

GOODS AND SERVICES TAX

2007 GST RATE CHANGE

A GUIDE FOR GST-REGISTERED BUSINESSES



INLAND REVENUE
AUTHORITY
OF SINGAPORE

Published by
Inland Revenue Authority of Singapore

Published 22 FEB 2007

© Inland Revenue Authority of Singapore

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

TABLE OF CONTENTS

1	INTRODUCTION.....	1
2	A RECAP – GENERAL TIME OF SUPPLY RULE	1
3	TRANSITIONAL RULES – CATEGORY I.....	1
4	TRANSITIONAL RULES – CATEGORY II.....	2
5	SITUATIONS WHERE THE GENERAL RULE APPLY	4
6	TIME OF SUPPLY FOR SPECIAL SITUATIONS	5
6.1	CONTINUOUS SUPPLIES OF GOODS AND SERVICES.....	5
6.2	GOODS FOR PRIVATE USE	9
6.3	SUPPLIER’S GOODS IN POSSESSION OF BUYER	10
6.4	ROYALTIES AND SIMILAR PAYMENTS	10
7	METHODS OF APPORTIONMENT	10
8	ADJUSTMENT OF CONTRACTS ON CHANGES IN TAX	11
9	ADJUSTMENT OF TAX PREVIOUSLY CHARGED	12
9.1	CREDIT NOTE.....	12
9.2	VOLUME-RELATED DISCOUNTS	12
9.3	GOODS RETURNED.....	13
10	OTHER DETAILS.....	13
10.1	NEW TAX INVOICE	13
10.2	TAX INVOICE IN SIMPLIFIED FORMAT	14
10.3	INPUT TAX CLAIMS.....	14
10.4	RECEIPT OF PAYMENT	14
10.5	GIRO PAYMENT	14
10.6	BUSINESSES THAT OPERATE PAST MIDNIGHT ON 30 JUNE 2007	15
10.7	PRICE DISPLAY	15
10.8	GST RATE	15
11	CHECKLIST FOR CHARGING GST	16
12	STEP-BY-STEP GUIDE	17
12.1	TAX INVOICE ISSUED ON/AFTER 1 JULY 2007	17
12.2	TAX INVOICE ISSUED BEFORE 1 JULY 2007.....	18
13	CHECKLIST FOR GST RATE CHANGE PREPARATIONS	19

1 INTRODUCTION

- 1.1 The government announced in Budget 2007 that the GST rate would be increased to **7%** with effect from **1 July 2007**. To prepare GST-registered traders for the upcoming rate change, we have updated the Preliminary Guide released in January 2007.
- 1.2 This Guide explains the general transitional rules applicable to transactions spanning the rate change. It covers the time of supply rules, the GST rates chargeable and provides information on the issuing of invoices, credit notes and other requirements.
- 1.3 For more industry-specific clarifications, you may wish to refer to the Frequently Asked Questions (FAQs) on the “GST Rate Change” section of our website at www.iras.gov.sg

2 A RECAP – GENERAL TIME OF SUPPLY RULE

- 2.1 Tax is chargeable based on the general time of supply rule, which is the earliest of the three events: receipt of payment, issue of tax invoice or delivery of goods/performance of services.

However, if the tax invoice is issued within 14 days after the delivery of goods/performance of services, the time of supply will be the date when tax invoice is issued. This is provided that no payment has been received for the supply.

- 2.2 In cases where the 3 events for determining the time of supply span 1 July 2007, there are transitional rules that you should take note of in two categories of situations.

3 TRANSITIONAL RULES – CATEGORY I

[Delivery of goods/performance of services occurs before 1 July 2007 but tax invoice is issued within 14 days and occurs on/ after 1 July 2007](#)

- 3.1 In the first category, the time of supply remains at the time when the tax invoice is issued but you can charge GST at 5%¹ as the goods have been delivered or services have been performed before 1 July 2007. If you charge GST at 5%, you must show the GST amount charged in your tax invoice and support this with documentary evidence (such as the delivery order,

¹ The option of charging GST at 5% can be applied on some or all business transactions. However this option should not be applied if you issue a tax invoice under an approved self-billing arrangement *unless you have obtained the agreement of your supplier in writing (please refer to paragraph 3.3 and 3.4 for further details)*. This option also cannot be applied if the assets of a business are sold on/after 1 July 2007 in satisfaction of debt.

