 3, notify the applicant in writing of his decision and the reasons therefor.

5. Where the Comptroller has made a ruling on the application of any provision of this Act in relation to an arrangement, and —

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- (a) the ruling applies in relation to the arrangement during the whole or any part of the period specified in the ruling; and
- (b) the person to whom the ruling applies discloses in accordance with paragraph 17 that he has relied on the ruling in preparing and providing a return,

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the Comptroller shall apply the provision in relation to the person and the arrangement in respect of the whole or the part of the period, as the case may be, in accordance with the ruling.

6. A ruling shall apply in relation to an arrangement as a ruling on a provision of this Act —

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- (a) only if the provision is expressly referred to in the ruling; and
- (b) for a period of 3 years from the date the ruling is made or such other period as the Comptroller may, taking into account any special circumstances, determine.

7. A ruling shall not apply to a person in relation to an arrangement if —

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- (a) the arrangement is materially different from the arrangement identified in the ruling;
- (b) there was a material omission or misrepresentation in, or in connection with, the application for the ruling;
- (c) the Comptroller makes an assumption about a future event or another matter that is material to the ruling, and the assumption subsequently proves to be incorrect; or
- (d) the Comptroller stipulates a condition that is not satisfied.

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8.—(1) A person, in his own right or on behalf of a person who has yet to come into legal existence, may apply to the Comptroller for a ruling on how a provision of this Act applies, or would apply, to —

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- (a) the person making the application or the prospective person, as the case may be; and
- (b) an arrangement.

(2) Two or more persons may jointly apply, or a person on behalf of 2 or more persons who have yet to come into legal existence may apply, to the Comptroller for a ruling on how a provision of this Act applies, or would apply, to each person and to an arrangement.

5 9.—(1) An application for a ruling shall —

- (a) identify the applicant;
- (b) disclose all relevant facts (including the reasons for the arrangement, if applicable) and documents relating to the arrangement in respect of which the ruling is sought;
- 10 (c) state the provision of this Act in respect of which the ruling is sought;
- (d) state the proposition of law (if any) which is relevant to the issues raised in the application;
- (e) state whether a previous application has been made on the same or any similar arrangement by the applicant and the result of any such application;
- 15 and
- (f) provide a draft ruling.

(2) If the Comptroller considers that it would be unreasonable to require the applicant to comply with any of the requirements in sub-paragraph (1)(c) to (f), the Comptroller may waive those requirements.

20 (3) Any document provided by any person under this Schedule shall be retained by the Comptroller.

10. The Comptroller may at any time request further relevant information from an applicant for a ruling.

25 11.—(1) If the Comptroller considers that the correctness of a ruling would depend on assumptions being made about a future event or other matter, the Comptroller may make the assumptions that he considers to be most appropriate.

(2) The Comptroller may not make assumptions about information which the applicant can provide.

12.—(1) A ruling made by the Comptroller shall state —

- 30 (a) that it is a ruling made under section 90A;
- (b) the identity of the person, the provision of this Act, and the arrangement (which may be identified by reference to the arrangement in the application) to which the ruling applies;
- (c) how the provision of this Act applies to the person and to the arrangement;
- 35 (d) the period for which the ruling applies pursuant to paragraph 6;
- (e) the material assumptions about future events or other matters made by the Comptroller; and
- (f) the conditions (if any) stipulated by the Comptroller.

(2) The Comptroller shall notify the making of a ruling by sending a copy of the ruling to the person or persons who applied for it.

13.—(1) The Comptroller may at any time withdraw a ruling by notifying the person to whom the ruling applies in writing of the withdrawal and the reasons therefor.

5 (2) The ruling shall be withdrawn from the date specified in the notice of withdrawal.

(3) The date referred to in sub-paragraph (2) shall not be earlier than the date on which the person could reasonably be expected to receive the notice of withdrawal.

(4) If the Comptroller withdraws a ruling —

10 (a) the ruling shall not apply to any arrangement entered into or effected on or after the date of withdrawal; but

(b) the ruling shall continue to apply in relation to any arrangement for the remainder of the period set out in paragraph 6(b) if the arrangement has been entered into or effected before the date of withdrawal.

15 14.—(1) The Comptroller shall not be required to withdraw and reissue a new ruling to correct a typographical or a minor error if the correction does not change the meaning of the ruling.

(2) A ruling that is not withdrawn and reissued remains valid for the period set out in paragraph 6(b).

20 15. A ruling shall not apply from the date a provision of this Act is repealed or amended to the extent that the repeal or amendment changes the way the provision applies in the ruling.

16. The fact that there has been an application for a ruling shall not affect a person's obligation to provide any return, make any payment, or do any other act, or the Comptroller's power to make or amend any assessment.

25 17. Where —

(a) a ruling has been obtained;

(b) the person to whom the ruling applies is required to provide a return under this Act; and

30 (c) in preparing the return the person is required to take into account the way in which a provision of this Act applies to the arrangement identified in the ruling,

the person shall disclose the following in such form and manner, and within such time, as the Comptroller may require:

(i) the existence of the ruling;

35 (ii) whether or not the person has relied on the ruling in preparing and providing the return; and

(iii) any material changes to the arrangement identified in the ruling.

