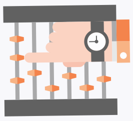
GOODS AND SERVICES TAX (GST) RATE CHANGES

BSL MANAGEMENT SERVICES PTE LTD
www.bsl.sg | enquiries@bsl.sg | 6235 3388

In Budget 2022 , the Singapore Minister of Finance announced that GST rate will be increased in 2 stages – **1% increase each time** on **1 Jan 2023** and **1 Jan 2024.**

TILL 31 DEC 2022	FROM 1 JAN 2023	FROM 1 JAN 2024
TAX INVOICE GST 7%	TAX INVOICE GST 8%	TAX INVOICE GST 9%

Purpose of increase GST in 2 stages



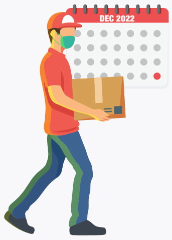
TIME
Allows businesses and Singaporeans to adapt to the GST rate change

COST
Allows non-GST registered businesses to manage concerns over the rising operation costs

Understand the transitional rules

Businesses can elect to charge GST at 7% or 8% on the taxable supplies that span across the date of rate change, under the conditions below:

Charge GST at 7%



All goods are delivered or all services are performed **BEFORE 1 January 2023***

Full payment is received **BEFORE 1 January 2023***

*This is applicable even if the tax invoice is issued on or after 1 January 2023

Charge GST at 8%

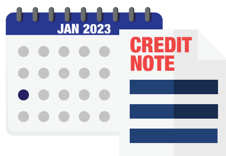
All goods are delivered or all services are performed **AFTER 1 January 2023**

Full payment is received **AFTER 1 January 2023**

If partial payment is made or partial delivery of goods or partial services are performed **BEFORE** and **AFTER 1 January 2023**, you might be required to **charge GST at both 7% and 8%**.

Adjustment of GST Previously Charged

If the businesses are required to issue Credit Note for the supplies which are affected by the change in tax rate, the Credit Note must be issued to the customer by **15 Jan 2023**



Preparing for the GST rate change

- Update accounting, invoicing, point-of-sale systems to create tax codes for the new GST rates
- Change the Price Displays to reflect the new GST rate (8%)
- Review all existing contracts or agreements

BSL MANAGEMENT SERVICES PTE LTD
UEN. 197100439K | GST No. 197100439K
220 Orchard Road #05-02 Midpoint Orchard Singapore 238852
(65) 6235 3388 (65) 6235 3168 www.bsl.sg enquiries@bsl.sg

GOODS AND SERVICES TAX (GST) RATE CHANGES

Preparing for the GST rate change

- Understand the transitional rules to ensure that the correct GST rate will be applied
- Determine if apportionments are required for supplies straddling the rate change
- Inform customers of the GST increase on 1 Jan 2023
- Consider to apply for the Major Exporter Scheme if the businesses deals mainly with imports and exports

Important points to note

- Businesses are not allowed to reflect the new GST at 8% before 1 Jan 2023
- Businesses can reflect the new and old GST rates in the same tax invoice issued on/ after 1 Jan 2023

Writers' Caveat

These articles have merely attempted to provide a broad overview on the subject matters. They are not in any way intended to be comprehensive and no specific action should be taken on the basis of the above without consulting your professional advisors.

BSL MANAGEMENT SERVICES PTE LTD CONTACT DETAILS

If you wish to know more about the GST rate change, please contact our accounting team below

Ng Li Ling (Accounts Director)
ng.liling@bsl.sg
6833 6323

Lim Siow Jane (Technical Director)
lim.siowjane@bsl.sg
6833 6354

Pee Yew Man (Accounts Supervisor)
pee.yewman@bsl.sg
6833 6358

Velary Koh (Assistant Accounts Manager)
koh.velary@bsl.sg
6833 6310

Lee Yueh Ching (Accounts Supervisor)
lee.yuehching@bsl.sg
6833 6364