2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

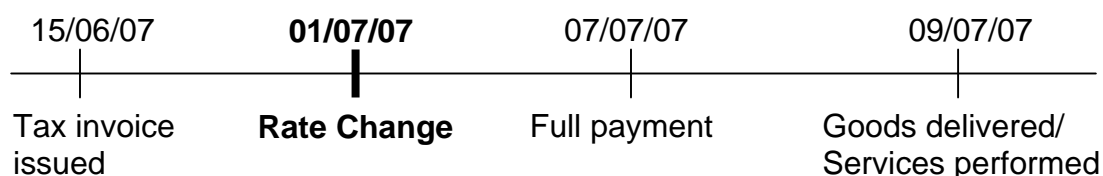
adjustment is required.

4.3 However, if you do not receive the full payment or receive only part of the payment before 1 July 2007, the transitional rules require you to issue a credit note by 14 July 2007 for –

- that part of payment not received before 1 July 2007; or
- goods/part of the goods not delivered or services/part of the services not performed before 1 July 2007,

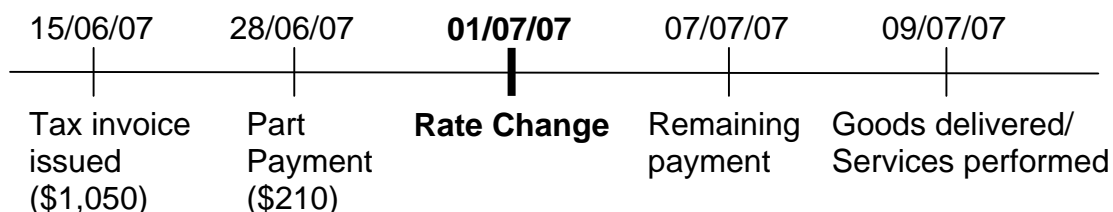
whichever is **lower**. The transitional rules also require you to issue a new tax invoice, showing 7% as the GST rate and the GST payable, for that part of the payment to be made or goods/part of the goods to be delivered or services/part of the services to be performed on/after 1 July 2007, whichever is the lower. The examples below illustrate these transitional rules.

Example 2



According to the general rule, the time of supply shall be on 15 June 2007 when the tax invoice is issued. GST is charged at 5%. However, as no payment is received before 1 July 2007, the transitional rules require you to issue a credit note by 14 July 2007 to cancel the entire taxable supply and output tax charged earlier. The transitional rules also require you to issue a new tax invoice for the goods delivered/services performed on/after 1 July 2007, showing 7% as the GST rate.

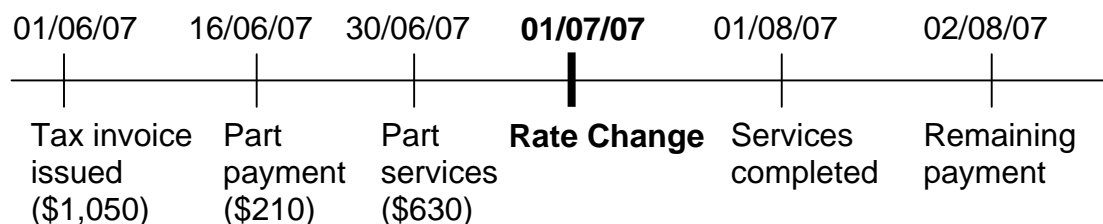
Example 3



According to the general rule, the time of supply shall be on 15 June 2007 when the tax invoice is issued. GST is charged at 5%. However, as only part payment is received before 1 July 2007, the transitional rules require you to issue a credit note by 14 July 2007 for that part of the payment not received before 1 July 2007 i.e \$840 (\$800 and 5% GST). The transitional rules also require you to issue a new tax invoice for the remaining payment to be made on/after 1 July 2007 i.e \$856 (\$800 and 7% GST).

