

CCS Complete Corporate Services

MOORE

CCS-MS GOODS & SERVICES TAX WEBINAR 2022



Recent Development And Key Changes

The global tax landscape has been shifting at an unprecedented pace and to consistently keep abreast of the latest GST laws is a challenge faced by many businesses. Coupled with the impending GST rate hike (i.e. a rise to 8% on 1 January 2023, and then to 9% on 1 January 2024), it is worth noting that the Inland Revenue Authority of Singapore ("IRAS") has stepped up its audit and investigation efforts to detect errors and deter taxpayers from making recurring GST mistakes.

Complete Corporate Services Pte. Ltd. and Moore Stephens LLP Singapore has jointly organised a GST webinar on 18 November 2022 to discuss the recent key changes in regulatory requirements for GST and provide recommendations on the pre-emptive steps to avoid unwanted attention and unpleasant consequences due to this rapidly changing tax landscape.

If you did not manage to attend the insightful GST webinar, do not worry as you can now access the full webinar recording and the presentation slides here:
https://complete-corp.com/event/ccs-goods-services-tax-webinar-2022/

[A] Overview Of The GST Rate Hike

With less than 2 months away before the GST rate increase, GST-registered businesses need to be familiarized with the transitional rules to ensure that the correct GST rate is adopted on the supply of goods and services. Businesses should take note that they cannot charge and collect GST at 8% before 1 January 2023.

There are 5 areas with respect to the regulatory and compliance requirements which GST-registered businesses need to be aware of:

- Absorption of GST
- Issuance of tax invoices
- Receipt of payment
- Method of apportionment
- Filing of GST returns



[B] The Often-Overlooked Changes

S/N	Category	Summary
1	Changes in zero-rating provisions for supply of services	• Changes to the GST provisions for the following category of services: - Media sales - Services made to overseas person - Services relating to international transport and insurance of passengers • Depending on the type of services made, the change is effective for supply of services made as early as **1 January 2020**.
2	Input tax incurred on medical expenses	• In the wake of COVID-19 pandemic and the regulatory requirements of various public authorities, there is an expansion to the excluded expenses provided under Regulation 26 of the GST (General) Regulations. • Input tax incurred on or after **1 October 2021** on medical treatment that falls under such exclusion will be claimable.
3	Overseas Vendor Registration Regime	• With effect from 1 January 2023, Overseas Vendor Registration ("OVR") will be extended to: a. Business-to-Consumer ("B2C") imported non-digital services; and b. Low-Value Goods ("LVG") which are defined as goods imported via air or post with value not exceeding S$400 • Overseas vendors which supply remote services and LVG should assess whether it has liability to register for GST under the OVR regime. • Local businesses which purchase remote services or LVG from GST-registered overseas vendors should be aware of the GST implications.



[C] Variable Capital Company ("VCC")

S/N	Category	Summary
1	GST Treatment	• As each sub-fund of umbrella VCC is regarded as separate person, each sub-fund has to assess its own GST registration liability.
2	Input tax incurred on medical expenses	• Basis to determine GST registration liability is dependent on the value of taxable supplies made; or the value of services incurred from overseas suppliers.
3	Accounting for output tax and claiming of input tax	• Charge and account output tax on taxable supplies made / imported services incurred. • Able to claim input tax incurred on expenses subject to normal input tax recovery rules as well as reasonable allocation of expenses.

[D] Preventive and Detective Measures

In the event where the IRAS discover any GST errors during an IRAS audit, the IRAS is empowered to penalties of up to 200% on any GST undercharged. This would inevitably result in higher business cost after the GST rate hike.

It is highly recommended that GST-registered businesses carry out preventive and detective measures by taking part in one of the following compliance initiatives that are introduced by the IRAS:

(i) GST Assisted Compliance Assurance Program me ("ACAP"); and
(ii) GST Assisted Self-Help Kit Review ("ASK").

In terms of determining which self-review initiative should the business embark on, businesses can consider factors such as whether the company fulfils all the conditions to take part in ACAP, whether the company has special GST schemes and the available time and resources for the GST review.

For more information and benefits of ACAP, please visit
https://www.mooresingapore.com/services/gst-assisted-compliance-assurance-programme



OUR TAXATION SERVICES

As a business owner, every transaction you plan to make may have direct or indirect tax consequences. To achieve tax efficiency so as to enhance your return on investments, it is advisable that various tax issues be considered alongside the planning and structuring of your business. The tax landscape is changing at a rapid pace and expert advice is essential to mitigate tax risks and maintain profitability. We can assist you through our comprehensive tax compliance, tax advisory and transfer pricing services to minimise your effective tax burden.

COMPLETE CORPORATE SERVICES

Complete Corporate Services is a leading integrated business solution provider. Working in parallel with your businesses objectives, our corporate solutions and innovative technologies enable you to maximise your capabilities for sustainable growth. Dedicated in the work that we do, our team of qualified professionals will work with you to ensure quality, effective and efficient service delivery.

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