


Assisted Self-Help Kit ('ASK'): GST Practices

With experienced and/or trained personnel, proper record-keeping, a computerised accounting system and adequate internal controls, you can be better assured of accurate GST declarations and lower risk of error.


You are strongly encouraged to conduct a self-review regularly, based on the tips below. Improving your internal processes will help your business achieve better GST compliance.

Overview

People	Record-Keeping	Systems	Internal Controls
<ul style="list-style-type: none">• Training• Regular update of GST knowledge• GST knowledge transfer	<ul style="list-style-type: none">• Keep complete records and documents supporting GST declarations• Maintain GST documents• Record transactions timely• Keep GST worksheets	<ul style="list-style-type: none">• Accounting system• Collate information for GST reporting• Inventory system	<ul style="list-style-type: none">• Treatment of exceptional transactions• Second level of review• Periodic review

PEOPLE	Essential Requirements 	
	Essential Requirements	Good Practices
1. Training a. Basic qualifications & experience	<p>Your GST preparer (as registered in IRAS' EASY Authorisation System) has:</p> <ul style="list-style-type: none"> • basic qualification in accounting and/or tax; and • at least 1 year of experience in preparing GST returns. <p>Your GST approver (if he is not the Preparer) has:</p> <ul style="list-style-type: none"> • basic qualification in accounting and/or tax; • at least 1 year of experience in reviewing GST returns; and • is preferably in a position of authority i.e. Accounts / Finance Manager or Chief Financial Officer. 	
	b. GST-specific knowledge	<p>Your GST preparer knows the following basic GST knowledge:</p> <p><u>Filing GST returns</u></p> <ul style="list-style-type: none"> • When to file? • How to e-file? • How to correct past errors? <p><u>Payment/Refunds</u></p> <ul style="list-style-type: none"> • When and how to make payment on GST to IRAS? • When to expect refunds from IRAS? <p><u>GST treatment of your regular transactions and GST issues in your industry</u> e.g.</p> <ul style="list-style-type: none"> • Standard-rated supplies • Export documentation for exports • Zero-rating of supplies of services

	<ul style="list-style-type: none"> • Exempt supplies • Conditions to claim input tax • Bad debt relief • Partial exemption rules • Tourist refund scheme • Schemes applicable to you <p><u>De-registration</u></p> <ul style="list-style-type: none"> • When and how to de-register? 	<p><u>IRAS Voluntary Disclosure Policy</u></p>
<p>c. Resources available</p>	<ol style="list-style-type: none"> 1. IRAS website for general and industry-specific GST materials e.g. e-Tax Guides to confirm GST treatment of your transactions. 2. Complete IRAS' GST course "Introduction to GST" via e-Learning or seminar. Read the seminar slides available on IRAS website. 3. Attend Tax Academy's Executive Tax Programme Level I (GST). 4. Attend GST seminars organised by GST advisory firms. 	<ol style="list-style-type: none"> 1. Read e-Tax Guides pertaining to other industries. 2. Attend Tax Academy's Executive Tax Programme Level II (GST).
<p>2. Regular update of GST knowledge</p>	<p>Visit IRAS' website regular at least once every 3 months to keep yourself updated of the latest GST changes.</p> <p>You can sign up for IRAS email alerts here.</p>	<p>Actively seek clarification from IRAS or tax consultants on correct GST treatment for new or uncertain transactions.</p>
<p>3. GST knowledge transfer</p>	<p>Have proper handover procedures to ensure GST knowledge stays within the business even after staff resignation. <i>e.g. authorising new staff in EASY system to file GST returns, familiarising new staff with internal processes, systems and GST treatment.</i></p>	<p>Document all internal procedures involved in GST reporting to facilitate handover and builds a database of GST knowledge. <i>e.g. GST treatment of major business transactions.</i></p> <p>All new staff undergo formal GST training, if they are new to GST.</p>

RECORD-KEEPING		
<p>1. Keep accounting records and documents to support all GST declarations</p>	<p>Keep all accounting records and supporting documents for required statutory period.</p> <p><i>Example:</i> <u>Sales transactions:</u> Maintain tax invoices, delivery orders, export documents, payment evidence, etc.</p> <p>For cash sales,</p> <ul style="list-style-type: none"> • keep a duplicate copy of invoices / tax invoices issued to your customers • record total amount of daily gross sales in a sales record book • ensure gross sales amount is included in your sales record if sales takings were used to pay for purchases/ expenses <p><u>For purchases:</u> Maintain supplier's tax invoices, import permits, payment evidence, etc.</p> <p>You are to refer to "Record keeping essentials for businesses" and "Keeping records" in IRAS website for more information on record-keeping.</p>	<p>Document record-keeping processes for future handover.</p> <p>Keep electronic records instead of hardcopies for easy storage and retrieval.</p> <p>You can refer to the following e-Tax Guides in IRAS website if you wish to keep your records electronically:</p> <ul style="list-style-type: none"> • "Keeping Machine-sensible Records & Electronic Invoicing" • "Keeping Records of Business Transactions in Microforms" <p>Maintain IRAS' correspondences which are relevant and crucial to ensure your GST compliance, such as:</p> <ul style="list-style-type: none"> • <i>Approval letters on the validity period of GST schemes and the required conditions</i> • <i>Audit contact letters</i> • <i>Clarifications sought from IRAS on GST treatments</i>

Essential Requirements

2. Maintain documents that comply with GST requirements

You need to **issue a proper “tax invoice”** for every transaction where sale value (including GST) is more than \$1,000. Click [here](#) to see what information is required on a tax invoice.

a. Tax Invoice

Keep original cancelled tax invoice (e.g. due to errors made on the invoice, cancellation of order by your customers) to prove cancellation.

b. Credit / Debit notes

Credit notes or debit notes issued should **make reference** (i.e. date and serial number) to the original tax invoice that it is meant to correct.