2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

Example 4

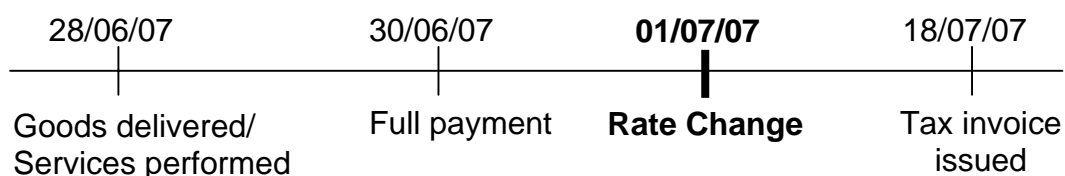


According to the general rule, the time of supply shall be on 1 June 2007 when the tax invoice is issued. GST is charged at 5%. However, as only part payment is received and part services have been performed before 1 July 2007, the transitional rules require you to issue a credit note by 14 July 2007 for that part payment not received or services not performed before 1 July 2007, whichever is **lower**, i.e. \$420 (\$400 and 5% GST) in this case. The transitional rules also require you to issue a new tax invoice for that part of the payment to be made or that part of the services to be performed on/after 1 July 2007, whichever is **lower**. In this case, it will be \$428 (\$400 and 7% GST).

5 SITUATIONS WHERE THE GENERAL RULE APPLY

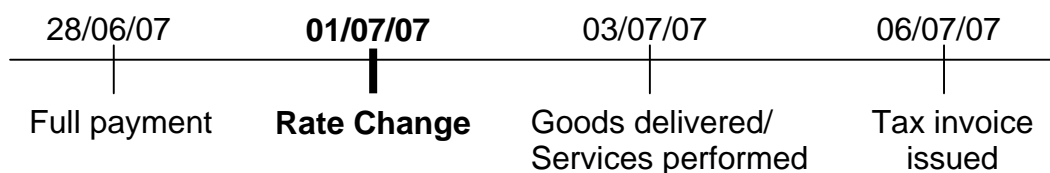
- 5.1 The situations described below are those where the general time of supply rule is applicable.

Example 5



The time of supply shall be on 28 June 2007 when goods are delivered/ services are performed. GST shall be charged at 5%.

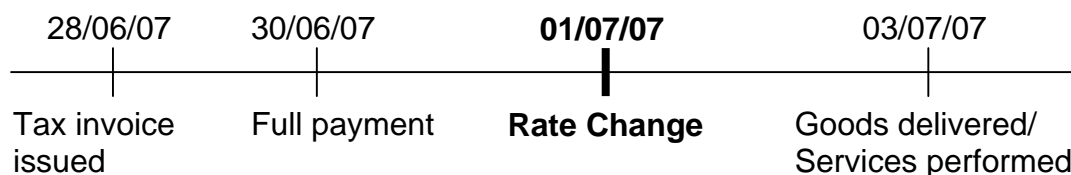
Example 6



The time of supply shall be on 28 June 2007 when full payment is received. GST shall be charged at 5%.

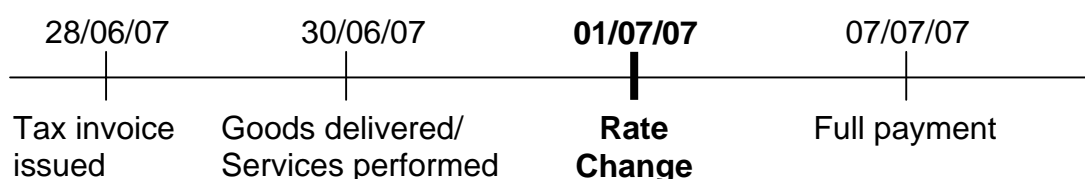
2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

Example 7



The time of supply shall be on 28 June 2007 when the tax invoice is issued. As full payment has been received before 1 July 2007, GST shall be charged at 5%.

Example 8



The time of supply shall be on 28 June 2007 when the tax invoice is issued. As the goods are delivered/services are performed before 1 July 2007, GST shall be charged at 5%.

6 TIME OF SUPPLY FOR SPECIAL SITUATIONS

6.1 CONTINUOUS SUPPLIES OF GOODS AND SERVICES

6.1.1 These include:

- License, tenancy and lease
- Supplies of power, electricity, gas or water, etc.
- Continuous supplies of services
- Supplies in the construction industry

In the case of continuous supplies of goods or services, the general time of supply rule is the earlier of the issuance of tax invoice or payment received, where the service is yet to be completed or goods not fully delivered/made available.

