

## STEP 3E:

Check your Imports  
with GST Suspended (*e.g. under MES*) or  
with GST Deferred (*under IGDS*)

## **STEP 3E:**

### Check your Imports with GST Suspended (e.g. under MES) or with GST Deferred (under IGDS)

#### **Overview**

GST is chargeable upon importation of goods in Singapore. However, GST on imports may be suspended under certain GST schemes e.g. Major Exporter Scheme (MES), Approved Third Party Logistics Company Scheme (A3PL), Approved Import GST Suspension Scheme (AISS), Approved Contract Manufacturer and Trader Scheme (ACMT) applicable to approved contract manufacturers. If you have imported goods with GST suspended under such scheme(s), you need to declare the total value of goods imported under such scheme(s) in Box 9 and include this amount in Box 5 (i.e. "Total value of taxable purchases") of your GST return.

In addition, GST on imports may also be deferred under the Import GST Deferment Scheme (IGDS). If you have imported goods with GST deferred under IGDS, you need to declare the value of such imports in Box 17 ("Total value of goods imported under this scheme") and the corresponding import GST in Box 15 ("Deferred import GST payable") of your GST return. After which, you can then include the import amount in Box 5 ("Total value of taxable purchases") and your GST claim in Box 7 ("Input tax and refunds claimed") of your GST return provided that such imports under IGDS are attributable to the making of your taxable supplies.

An important point to note is that the GST suspension and GST deferment schemes are mutually exclusive. That is to say, if you are currently under MES, your MES status would be invalidated if you are approved for the IGDS and vice versa.

The following steps are tailored specifically for GST-registered businesses under MES or IGDS. If you are under MES or IGDS, you would need to complete the below steps to verify the accuracy of your Box 9 figure or Box 15 and Box 17 figures respectively.

For GST-registered businesses under other schemes e.g. A3PL and AISS, you may use the below steps as a guide to verify the accuracy of your Box 9 figure, and include checks to ensure that all conditions of the scheme(s) are complied with.

## **1 Review your listing**

### **1.1 For imports with GST suspended (e.g. under MES)**

Perform the following checks on your taxable purchases (imports - GST suspended) listing.

- a. Check that the total amount of your listing tallies with the value declared in Box 9 and is included in Box 5 of your GST return.
- b. Ensure that the dates of your import permit fall within or before the accounting period of the selected GST return. If the date of your import permit did not fall within the accounting period of your GST return, ensure that you did not include the same transaction in your GST returns for other accounting periods.

### **1.2 For imports with GST deferred (under IGDS)**

Perform the following checks on your taxable purchases (imports - GST deferred) listing.

- a. Check that the total amount of your listing tallies with the values reported in Box 15 ("Deferred import GST payable") and Box 17 ("Total value of goods imported under this scheme").
- b. Look at the approval date of your import permit, which is the start date of the validity period as stated on the permit. Ensure that the approval dates of your import permits (including supplementary IGDS permits) fall within the accounting period of your GST return.

- c. For GST deferred on imports that are wholly attributable to your taxable supplies, check that you have included the GST amount in Box 7 (“Input tax and refunds claimed”) and the corresponding import value in Box 5 (“Total value of taxable purchases”) of your GST return. For GST deferred on imports that are partly attributable to your taxable supplies, check that the GST claimed in Box 7 has already been apportioned to claim the portion relating to your taxable supplies.

## 2 Select samples from your listing

- 2.1 Follow the ‘Flowchart on the Selection of Samples’ in Step 3 - Overview. If your taxable purchases (imports - GST suspended) or taxable purchases (imports - GST deferred) listing has more than 30 transactions, you should select:
- at least 30 samples to cover minimum 30% of the total value of taxable purchases (imports - GST suspended) or taxable purchases (imports - GST deferred) in your listing, or a maximum of 60 samples; and
  - At least 1 sample from each of the sub-category below that applies to your business.

Main Category	Samples selected should cover the following sub-categories:
Your own imports	<ul style="list-style-type: none"> <li>i. Different overseas suppliers</li> <li>ii. Different local suppliers</li> <li>iii. Different types of goods purchased</li> <li>iv. Different declaring agents</li> </ul>
Goods which you have imported on behalf of your overseas principals under Section 33(2) or Section 33A of GST Act	<ul style="list-style-type: none"> <li>i. Different major overseas principals</li> <li>ii. Goods that are subsequently sold to local or overseas customers (<i>i.e. where you are acting as Section 33(2) agent</i>)</li> <li>iii. Goods that are re-exported back to the same overseas principal (<i>i.e. where you are acting as Section 33A agent</i>)</li> </ul>


