

GOODS AND SERVICES TAX

GST REQUIREMENTS FOR

CASH TRANSACTIONS



**INLAND REVENUE
AUTHORITY
OF SINGAPORE**

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1. INTRODUCTION

- 1.1 This guide clarifies: i) the invoicing documents a GST registered supplier needs to issue for cash sales transactions; and ii) the documents needed to support input tax claims for cash purchases.

2. INVOICING FOR CASH SALES

- 2.1 The type of invoicing document which a GST registered supplier needs to issue would depend whether the supplier is supplying to a GST registered customer or a non-GST registered customer.

Sale made to a GST registered customer

- 2.2 As a GST registered supplier, you must issue a tax invoice for every cash sale transaction made to your GST registered customer.

- 2.3 Where the sale value (including GST) is above \$1,000, your tax invoice must show all these basic details:

- your name, address and GST registration number;
- the invoice number;
- the invoice date;
- the words 'Tax Invoice' stated prominently;
- your customer's name and address;
- description of the goods and services supplied;
- value of supply before GST;
- GST amount;
- value of supply after GST.

- 2.4 On your tax invoice, you must not omit your customer's name and address. Indicating 'cash sale' as the name of the customer on your tax invoice is not acceptable. Your tax invoice for GST inclusive sale value of above \$1,000 must show the full name and address of your customer. This is so that your GST registered customer can hold a valid tax invoice for the purpose of claiming input tax on business purchases.

- 2.5 Where the sale value including GST does not exceed \$1,000, you can issue a simplified tax invoice showing lesser details in place of a tax invoice. Your simplified tax invoice must at least show these details:

- Your name, address and GST registration;
- Invoice date;
- Identifying number, e.g. invoice number¹;
- Description of the goods and services supplied;
- Total amount payable including GST.

- 2.6 You should issue only one original tax invoice / simplified tax invoice to your customer for each sale transaction. If the customer loses the original tax invoice / simplified tax invoice, you may issue a duplicate copy. However, the duplicate copy must be clearly marked 'Duplicate' or 'Copy'.

¹ To include this detail by 1 May 2009.

Sale made to a non-GST registered customer

- 2.7 As a GST registered supplier (e.g. a retailer) who mainly sells to a non-GST registered customer, you are allowed to issue a receipt instead of a tax invoice. A serially printed receipt must be issued for each sale transaction. The receipt must show the following details:
- Your name, address and GST registration number;
 - Receipt date;
 - Total amount payable including GST;
 - The words ‘Amount payable includes GST’.
- 2.8 There may be instances a GST registered customer would make larger purchases for business purposes from you (a supplier to end consumers). If a GST registered customer buys from you for total amount (including GST) of more than \$1,000, you must issue a separate tax invoice to your customer. Your tax invoice must state the customer’s name and address and other required details in paragraph 2.3.

3. CLAIMING OF INPUT TAX ON CASH PURCHASES

- 3.1 As a GST registered customer who wished to claim input tax for cash purchases incurred for business purposes for the making of taxable supplies, you must hold a tax invoice issued in your name with your address shown for purchase value (including GST) of above \$1,000. For cash purchases (including GST) not exceeding \$1,000, you need to have a simplified tax invoice to support your input tax claim.
- 3.2 For cash purchases of above \$1,000 from a GST registered retailer, you have to request the retailer to issue you with a tax invoice, instead of a receipt /simplified tax invoice. You can only make an input tax claim if you have the tax invoice specifically addressed to you.
- 3.3 The Comptroller may deny a claim for input tax if the claim is not supported by a proper tax invoice or a simplified tax invoice.

4. CONSEQUENCES FOR NON-COMPLIANCE

- 4.1 A GST registered supplier who does not comply with GST invoicing requirements in paragraph 2 above may face a fine up to \$5,000.
- 4.2 A GST registered customer who claimed input tax on cash purchases without holding a proper tax invoice (for purchases of above \$1,000) or a simplified tax invoice (for purchases of \$1,000 and below) would be liable to pay penalties for making incorrect GST declarations.