Where the 3 events (namely receipt of payment, issue of tax invoice or delivery of goods/performance of services) span 1 July 2007, the transitional rules also apply to these circumstances.

6.1.2 TRANSITIONAL RULES – TAX INVOICE ISSUED BEFORE 1 JULY 2007

In the situation where the tax invoice is issued before 1 July 2007 and before any payment is received, and **delivery of goods/performance of services**

2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

straddles 1 July 2007, you should account for GST at 5% at the time of issue of tax invoice.

If you receive **full payment before 1 July 2007**, there is no further adjustment required.

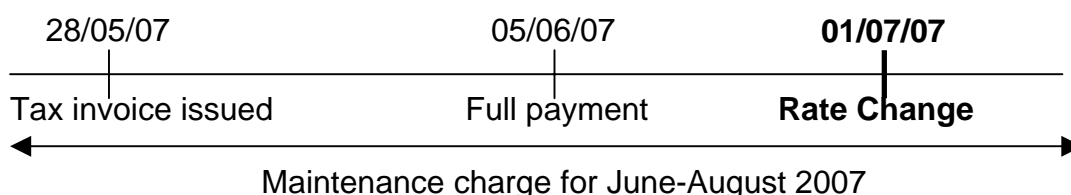
However, if you **do not receive payment or receive only part of payment before 1 July 2007**, the transitional rules require you to issue a credit note by 14 July 2007 for –

- that part of payment not received before 1 July 2007; or
- goods/part of the goods not delivered or services/part of the services not performed before 1 July 2007

whichever is **lower**. The transitional rules also require you to issue a new tax invoice, showing 7% as the GST rate and the GST payable, for that part of the payment to be made or goods/part of the goods to be delivered or services/part of the services to be performed on/after 1 July 2007, whichever is lower. To apportion the value of goods delivered/services performed before and on/after 1 July 2007, please refer to paragraph 7.

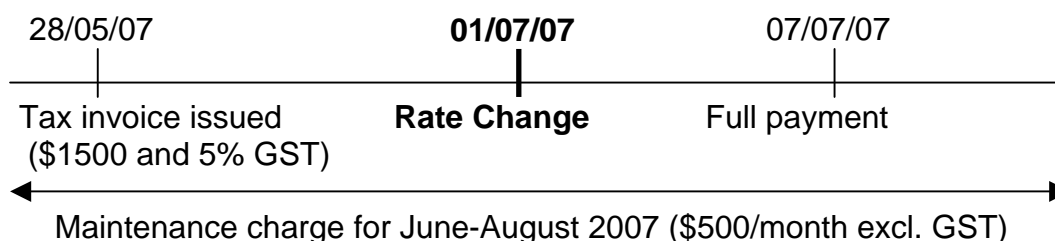
Where the tax invoice is issued and goods are delivered/services are performed before 1 July 2007, the supplier should account for GST at 5% at the time of issue of tax invoice. There is no further adjustment required.

Example 9 - Tax invoice issued and full payment received before 1 July 2007



The time of supply shall be on 28 May 2007 when the tax invoice is issued. As payment has been received before 1 July 2007, GST shall be charged at 5% for the entire service.

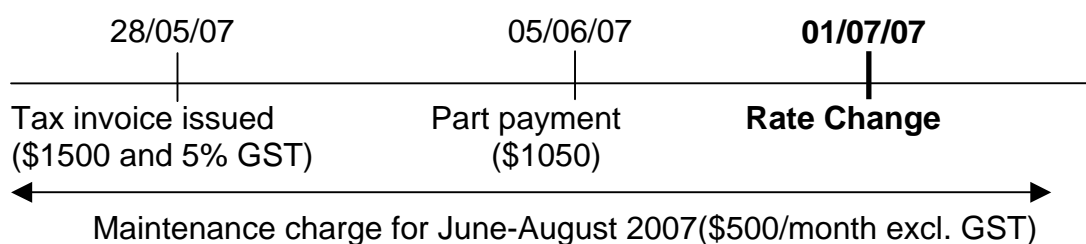
Example 10 - Tax invoice issued before 1 July 2007 and full payment received after 1 July 2007