### 3 Check your supporting documents for the samples selected

Step	For all imports
3.1	<p>Ensure you have these supporting documents for the samples selected in Step 3E.2 which include:</p> <ul style="list-style-type: none"> <li>• Import permits and/or Inward Summary Report from the Air Express Companies (AEC)</li> <li>• Transport documents (e.g. <i>Bill of lading, Air waybill, etc.</i>)</li> <li>• Overseas suppliers' invoices</li> <li>• Local suppliers' invoices (<i>for goods imported from overseas, but title passed before importation</i>)</li> </ul>
3.2	<p>Perform the following checks on your supporting documents and listing.</p> <p>For import permits and transport documents, check that:</p> <ol style="list-style-type: none"> <li>i. Import permit shows your business name as the importer. If not, find out why the permits were taken up by another person for these goods belonging to you. If this is a genuine mistake on the importer's name, please ensure that you are able to support your imports with alternative documents such as invoices and shipping documents (e.g. Bill of Lading etc). Please also ensure that similar error does not occur again.</li> <li>ii. Transport document(s) show your business name as the consignee.</li> <li>iii. Purchase of goods is incurred for your business purposes.</li> <li>iv. Total Amount Excluding GST is recorded correctly in your listing based on the CIF amount on the import permit.</li> </ol>

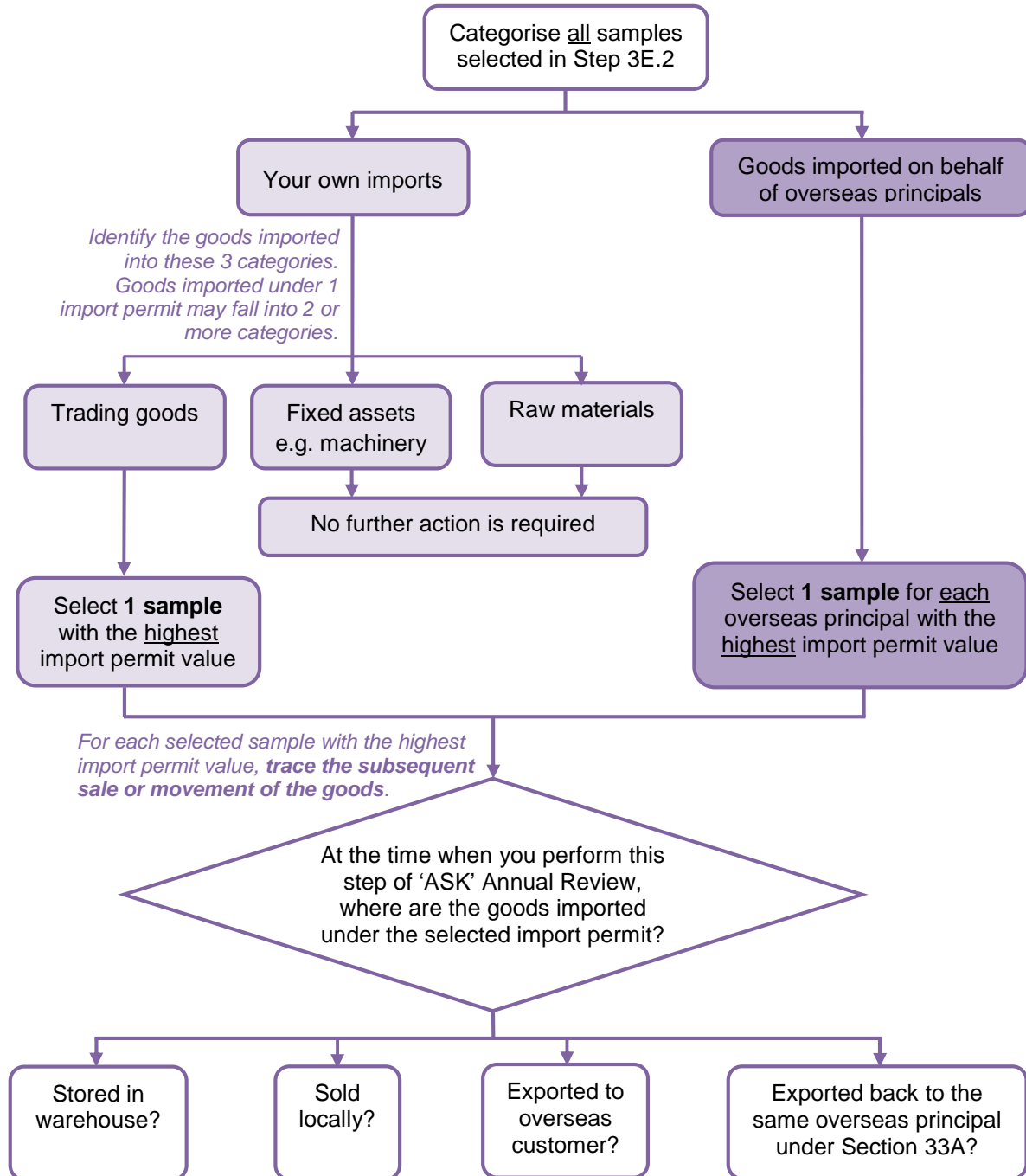
**Step 3: Perform Checks for the Selected GST Return(s)**

