



Quick Guide to Singapore Goods and Services Tax 2024

Contents

General Information	3
Rates of Tax	3
Registration	3
Returns, Payments and Penalties	5
Input Credit	5



General Information

Goods and Services Tax (GST) was first introduced in Singapore under the Goods and Services Tax Act 1993 (GSTA) on 1 April 1994. The Comptroller of Goods and Services Tax levies this tax upon the supply of goods and services in Singapore by any taxable person in the course or furtherance of a business, as well as the import of goods into Singapore. Singapore Customs collects GST upon the importation of goods.

Output Tax

- A GST-registered trader must charge GST on taxable supplies of goods and services made to its customers. The tax charged is known as the output tax.

Input Tax

- The GST suffered on purchases and expenses incurred in the course or furtherance of business is known as input tax and can be claimed as an input tax credit against the output tax collected.
- The tax is collected at each stage of the transaction process involving a good or service, with the ultimate consumer bearing the tax.
- In this regard, GST does not normally become a business cost to a GST-registered business as the business merely acts as a collecting agent for the Comptroller of GST.

Rates of Tax

Standard-Rated Supply

A standard-rated supply is liable to GST at 9% from 1 January 2024.

Zero-Rated Supply

A zero-rated supply means that GST applies to a specific supply at a 0% rate. Only goods that are exported and services that qualify as international services are zero-rated. GST-registered traders need not charge GST on their zero-rated supplies but may request a refund of any input tax they have paid on purchases for the purposes of their business where the entity is regarded as belonging in Singapore.

Exempt Supply

If a supply is exempt from GST, no tax is chargeable on it. The sale and lease of residential properties, provision of prescribed financial services, supply of digital payment tokens and import and local supply of investment precious metals are exempt from GST in Singapore. GST-registered traders who make exempt supplies are not entitled to claim the input tax paid on goods and services supplied to them for the purposes of their business where the entity is regarded as belonging in Singapore.

Registration

Compulsory Registration

Businesses are required to register for GST if at any time, they expect or there is certainty that the taxable turnover in the next 12 months will exceed S\$1 million. This is referred to as “compulsory registration on a prospective basis”.

Businesses are also required to register for GST if the taxable turnover at the end of the calendar year had exceeded S\$1 million. This is referred to as “compulsory registration on a retrospective basis”.

To mitigate an uneven playing field between local and overseas businesses and to ensure uniformity in the GST treatment of all services consumed in Singapore, a business may also be liable for GST registration under the:

- reverse charge mechanism if the business procures services from overseas suppliers (from 1 January 2020) or imports low-value goods (from 1 January 2023) and the business is not entitled to full input tax credit even if it is GST-registered, or
- overseas vendor registration regime if the business is an overseas supplier or a local/overseas electronic marketplace operator or redeliverer that provides digital services (from 1 January 2020) and non-digital services (from 1 January 2023) or supplies imported low-value goods (from 1 January 2023) to non-GST registered individuals and businesses in Singapore.

Under the reverse charge mechanism, a business would be liable for GST registration if:

- its imported services and supplies of low-value goods which fall within the scope of reverse charge exceed S\$1 million in a 12-month period (under either the retrospective or prospective basis), and
- it would not be entitled to full input tax credit if it were GST-registered.

Under the overseas vendor registration regime, an overseas supplier, local/overseas electronic marketplace operator, or local/overseas redeliverer is required to register for GST in Singapore under either the retrospective or prospective basis if it:

- has an annual global turnover exceeding S\$1 million, and
- makes business-to-consumer supplies of remote services and/or low-value goods to customers in Singapore exceeding S\$100,000 annually.

Business Belonging Overseas

An overseas entity is one that has neither a business establishment, fixed establishment nor usual place of residence in Singapore. An overseas entity importing goods for supply in Singapore may adopt one of the following options:

- 1. Option 1:** The overseas entity may import goods into Singapore and supply them in its own business name. An overseas entity that makes annual taxable supplies in Singapore exceeding S\$1 million must register for GST. It must also appoint a local agent in Singapore who will act on its behalf for all its GST matters. This agent is responsible for the accounting and payment of GST on behalf of the overseas entity. The procedure to register for GST is similar to any local company. In general, registration for GST is made by completing the Form GST F1 and submitting it together with necessary supporting documents to the Inland Revenue Authority of Singapore (IRAS).

- 2. Option 2:** The overseas entity may appoint a GST-registered Singapore agent who will import and supply goods on the overseas entity's behalf. This agent is responsible for the imported goods as if the agent is the principal. The agent will import goods into Singapore in the agent's name and claim the GST paid on imports. Subsequent supplies of the goods imported will be treated as the agent's own taxable supplies. The agent must account for GST on these supplies. The overseas entity does not need to register for GST.

Voluntary Registration

Businesses can also voluntarily register for GST subject to conditions.

Failure to Register for GST

A person who fails to register for GST may face a fine of up to S\$10,000 as well as a penalty equal to 10% of the tax due for each year from the date on which the person was required to apply for registration. In the case of a continuing offence, the person faces a further penalty of up to S\$50 for each day during which the offence continues after conviction.