2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

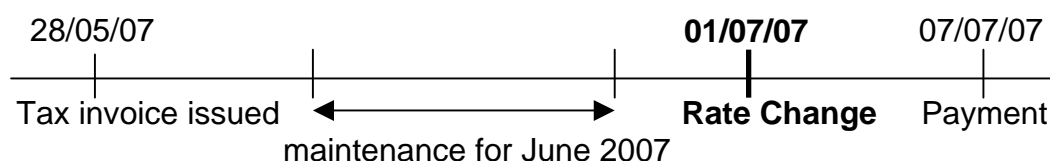
The time of supply shall be on 28 May 2007 when the tax invoice is issued and you should account GST at 5% of \$1500. However, as at 1 July 2007, only part of the services (maintenance for June 2007) has been performed. The transitional rules require you to issue a credit note by 14 July 2007 in respect of the remaining 2 months of maintenance services not performed before 1 July 2007, which amounts to \$1050 (\$1000 and 5% GST). You are also required to issue a new tax invoice for the part of services to be performed after 1 July 2007 i.e. \$1070 (\$1000 and 7 % GST).

Example 11 - Tax invoice issued and part payment received before 1 July 2007



The time of supply shall be on 28 May 2007 when the tax invoice is issued. However, as at 1 July 2007, only part payment of \$1,050 and 1 month of service has been performed. The transitional rules require you to issue a credit note by 14 July 2007 in respect of the remaining services not performed before 1 July 2007, to the extent not covered by the payment, which is \$525 (\$500 and 5% GST). You are also required to issue a new tax invoice for \$535 (\$500 and 7% GST) i.e. services to be performed and paid for after 1 July 2007.

Example 12 - Tax invoice issued and goods delivered/services performed before 1 July 2007



The time of supply shall be on 28 May 2007 when the tax invoice is issued. As the goods delivered/services are performed before 1 July 2007, GST shall be charged at 5% for the entire service. No further adjustment is required.

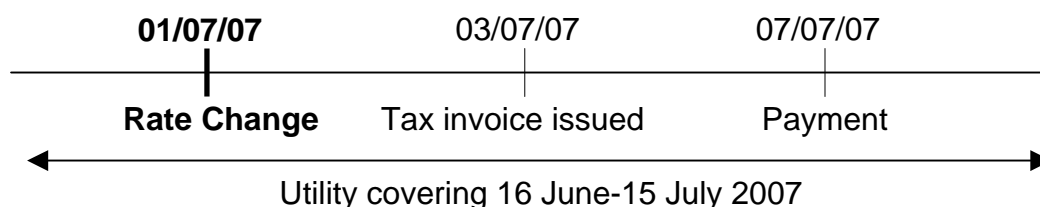
6.1.3 TRANSITIONAL ISSUES – TAX INVOICE ISSUED ON/AFTER 1 JULY 2007

In the situation where the tax invoice is issued on/after 1 July 2007, full payment is not received before 1 July 2007 and delivery of goods/ performance of services straddles 1 July 2007, you can apportion the value of supply made before 1 July 2007 and charge GST on this supply at 5%.

2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

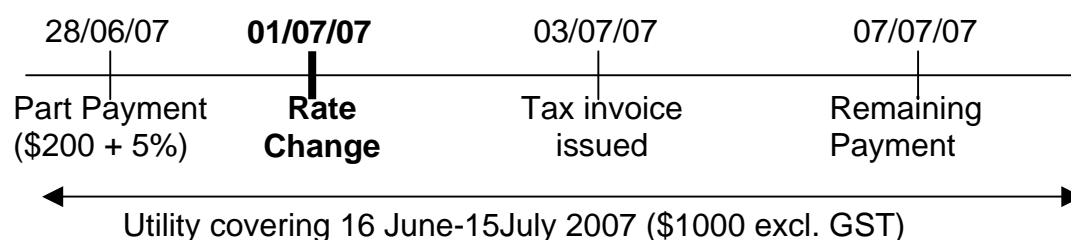
If, however, delivery of goods/performance of services is completed before 1 July 2007, you can charge the entire supply at 5%.

