



GST News

Expanding perspectives and possibilities

Greetings from your Indirect Tax team at Deloitte Singapore. We are pleased to share the following update:

Update on GST customer accounting (effective from 1 January 2019)

What is customer accounting?

Customer accounting will affect businesses that buy certain prescribed goods (i.e., mobile phones, memory cards, and off-the-shelf software) from GST registered suppliers for business purposes, where the value of the goods exceeds S\$10,000.

Under customer accounting, businesses are required to account for standard-rated supplies and output tax in their GST returns on behalf of their GST registered suppliers; by using the values on the customer accounting tax invoices issued by their suppliers. Businesses can continue to claim the input tax subject to normal input tax recovery rules, which include holding a valid customer accounting tax invoice. Note that businesses need to provide their GST registration number to the suppliers and to pay the GST-exclusive price to the suppliers.

The Inland Revenue Authority of Singapore (IRAS) published a first e-tax guide, *GST: Customer Accounting for Prescribed Goods* on 15 September 2017, to inform businesses on the impending implementation of customer accounting on certain prescribed goods on 1 January 2019.

The IRAS has just released an updated version of the guide.

Updates

In the revised e-tax guide published on 13 December 2018, the IRAS has:

- Provided more examples of mobile phones, memory cards and off-the-shelf software that will fall within and outside the meaning of “prescribed goods”, i.e.:
 - Mobile phones that fall within the meaning of prescribed goods include tablets that can transmit and receive spoken messages over a cellular network and which have a screen size of 17.5 cm or less.
 - Memory cards that fall within the meaning of prescribed goods exclude solid state drives (SSD), dual in-line memory modules (DIMM), random access memory (RAM) and smart cards with embedded chips (such as Automated Teller Machine (ATM) cards, debit/credit cards and mobile phone subscriber identify module (SIM) cards).
 - Off-the-shelf software that falls within the meaning of prescribed goods exclude PlayStation Plus and the printing of Point-of-Sale-Activation (POSA) cards.
- Clarified the GST input tax adjustments that the GST-registered customer should make when credit notes are issued to reduce or cancel the original supply.

You may wish to refer to the [e-Tax guide](#) issued by IRAS for more details.

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](#).

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