



## List of Financial Services – An Excerpt of the GST Act

In accordance to the **Fourth Schedule of the Goods and Services Tax (GST) Act**, a supply of services shall be treated as an exempt supply where the services are of any of the following descriptions:

- (a) The operation of any current, deposit or savings account.
- (b) The exchange or grant of an option for the exchange of currency (whether effected by the exchange of bank notes, currency notes or coin, by crediting or debiting accounts, or otherwise) other than the supply of a note or a coin as a collector's item, investment article or item of numismatic interest.
- (c) Any supply by a person carrying on a credit card, charge card or similar payment card operation made directly in connection with that operation to a person who accepts the card used in the operation when presented to him in payment for goods or services.
- (d) The issue, payment, collection or transfer of ownership of any note or order for payment, cheque or letter of credit or the notification of the issue of a letter of credit.
- (e) The issue, allotment, transfer of ownership, drawing, acceptance or endorsement of a debt security;
- (f) The issue, allotment or transfer of ownership of an equity security.
- (g) The provision of any loan, advance or credit.
- (h) The provision of the facility of instalment credit finance in a hire-purchase, conditional sale or credit sale agreement for which facility a separate charge is made and disclosed to the recipient of the supply of goods.
- (i) The transfer or assignment of the provision of the facility of instalment credit finance in a hire-purchase agreement.
- (j) The grant of a right or option relating to an obligation to pay interest or the exchange or grant of an option for the exchange of obligations to pay interest.
- (k) The renewal or variation of a debt security, equity security or contract for the provision of any loan, advance or credit.
- (l) The provision, or transfer of ownership, of a life insurance contract.
- (m) The provision or assignment of any futures contract including a futures option transaction, which does not lead to a delivery of any goods from the seller to the buyer.
- (n) The provision or assignment of any option or contract for the sale of any unallocated commodity, which does not lead to a delivery of the commodity from the seller to the buyer.

- (o) The grant of a right or option to acquire any unallocated commodity where the right is exercisable at a future date and any sale resulting from the exercise of the right would be a sale, which does not lead to a delivery of the commodity from the seller to the buyer.
- (p) The issue or transfer of ownership of a unit under any unit trust.
- (q) The arrangement, provision, or transfer of ownership, of any contract of re-insurance.
- (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.

---

### ***Definition of terms***

*"Credit"* includes:

- (a) the supply of credit by a person, in connection with a supply of goods or services by him, for which a separate charge is made and disclosed to the recipient of the supply of goods or services;
  - (b) the discounting of any bill of exchange, promissory note, invoice or any similar instrument or debt security; and
  - (c) the supply of credit by way of factoring of debts and forfaiting,
- but excludes the supply of a credit card, charge card or similar payment card made to a cardholder for which a fee for joining or subscription is charged other than the provision of credit for which a separate charge in respect of interest is made and disclosed.

*"Debt security"* means any interest in or right to be paid money that is, or is to be, owing by any person or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder.

*"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.

*"Equity security"* means any interest in or right to a share in the capital of a body corporate or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder.

*"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.

*"Life insurance contract"* means a contract for the provision of a life policy within the meaning of the Insurance Act (Cap. 142).

*"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:

- (a) any vacant land zoned "Residential" or "Rural Centre and Settlement" in the Master Plan under the Planning Act (Cap. 232) and used or to be used for residential purposes or for the purposes of condominium development;
- (b) any vacant land approved exclusively for residential or condominium development where the supply is made by such public or statutory authority as may be approved by the Minister or such other person as he may appoint; or
- (c) any land or part thereof with any building, flat or tenement thereon, being a building, flat or tenement which is approved exclusively for residential purposes under the Planning Act (Cap. 232).

*"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
- (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
  - (ii) the financial institution immediately leases the non-residential property to the purchaser with an option for the purchaser to purchase the same.

*"Unit"* means a right or interest (whether described as a unit, a sub-unit or otherwise) which may be acquired under a unit trust.