



## **GST News**

### Expanding perspectives and possibilities

#### **Overseas Vendor Registration (OVR) Regime**

As you may be aware, the Goods and Services Tax (GST) will apply to the imported digital services in the context of business-to-consumer (B2C) transactions by way of an OVR regime from 1 January 2020. The IRAS has also published an e-tax guide on the OVR regime.

Under the OVR framework, overseas companies, with a global annual turnover exceeding S\$1 million, supplying digital services to non-GST registered customers in Singapore would be liable for GST registration under OVR. The overseas companies are required to notify the IRAS if they are liable for GST registration under the OVR regime by completing and submitting the "GST registration application form for Overseas Vendors" and providing the requested information.

However, for overseas companies with a local branch in Singapore that are supplying digital services within the scope of OVR, the overseas companies are not required to register for GST separately under the OVR regime if their local branch in Singapore is already GST registered.

Based on additional clarification from the IRAS, generally, if the Head Office (HO) and the Singapore Branch (SB) are considered as one legal entity under the business constitution, the legal entity consisting of the HO and the SB would be considered as a full taxable person for Singapore GST purposes if the SB is already GST registered in Singapore. Hence, the HO that is making the supply of digital services

within the scope of OVR is not required to register for GST separately for OVR.

### **Deloitte Singapore's view**

We welcome the clarification provided by the IRAS and note that the view taken is consistent with the IRAS's existing position on head office and branches for GST purposes. Singapore companies or branches should consider the business activities carried out by their overseas branches or head offices to assess any potential impact that may arise under the implementation of the OVR regime.

### **Contacts**

For more information on the above or any other GST/VAT matters, please contact either the listed contacts below, or any member of the [Singapore Tax & Legal team](#).

**Richard Mackender**

Indirect Tax Leader  
Deloitte Singapore and  
Southeast Asia  
+65 6216 3270  
[rimackender@deloitte.com](mailto:rimackender@deloitte.com)

**Danny Koh**

Indirect Tax Partner  
Deloitte Singapore  
+65 6216 3385  
[dakoh@deloitte.com](mailto:dakoh@deloitte.com)

**Robert Tsang\***

Indirect Tax Partner  
Deloitte Singapore

+65 6530 5523  
[robtsang@deloitte.com](mailto:robtsang@deloitte.com)

\*on secondment with Deloitte Middle East



**Recognised as Singapore Tax Firm of the Year 2019 by International Tax Review.**



#### **Deloitte | Add Deloitte as safe sender**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 286,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities provide services in Australia, Brunei Darussalam, Cambodia, East Timor, Federated States of Micronesia, Guam, Indonesia, Japan, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Palau, Papua New Guinea, Singapore, Thailand, The Marshall Islands, The Northern Mariana Islands, The People's Republic of China (incl. Hong Kong SAR and Macau SAR), The Philippines and Vietnam. In each of these, operations are conducted by separate and independent legal entities.

#### **About Deloitte Singapore**

In Singapore, services are provided by Deloitte & Touche LLP and its subsidiaries and affiliates.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

Deloitte & Touche LLP (Unique entity number: T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

© 2019 Deloitte & Touche LLP