



GST News

Perspective is everything

Greetings from your Indirect Tax team at Deloitte Singapore. We are pleased to share the latest GST News.

The Inland Revenue Authority of Singapore (IRAS) updates GST-related e-Tax guides and website contents

Recently, the IRAS updated and revised its GST-related e-Tax guides and website contents. In this newsletter, we have highlighted some of the amendments made.

Insurance industry

On 8 February 2017, there were changes made on the e-Tax guide to clarify the GST treatment of introductory services provided by insurance intermediaries.

Insurance intermediaries (e.g., agents, brokers and financial advisors) are engaged by insurance companies to solicit, sell and arrange for insurance contracts with policyholders.

A GST-registered insurance intermediary may apply zero-rating on commissions and fees received for introducing and arranging direct general (including profit commission, overriding commission or other product-related payments) or life insurance policies if the recipient of the services belongs outside Singapore (depending on who the insurance intermediary has a contract with).

Otherwise, standard-rated supply treatment shall be adopted.

For insurance intermediaries that have obtained the Monetary Authority of Singapore's (MAS) approval, they have an exception for such introductory services to be zero-rated if all conditions under section 21(3)(j) of GST Act are satisfied regardless of whether the policyholder may belong in Singapore.

As regards to the time of supply for commissions and fees, it is based on the earlier of the following:

- When an invoice is issued by the GST-registered insurance intermediary or the insurance company under self-billing arrangement; or
- When payment is received.

Insurance companies are now allowed to use self-billing arrangement to cover transactions with GST-registered insurance, such as cash and credit agents and brokers with principal accounts.

For more details, please click on the link:

[GST: Guide for the Insurance Industry \(Fourth Edition\).](#)

Aerospace Industry

The following are the types of work updated by IRAS on 19 June 2017 that qualify as repair and maintenance activities:

Type of work	Description
Repair	Work to restore the aircraft or aircraft part to a serviceable condition.
Modification, overhaul, improvement and upgrading	Work to improve the reliability of the aircraft or aircraft part but does not alter the nature and form of the original aircraft or aircraft part
Evaluation and recertification	Work that is performed to assess whether the aircraft part is repairable or airworthy
Maintenance	Work that includes testing of the aircraft part, cleaning and fumigation

Essentially, an Authorised Release Certificate or a Certificate of Conformity is required to prove that the aircraft part remains airworthy after the above mentioned type of work is performed to qualify for zero-rating under section 21(3)(p) of the GST Act.

For more details, please click on the link:

[GST Guide for the Aerospace Industry \(Fourth Edition\)](#)

Withdrawal of the Tourist Refund Scheme from the cruise terminals

Effective from 1 September 2017—these are the e-Tax guides that are updated to reflect the withdrawal of the Tourist Refund Scheme from the cruise terminals (Marina Bay Cruise Centre Singapore and the International Passenger Terminal at Harbourfront Centre):

- [GST Guide for Visitors on Tourist Refund Scheme \(Fifth edition\)](#)
- [GST: For Retailers participating in Tourist Refund Scheme \(Sixth edition\)](#)
- [GST: The Electronic Tourist Refund Scheme \(eTRS\) \(Eleventh edition\)](#)
- [GST: Guide on Exports \(Fourth Edition\)](#)

Tourist departing from Singapore by international cruise with purchases made on and after 1 July 2017, will no longer qualify for GST refund under the scheme.

Import GST Deferment Scheme (IGDS)

This e-Tax guide reflects the new IGDS renewal validity period, which is revised to up to five years from the current three years. The renewal is subject to the performance of the ASK annual review/Post ACAP Review (PAR) certified by an Accredited Tax Practitioner (GST)/Accredited Tax Advisor (GST).

For more details, please click on the link:

[GST: Import GST Deferment Scheme \(Fifth edition\)](#)

Administrative concessions for common errors

Using the cumulated data collected from the disclosure of errors made by taxpayers who have undertaken ASK annual reviews and ACAP reviews (including ACAP Renewal and PAR), the IRAS has compiled a list of administrative concessions for common errors in the ASK annual reviews guide on 5 September 2017, and the same may apply to ACAP reviews soon.

Taxpayers who adopt any of the administrative concessions are required to complete the "ASK: Declaration Form on ASK Administrative Concessions" and submit it to the IRAS.

No approval will be separately issued for the administrative concessions and such declaration must be retained for at least five years.

For more details, please click on the link:

[GST: Assisted Self-Help Kit \(ASK\) Annual Review Guide](#)

Customer Accounting for Prescribed Goods

Following [our publication on 26 May 2017](#), the IRAS has finalised the guide "GST: Customer Accounting for Prescribed Goods" on 15 September 2017.

Nevertheless, we note that the application of this guide is subject to the passing of the amended GST Bill 2017 by Parliament and the assent of the President.

We have outlined the key updates in addition to our previous sharing:

- Planned effective date is deferred to 1 January 2019 (from 1 January 2018); and
- The value of supply revised upward to S\$10,000 (from S\$5,000) i.e., customer accounting will apply if the value of supply exceeds S\$10,000.

For more details, please click on the link:

[GST: Customer Accounting for Prescribed Goods](#)

Links for other updated guides/websites

[GST: Approved Third Party Logistics Company Scheme](#)

[GST: Guide on Approved Import GST Suspension Scheme](#)

[GST: Approved Contract Manufacturer and Trader \(ACMT\) Scheme](#)

[GST: Approved Refiner and Consolidator Scheme \(ARCS\)](#)

[GST: Major Exporter Scheme](#)

[Pre-Registration Claims on Goods and Services \(Businesses Registered on or after 1 July 2015\)](#)

[GST: Guide on Exemption of Investment Precious Metals \(IPM\) \(Sixth Edition\)](#)

[GST: Guide on the Use of Business Premises By Third Party for Free \(Second Edition\)](#)

[GST: Exchange rates for GST purpose](#)

[GST Guide on Insurance: Cash Payments and Input Tax on Motor Car Expenses \(Second Edition\)](#)

[Record Keeping Guide for GST-registered Businesses \(Fourth Edition\)](#)

[GST: Fringe Benefits \(2nd Edition\)](#)

[GST Guide for the Logistics Services Industry](#)

[GST Guide for the Biomedical Industry \(Third Edition\)](#)

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