

**SUMMARY TABLE ON PROPOSED LEGISLATIVE AMENDMENTS FOR THE GST AND STAMP DUTY
TREATMENT OF VARIABLE CAPITAL COMPANIES (“VCCs”)**

Amendments to the Goods and Services Tax Act (“GSTA”)

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to GSTA [Clause in extract of Bill relating to amendments to GSTA]
1	Application of GST at the sub-fund level	<p>GST registration, accounting and reporting will be performed separately by the umbrella VCC on behalf of the respective sub-funds (herein referred to as “sub-fund”).</p> <p>Each sub-fund is required to assess its GST registration liability based on the value of taxable supplies made, and if GST-registered, is required to charge and account for GST on taxable supplies made. GST-registered sub-funds are also required to file separate GST returns. This is because each sub-fund makes independent sale and purchase decisions based on its respective investment mandate.</p>	2, 3 and 4
2	Taxability of transactions made by the sub-fund	<p>The existing GST rules apply to taxable supplies made by a GST-registered sub-fund to its customers, including other sub-funds under the same umbrella VCC. The sub-fund is required to charge and account for GST on taxable supplies made.</p> <p>These rules include the existing deeming rules to require GST to be accounted for when business assets are given away for free or put to</p>	2, 3 and 4

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to GSTA [Clause in extract of Bill relating to amendments to GSTA]
		non-business use. This is to prevent GST-free consumption of goods and services.	
3	Input tax claims	<p>As with other GST-registered entities, the GST-registered sub-fund is able to claim input tax incurred on its purchases, based on existing input tax recovery and attribution rules.</p> <p>In general, GST on purchases attributable to the making of taxable supplies is claimable in full, GST on purchases attributable to the making of exempt supplies is not claimable, while residual GST is apportioned based on a standard apportionment formula.</p>	2
4	GST collection and enforcement	<p>The collection and enforcement of GST will be conducted at the sub-fund level based on the GST returns filed by GST-registered sub-funds.</p> <p>The segregation of assets and liabilities between sub-funds under the VCC will be respected. The assets of a sub-fund will not be used to discharge the liabilities of other sub-funds, even in the event of winding-up of a sub-fund.</p>	2

Amendments to the Stamp Duties Act (“SDA”)

S/N.	Legislative Change	Brief Description of Legislative Change	Amendment to SDA [Clause in extract of Bill relating to amendments to SDA]
1	Application of stamp duty at the sub-fund level.	Stamp duty treatment will be applied at the sub-fund level in view of the segregation of assets and liabilities of sub-funds within an umbrella VCC.	1, 2, and 3
2	Application of the Additional Conveyance Duty (ACD) for VCCs	<p>The following assessment with respect to the application of ACD will be made at the sub-fund level:</p> <ul style="list-style-type: none"> a) whether an entity is a Property Holding Entity. This determines whether the investors of the sub-fund will be subject to the ACD. b) whether an entity is an associate of a significant owner in a Property Holding Entity. c) whether certain instruments effecting certain arrangements (e.g. cancellation or redemption of equity interests) should be regarded as conveyances liable for the ACD. 	3
3	Application of stamp duty for distribution in specie in connection with the liquidation of sub-funds	Stamp duty is applicable when a sub-fund liquidates and distributes its assets <i>in specie</i> to its shareholders. This is in line with the prevailing stamp duty treatment for the distribution of assets when a company liquidates.	3 and 4
4	Rule making power for the Minister	The Minister may make rules to prescribe further modifications to the provisions of this Act in their application in relation to VCCs and to instruments between sub-funds.	3