3. Record all transactions on a timely basis

For easy retrieval or extraction of information for GST reporting:

- **record all transactions** in your accounting system/ Excel spreadsheet/ business records
- file all source documents on a **timely** basis

4. Keep GST Worksheets

Maintain **sales and purchase listings** in accordance to Sections 3.9 and 3.10 of [“Record Keeping Guide for GST-Registered Businesses”](#).

Alternatively, you may also use the following **template worksheets** (or a comparable equivalent) to maintain internal records of all your GST related transactions:

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|---------------------------|-------------------------------|---|
| • Standard-rated supplies | • Exempt supplies | • Taxable purchases (local) |
| • Zero-rated supplies | • Bad debt relief claim | • Taxable purchases (imports - GST paid) |
| • Out-of-scope supplies | • Tourist refund scheme claim | • Taxable purchases (imports - GST suspended) |
| | | • Taxable purchases (imports - GST deferred) |

**Template
worksheets**
[\(click to
download\)](#)


SYSTEMS		
	Essential Requirements	Good Practices
1. Accounting system	<p>You must have an accounting system to help you consolidate all your sales & purchases. <i>e.g. ledger books, listings in Microsoft Excel or Access</i></p>	<p>Use professional computerised accounting systems to help improve your record-keeping practices and tax compliance.</p> <p>The accounting system should contain the below features:</p> <ul style="list-style-type: none"> • a coded table to allow you to classify your sales transactions (<i>standard-rated, zero-rated, exempt supplies or out-of-scope</i>) and purchases (<i>claimable or disallowed input tax</i>) upfront when you record your transactions in the system • in-built logic or auto-checks to prevent <ul style="list-style-type: none"> - keying in of duplicate records - discrepancies in GST rate and GST value keyed - unauthorised manual amendments to data <p>Visit here to see if you are eligible for SME Accounting Software Assistance scheme launched by IRAS and IDA to help defray your costs of purchasing new accounting software.</p>
2. Collate information for GST reporting	<p>You must be able to collate information easily from various sources in order to file your GST returns. <i>e.g. compile information from sales, purchases and financial records to prepare your GST worksheets</i></p>	<p>Generate GST report to file your GST returns using your computerised accounting system.</p> <p>The GST report should preferably</p> <ul style="list-style-type: none"> • be in softcopy • be in Microsoft Excel spreadsheet • contain information in GST worksheets under “Record-keeping Requirements”

<p>3. Inventory system <i>(Applicable if you are importing goods</i></p> <ul style="list-style-type: none"> • <i>with GST suspended or deferred;</i> <i>or</i> • <i>on behalf of your overseas principals)</i> 	<p>Keep separate inventory records of goods imported into Singapore:</p> <ul style="list-style-type: none"> • under your name • belonging to your overseas principals, either as <ul style="list-style-type: none"> - Section 33(1) agent¹ - Section 33(2) agent² - under Section 33A³ <p>and track subsequent sale or movement of the imported goods under the following categories:</p> <ul style="list-style-type: none"> • Delivered to local address • Exported out of Singapore <p>Maintain documentation on the movement of goods:</p> <p><u>Received by you:</u> Goods received notes, acknowledged delivery orders, import permits, etc.</p> <p><u>Delivered by you:</u> Export documents, packing list, delivery orders, invoices, written instructions from overseas principals, etc.</p>	<p>Perform an annual stock-take/ inventory audit and reconcile results to inventory records.</p> <p>Use an electronic inventory system and bar coding to track goods movement of goods within your premises, goods received from suppliers and goods delivered to your customers.</p>
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¹ You are acting as a Section 33(1) agent if you are appointed by your GST-registered overseas principal (who makes taxable supplies of goods in Singapore) to act on his behalf for all his GST matters. You are responsible for the accounting and payment of GST on behalf of him.

² You are acting as a Section 33(2) agent if you import goods belonging to your non GST-registered overseas principal for sale in Singapore or re-export.

³ You are acting under Section 33A if you import goods belonging to a non GST-registered overseas principal solely to be re-exported back to the same overseas principal for business purposes.

INTERNAL CONTROLS		
1. Treatment of exceptional transactions	Have in place additional steps of review for exceptional transactions that is not part of your usual business activities. <i>e.g. sale of properties, transfer of business as a going concern, changes in business structures like mergers, joint ventures</i>	
2. Second level of review		A second level of review before GST return is submitted. The GST approver should verify the work performed by GST preparer to minimize the risk of making common GST errors. <i>e.g. ask probing questions, conduct 'ASK' Pre-Filing Checklists</i>
3. Periodic review		Conduct periodic reviews on a yearly basis to assess correctness of GST return declarations. <i>e.g. adopt 'ASK' Annual Review</i>