GST Representatives

Overseas entities that are registered for GST in Singapore must appoint a representative. The representative must keep GST records and accounts and account for GST on behalf of the overseas entity it represents. In practice, the overseas entity may only appoint one person at a time to act on its behalf, although a representative may act for more than one principal at any time. The representative must keep separate GST accounts and make separate GST returns for each principal it represents. No permit is required for the representative.

Returns, Payments and Penalties

GST InvoiceNow Requirement

Newly incorporated companies that register for GST voluntarily from 1 November 2025 and all new voluntary GST-registrants from 1 April 2026 will be required to adopt the GST InvoiceNow requirement, which requires GST-registered businesses to transmit invoice data to IRAS for tax administration using InvoiceNow solutions via the InvoiceNow network.

Due Date

The due date for filing GST returns and making GST payments is one (1) month after the end of the accounting period covered in the GST return. For example, if the GST return is for the quarter ending March 2024, the due date to file the return is 30 April 2024.

GST Electronic Services

IRAS provides e-Learning courses to help GST-registered businesses understand the capabilities of GST e-Services and how to e-file their GST returns. Details of such e-Learning courses are available at www.iras.gov.sg.

Late Payment

If the tax is not paid by the due date, a 5% penalty for late payment will be imposed. It will be imposed on an estimated tax if no GST return has been submitted. If a GST return was submitted but payment was not made, the 5% penalty will be imposed on the tax declared in the GST return.

If the payment remains unpaid 60 days after the 5% penalty for late payment is imposed, an additional 2% penalty may be imposed for every complete month that the tax remains outstanding. However, the total additional penalty shall not exceed 50% of the tax outstanding.

Late Submission Penalty

With effect from 1 April 2018, if the GST return is not filed by the due date, a late submission penalty of S\$200 will be imposed. An additional penalty of S\$200 will continue to be imposed for every complete month that the GST return remains outstanding.

However, the total late submission penalty will not exceed S\$10,000. Businesses must pay the late submission penalty and still file the overdue return as they can be prosecuted if the return is not filed.

A NIL return is required to be filed even if there is no business done in that period.

Record-Keeping Period

Accounting records are required to be kept for five (5) years. Records can be kept in electronic form as long as the guidelines set out in the IRAS e-Tax Guide "Record Keeping Guide for GST-registered Businesses" (available at www.iras.gov.sg) are adhered to.

Input Credit

GST-registered businesses may claim input tax as a deduction when submitting the GST return to IRAS. The total input tax paid on business purchases can be deducted from the total output tax collected from customers. The resulting difference is the net GST payable or net GST refundable.

The following are general conditions that a GST-registered business must satisfy to claim input tax:

- The claimant is GST-registered
- The goods or services are supplied to or imported by the claimant
- The goods or services are used or will be used for the purpose of the claimant's business
- Local purchases are supported by valid tax invoices addressed to the claimant, or simplified tax invoices, at the time of claim

- Imports are supported by import permits that show that the claimant is the importer of the goods and other supporting documents such as the supplier's invoices and relevant transport documents
- The input tax is directly attributable to taxable supplies (ie standard-rated supplies and zero-rated supplies), or out-of-scope supplies (eg third country sale of goods), that would be taxable supplies if made in Singapore
- The input tax claims must not be disallowed expenses under regulations 26 and 27 of the Goods and Services Tax (General) Regulations (GSTGR), and
- The claimant has taken reasonable steps to ascertain and concluded that the goods or services were not part of a Missing Trader Fraud arrangement and the conclusion is one that a reasonable person would have made.

Partially Exempt Traders

GST-registered traders that make both taxable and exempt supplies (known as partially exempt traders) may be provisionally allowed to claim all input tax incurred in the making of exempt supplies if the partially exempt trader is able to satisfy the de minimis rule. Currently, a GST-registered business meets the conditions of the de minimis rule when the total value of all exempt supplies made is less than or equal to:

- An average of S\$40,000 a month, and
- 5% of the total value of all taxable and exempt supplies made in that period.

If the de minimis rule is not satisfied in any prescribed accounting period, the partially exempt trader may claim only input tax incurred in the making of taxable supplies. Input tax that cannot be directly identified as incurred in the making of either taxable or exempt supplies is considered as residual in nature ("residual input tax") and has to be apportioned. This is known as "input tax apportionment".

Blocked Input Tax

The following expenses are disallowed from input tax claims:

- Club subscription fees (including transfer fees) charged by sporting and recreational clubs
- Benefits provided to the family members or relatives of employees
- Medical expenses and medical and accident insurance premiums incurred by employees which are non-obligatory under Singapore regulations
- Costs and running expenses of motor cars that are either:
 - registered under the business' or individual's name, or
 - hired for business or private use, except where the car is excluded from the definition of a "motor car" in regulation 25(1) of the GSTGR, and
- Transactions involving betting, sweepstakes, lotteries, fruit machines or games of chance.

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