Step 3E: Check your Imports with GST Suspended (e.g. under MES) or with GST Deferred (under IGDS)

Step	For your own imports	For goods imported on behalf of overseas principals as Section 33(2) or Section 33A agent, only if the overseas principals are not GST-registered
3.3	<p><u>For overseas suppliers' invoices issued to you, ensure that:</u></p> <ul style="list-style-type: none"> <li>i. Overseas supplier's invoice is addressed to your business name.</li> <li>ii. Details on the overseas supplier's invoice match to the transport document(s) and import permit.</li> </ul> <p><u>For purchases from local suppliers but goods are imported from overseas, ensure that:</u></p> <ul style="list-style-type: none"> <li>i. Title of goods is transferred to you before the goods are imported into Singapore.</li> <li>ii. Local supplier has invoiced you before the goods are imported and cleared under your business name.</li> <li>iii. Details on the local supplier's invoice match to the transport document(s) and import permit.</li> </ul>	<p>Ensure that:</p> <ul style="list-style-type: none"> <li>i. You are able to differentiate import permits taken up for your own goods from those belonging to overseas principals, who must not be GST-registered.</li> <li>ii. You have a system in place to trace the subsequent sales made or movement of the goods imported on behalf of your overseas principals. <ul style="list-style-type: none"> <li>• For goods which you have imported as Section 33(2) agent, ensure that the subsequent sales are reported as your standard-rated supply if sold locally or as zero-rated supply if exported.</li> <li>• For goods which you have imported on behalf of your overseas principal under Section 33A, ensure that they are subsequently exported out of Singapore back to the same overseas principal and the export is reported as zero-rated supply in your GST return.</li> </ul> </li> </ul>
Step	<b>For all imports</b>	
3.4	<p>You need to identify all the imports selected in Step 3E.2 into the following categories and trace the subsequent sale or movement of <u>some</u> of the imports selected. Follow the flowchart below to determine the samples to be selected.</p>	

 Complete the [Pre-Filing Checklist for Goods Imported under Major Exporter Scheme / Approved 3rd Party Logistics Company / Other Approved Schemes](#) or the [Pre-Filing Checklist for Goods Imported under Import GST Deferment Scheme](#) (whichever is applicable), if you have not done so when filing the GST return.

Flowchart for Step 3.4 Process



- ! If you have imported goods that belong to others or are not for your business use, refer to [Pre-Filing Checklist for Goods Imported under Major Exporter Scheme / Approved 3rd Party Logistics Company / Other Approved Schemes](#) or [Pre-Filing Checklist for Goods Imported under Import GST Deferment Scheme](#) (whichever is applicable) and take the necessary actions.

- If you are unable to trace the subsequent sale or movement of the goods, provide explanation as to why you are unable to do so and report the total import value of the affected goods in "[Disclosure of Errors](#)" template (refer to Step 5).

#### **4 Record the results of your checks in Template 7**

Template 7 – Checklist For Taxable Purchases (Imports – GST Suspended or Deferred) contains the above checks that you need to perform to ensure that GST is properly suspended or deferred according to conditions of the scheme. It is also for you to record down results of your checks.

Template 7  
[\(click to  
download\)](#)

## Important Note

Please note the following:

- a) The specified sample size and methodology of selecting samples are the minimum requirements if this review is requested by IRAS for a specific purpose. Other than that, they serve as suggested guidelines to help businesses determine how much and what to check in conducting an annual review for GST health-check.
  
- b) IRAS recommends quantitative indicators at various steps in the 'ASK' Annual Review process to help flag out differences that are significant enough to point the businesses to investigate further. While the size of differences below the recommended threshold may not be considered as significant under 'ASK' Annual Review, this does not necessarily imply that the GST declarations are error-free. Businesses may wish to conduct their own checks and ascertain whether the differences can be explained or substantiated.
  
- c) IRAS reserves the rights to verify and extend the scope of audit checks beyond the samples selected by businesses which have performed the checks according to this 'ASK' Annual Review Guide. Should additional errors be detected during the course of IRAS audits, they will be treated no differently than those errors detected without an 'ASK' Annual Review.

If you have any enquiry on Assisted Self-Help Kit ('ASK'), please call 1800-356 8633 or email to [gst@iras.gov.sg](mailto:gst@iras.gov.sg).