Example 13 – Full payment received and tax invoice issued on/after 1 July 2007 and delivery of goods/performance of services straddles 1 July 2007



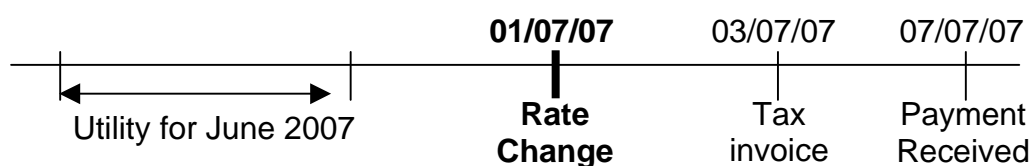
According to the general rules, the time of supply shall be on 3 July 2007 when the tax invoice is issued and GST shall be charged at 7%. However, in this case, you can charge the portion of supply for goods delivered/services performed before 1 July 2007 at 5% while the remaining supplies will be charged at 7%.

Example 14 – Part payment received before 1 July 2007 and tax invoice issued after 1 July 2007



According to the general rule, the time of supply shall be on 28 June 2007 for part payment received (\$200 and 5% GST) and 3 July 2007 when tax invoice is issued for the remaining amount of \$856 (\$800 and 7% GST). Similar to example 13, you can charge the supply for goods delivered/services performed before 1 July 2007 at 5% GST. Assuming that the utilities supplied before 1 July 2007 is valued at \$500, this amount will be subjected to 5% GST while the remaining amount of \$500 supplied on/after 1 July 2007 at 7%.

Example 15 – Payment received and tax invoice issued on/after 1 July 2007 and delivery of goods/performance of service completed before 1 July 2007



According to the general rule, the time of supply shall be on 3 July 2007 when

2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

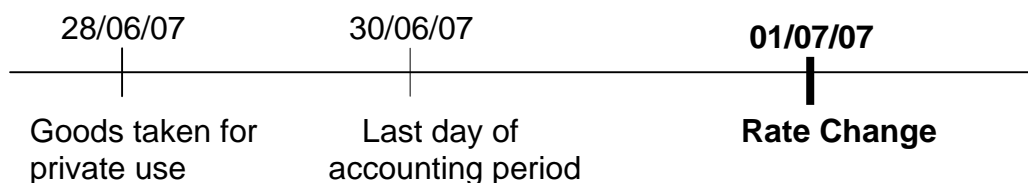
tax invoice is issued and GST shall be charged at 7%. However, in this case, you can charge the entire supply at 5% since the goods were delivered/services performed before 1 July 2007.

6.2 GOODS FOR PRIVATE USE

6.2.1 In the situation of business goods taken by you for your private use, under the general rule², the time of supply is the last day of the prescribed accounting period in which the goods are made available or used.

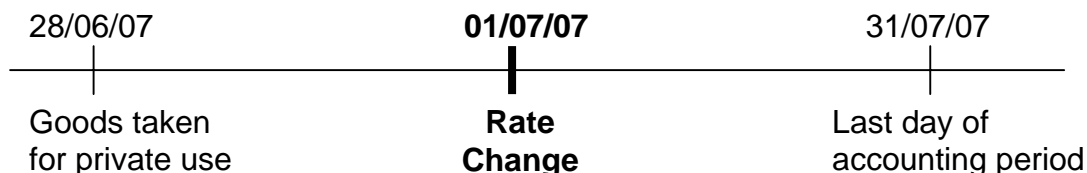
6.2.2 If the goods are used/made available before 1 July 2007 but the last day of the prescribed accounting period falls on or after 1 July 2007, the general rules would require you to deem output tax at 7% on the cost of the goods. However, the transitional rules allow you to account deemed output tax at 5%.

Example 16 – Goods used before 1 July 2007 and last day of prescribed accounting period in which the goods are taken are before 1 July 2007



The time of supply shall be on 30 June 2007 at the last day of the prescribed accounting period in which the goods are taken for your private use. Since this occurs before 1 July 2007, deemed output tax should be accounted for at 5%. No further adjustment is required after 1 July 2007.

