



GST News Perspective \Rightarrow everything

Greetings from your Indirect Tax team at Deloitte Singapore. We are pleased to update you on the following Singapore GST developments:

[IRAS updates GST-related e-Tax guides and website content](#)

In recent weeks, IRAS has updated a number of GST-related e-Tax guides and website content. We would like to highlight a few amendments in particular.

Input tax claims by local beneficiary

In a global contract where a Singapore supplier contracts with an overseas customer to perform services that directly benefit a person in Singapore (i.e. local beneficiary), the local

beneficiary is allowed to claim the GST charged by the local supplier to the overseas customer as its input tax (subject to certain conditions) under an administrative concession.

Previously, the local beneficiary would be required to seek prior approval from the Comptroller before taking advantage of the administrative concession. As a result of the change, pre-approval is no longer needed. The local beneficiary is now required to self-assess and ensure that the conditions listed below are satisfied. If so, the concession can be used and the input tax claims can be made through the local beneficiary's GST return:

- a) The local beneficiary is registered for GST;
- b) The local beneficiary has paid GST on the portion of the standard-rated services received by him and maintains documentation to support this payment. Examples of supporting documents can include an invoice issued by the overseas supplier which reflects the amount of the GST charged passed on by the overseas supplier and is included in the price charged to the local beneficiary, or a tax invoice issued by the local supplier to charge the GST on the portion of the standard-rated services directly to the local beneficiary; and
- c) The local beneficiary satisfies the normal input tax claiming conditions under sections 19 and 20 of the GST Act, had the supply been made to him directly.

In addition, the local beneficiary should also maintain records on the input tax claims such as a detailed description of the global contract arrangement (including the name and GST registration number of the local supplier).

If you would like to learn more about this concession, please contact us for clarifications and / or details.

Bunkering

IRAS has provided new guidance on the different GST treatments for the lease of bunker tanker / transport of fuel or marine waste. If you would like to have more details, please refer to the hyperlink "[GST: Bunkering](#)" provided below.

In addition, IRAS has also provided guidance on the loan of fuel. Under such arrangements, the lender allows the borrower to borrow fuel with or without consideration. The borrower then returns the same type of fuel to the lender within a short time. The fuel that was loaned will be recognised by the lender as assets of the lender. In such scenarios, the IRAS has advised that for GST purposes, the lender does not need to account for output tax for the loan of fuel if no consideration is received.

However, should circumstances change (e.g. termination of lending arrangement) and the lender treats the fuel on loan as sold to the borrower, GST is chargeable on the sale of fuel. The borrower is also allowed to claim input tax on the purchase of fuel subject to normal input recovery rules.

Contact us for further clarifications and / or details on these changes.

Residual input tax defined

For taxpayers unable to claim all of their input tax, IRAS has provided a refreshed definition for what is considered as residual input tax. Generally, if you make both taxable and exempt supplies, you are not allowed to recover your residual input tax in full.”

Input tax is residual in nature if:

- a) It is directly attributable to both taxable and exempt supplies; and
- b) It is incurred for your overall running of your business.

If you would like more details, refer to the hyperlink “[GST Guide on Attribution of Input Tax \(Third Edition\)](#)”

Please contact us for further clarifications and / or details on the above.

Voluntary GST registration conditions

Generally, a person who makes or is expected to make taxable supplies in Singapore of more than S\$1 million in a period of 12 months will be liable for GST registration. Taxable supplies refer to either standard-rated supplies or zero-rated supplies (i.e. export of goods or provision of international services). A person whose GST registration liability has arisen

as a result of making taxable supplies which exceeds the registration threshold is required to notify the Comptroller on a timely basis. However, a person may register for GST voluntarily even if his annual taxable turnover is less than S\$1 million.

IRAS has revised its requirements to apply for voluntary GST registration. It is normally the case that the company's director/sole-proprietor/partner/trustee must complete and pass two e-Learning courses, "Registering for GST" and "Overview of GST" which are available on the IRAS' website. However, the e-Learning courses will not be required if:

- a) The company director/sole-proprietor/partner of the business has the experience of managing other existing GST registered businesses;
- b) The person who prepares the GST returns is an Accredited Tax Adviser (ATA) or Accredited Tax Practitioners (ATP) ; or
- c) The person preparing the GST returns has completed both e-learning courses within the last two years.

Deloitte Singapore will be pleased to assist you with the application for voluntary GST registration and preparation of GST returns. Please contact us for more information.

[Links for newly updated guides / website](#)

<u>GST: Clarification on 'Directly in Connection With' and 'Directly Benefit' (Second Edition)</u>
<u>GST: Bunkering</u>
<u>GST Guide on Attribution of Input Tax (Third Edition)</u>
<u>GST: Assisted Compliance Assurance Programme (ACAP) (Seventh edition)</u>
<u>GST: Assisted Self-Help Kit (ASK) Annual Review Guide (Fourth edition)</u>
<u>GST: Major Exporter Scheme (Fourth Edition)</u>
<u>GST: Import GST Deferment Scheme (Fourth edition)</u>
<u>GST: Guide for Property Owners and Property Holding Companies (Second edition)</u>
<u>GST: Guide for Motor Vehicle Traders (Second edition)</u>

[GST: Do I need to register? \(Third edition\)](#)

[GST: General Guide for Businesses \(Third edition\)](#)

Contacts

For more information on the above or if you need assistance on other GST matters, please contact the below or your usual GST contact in Deloitte.

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