

GOODS AND SERVICES TAX

WAIVER OF REQUIREMENT TO SEEK IRAS' APPROVAL WHEN NOT ISSUING RECEIPTS – GUIDANCE FOR PROPER ACCOUNTING OF SALES RECEIPTS



INLAND REVENUE
AUTHORITY
OF SINGAPORE

Waiver of requirement to seek IRAS' approval when not issuing receipts – Guidance for proper accounting of sales receipts

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Guidance for proper accounting of sales receipts**

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1 INTRODUCTION

1.1 No Need to Seek IRAS' Approval

Taxpayers are obliged¹ to issue a serially numbered receipt for all sales transactions and retain a duplicate for each receipt. Taxpayers were required to seek the approval of IRAS if they wish to dispense with issuing receipts. However, **with immediate effect**, IRAS will no longer require taxpayers to come forward to seek approval for this purpose. This is part of our efforts to simplify rules and procedures for taxpayers in order to ease compliance.

2 Proper Accounting

Taxpayers must however ensure the completeness and accuracy of the recording of their sales receipts even when they decide not to issue receipts. There must be a well-documented audit trail to show that **all** sales transactions are correctly recorded and declared for tax purposes.

Taxpayers **should** adopt one of the following practices to help ensure completeness in the recording of sales receipts:

- (a) If a cash register is used, to ensure that **all** cash sales are put through the cash register and the internal tape retained. Invoices should be issued for all credit sales.
- (b) If an accounting software is used, to ensure that **all** sales are input into the system. Correspondingly, invoices should be generated by the system for all sales transactions and a duplicate of the invoices retained.
- (c) In the absence of a cash register or accounting software, a deify sales book should be maintained to record **all** sales (both cash and credit).

Hence, while taxpayers need not seek approval from IRAS for dispensation with the issue of receipts, they must ensure the proper, accurate and complete accounting of sales transactions.

¹ Under the Income Tax and Goods and Service Tax legislation

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3 Exceptional circumstances

It should be noted that in all cases:

- (a) The taxpayer must still issue receipts to their customers should their customers so request;
- (b) GST-registered businesses must continue to issue tax invoices as required by GST legislation, as the waiver of issue of receipts does not amount to a waiver to issue tax invoices.