PART II

1. The fees specified in respect of an application for a ruling made in accordance with Part I are —

- 5 (a) a non-refundable application fee of \$525 (inclusive of tax), which shall accompany the application;
- (b) a further fee, calculated at \$131.25 (inclusive of tax) per hour (or any part of an hour), beyond the first 4 hours, spent in consideration of the application by the Comptroller, including any time spent by the Comptroller in consulting with the applicant;
- 10 (c) an additional fee (inclusive of tax), of up to 2 times the aggregate fee under sub-paragraphs (a) and (b), for the Comptroller to give priority to the application and to expedite his consideration thereof; and
- (d) reimbursement fees in respect of —
- 15 (i) any fees paid by the Comptroller to any person, if the Comptroller requires external advice in relation to the ruling and the applicant agrees to the Comptroller seeking such external advice; and
- (ii) any costs and reasonable disbursements incurred by the Comptroller in relation to the ruling.

2. If an application for a ruling is withdrawn, the applicant shall be liable to pay all fees incurred before the Comptroller received notice of the withdrawal.

3. The Comptroller shall ensure as far as is reasonably practicable that every effort is made to minimise the fees to which an applicant is liable in respect of an application for a ruling.”.

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 repeals and re-enacts section 16 to provide for the rate of tax to be 7% from 1st July 2007 onwards.

Clause 3 amends section 19(15) by deleting and substituting the definition of “subsequent specified period” to change the period referred to therein from 6 years to 5 years in respect of input tax first credited in prescribed accounting periods ending on or after 1st January 2007.

Clause 4 makes a consequential amendment to section 21(1) pursuant to the new section 21A (inserted by clause 5). The clause further —

- (a) amends section 21(3) to insert a new paragraph (*u*) to allow for the zero-rating of services comprising the supply of a right to promulgate an advertisement, and the promulgation of an advertisement, by any medium of communication in certain circumstances;
- (b) inserts a new subsection (4B) in section 21 to clarify that the services referred to in section 21(3)(*e*), (*f*), (*g*) and (*j*) do not include services comprising either of or both —
 - (i) the supply of a right to promulgate an advertisement by means of any medium of communication; and
 - (ii) the promulgation of an advertisement by means of any medium of communication;
- (c) inserts a new subsection (4D) in section 21 to clarify that the services referred to in section 21(3)(*u*) do not include services comprising only of the promulgation of an advertisement by any means of telecommunication specified in that subsection, as the zero-rating of the provision of such means of telecommunication is to be dealt with in accordance with section 21(3)(*q*); and
- (d) makes various consequential and technical amendments to section 21 arising from the new section 21(3)(*u*).

Clause 5 inserts a new section 21A to provide for matters relating to the zero-rating of the supply by a taxable person of any prescribed tool, the supply of any services directly in connection with such tool and the supply of any prototype of such tool to a person who belongs in a country outside Singapore and who is not a registered person, where such tool is used in Singapore for the manufacture of goods for the person who belongs in a country outside Singapore.

Clause 6 repeals and re-enacts section 29 to empower the Minister to make regulations for input tax to be deemed to have been incurred on any cash payment made by an insurer upon an occurrence of an insured event in certain circumstances, and for various matters relating thereto.

Clause 7 amends section 45 —

- (a) by deleting and substituting subsection (5) to change the period of time during which an assessment may be raised by the Comptroller of Goods and Services Tax (the Comptroller) from 7 years to 5 years in respect of prescribed accounting periods ending on or after 1st January 2007;
- (b) by inserting a new subsection (10A) to give the Comptroller discretion to take into account a return filed by a person after the Comptroller has raised an assessment of tax due from that person, and to revise the assessment previously raised by the Comptroller; and
- (c) by inserting a new subsection (10B) to provide that any return made by a person after the relevant period specified in that subsection will be disregarded for the purpose of the new subsection (10A).

Clause 8 deletes and substitutes subsection (2) of section 46 to reduce the period during which records are to be kept in respect of prescribed accounting periods ending on or after 1st January 2007 from 7 years to 5 years, and to clarify that periods for which records are to be kept are to be reckoned from the end of the prescribed accounting period to which the records relate.

Clause 9 amends section 90 by inserting new subsections (1A), (1B) and (1C) —

- (a) to extend the power of the Comptroller to making payments in respect of claims that any money is due to a claimant under the Act in certain circumstances; and
- (b) to impose a time limit of 5 years for the making of claims under the new subsection (1A) instead of the current 6-year limit.

The clause further makes a consequential amendment to section 90(1) following the insertion of the new subsections (1A), (1B) and (1C).

Clause 10 inserts a new section 90A to enable the Comptroller to make advance rulings on matters specified in Part I of the Fifth Schedule (inserted by clause 12), and for various matters relating thereto.

Clause 11 amends the Fourth Schedule to include, as an exempt supply of financial services, the provision of financing by a financial institution in connection with a qualifying Islamic financial arrangement in relation to non-residential property, for which the financial institution derives an effective return.

Clause 12 inserts a new Fifth Schedule to provide for various matters relating to advance rulings pursuant to the new section 90A (inserted by clause 10).

EXPENDITURE OF PUBLIC MONEY

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