Example 17 – Goods used before 1 July 2007 and last day of prescribed accounting period in which the goods are used/ is on or after 1 July 2007



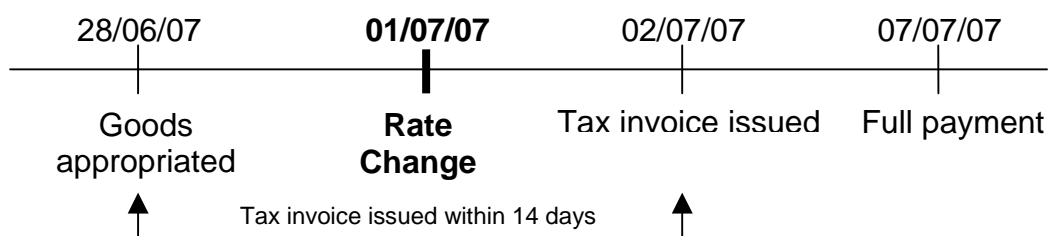
Under the general rule, the time of supply shall be on 31 July 2007 at the last day of the prescribed accounting period in which the goods are taken for your private use. Since this occurs after 1 July 2007, deemed output tax should be accounted for at 7%. However, the transitional rules allow you to account for deemed output tax at 5% as the goods were used/made available before 1 July 2007.

² Regulation 15 of the GST (General) Regulations

6.3 SUPPLIER'S GOODS IN POSSESSION OF BUYER

- 6.3.1 Where goods are supplied under an agreement whereby you retain the property of the goods until the goods or part of them are appropriated by the buyer and in circumstances where the whole or part of the consideration is determined at the time of appropriation, the time of supply is the earlier of receipt of payment or issue of tax invoice³.
- 6.3.2 In the situation where goods are appropriated by the buyer before 1 July 2007, the transitional rules allow you to charge GST for these appropriated goods at 5%.

Example 18



Under the general rules, the time of supply shall be on 2 July 2007 when the tax invoice is issued. GST shall be charged at 7%. However, the transitional rules allow you to charge GST at 5% as the goods have been appropriated before 1 July 2007.

6.4 ROYALTIES AND SIMILAR PAYMENTS

- 6.4.1 In situations involving royalties and similar payments⁴, the time of supply is the earlier of payment received for the use of the benefits of the services or tax invoice issued.
- 6.4.2 If the amount of consideration cannot be ascertained at the time the services are performed by a particular date, say before rate change, then the general time of supply rule shall apply in all circumstances.

7 **METHODS OF APPORTIONMENT**

- 7.1 To apportion the value of goods delivered/services performed before 1 July 2007 and that on/after 1 July 2007, you can base it on:
- measurable work, such as a valuation of such supplies, based on open market value; or

³ Regulation 18 of the GST (General) Regulations

⁴ Regulation 21 of the GST (General) Regulations

b. your normal costing or pricing system to determine the GST chargeable.

Example 19

You are in the construction services. You can do a valuation of the work performed before and on/after 1 July 2007. If you have completed 30% of your renovation work before 1 July 2007, you can charge your customer 30% of the consideration at 5% and the remaining 70% of the consideration at 7%.

Example 20

You provide cleaning services for three months from May to July 2007. As the supply of services is evenly spread out during this period, the number of days/months can be used as a proxy for apportioning the value of supply before and on/after 1 July 2007.

Cleaning charge (for 3 months) - \$6,300 (\$6,000 and 5% GST)

Spreading it evenly, the charge per month is \$2000.

Before 1 July 2007 \$4000 for May & June 2007 to be charged at 5% GST

After 1 July 2007 \$2000 for July 2007 to be charged at 7% GST

In instances where your contract specifically excludes you from any increase in consideration as a consequence of rate increase (please refer to paragraph 11), you would have to account for GST at the tax fraction (7/107) of \$2,100 (\$6,300 - \$4,200).

8 ADJUSTMENT OF CONTRACTS ON CHANGES IN TAX

- 8.1 If you have existing contracts to supply goods or services on/after 1 July 2007, you can increase the contractual consideration to include GST at 7%, unless you have explicitly specified in your contract that any change in tax charged is excluded or where the change in tax has already been taken into account in the contract.
- 8.2 Hence, if the contracts contain an express provision to exclude any tax increase or where the tax change has been taken into account, you would be bound by the contractual terms and will not be able to revise the consideration. Nonetheless, you must account for GST at 7/107 of the total consideration.
- 8.3 If you are unsure whether your contracts contain such express exclusion or where the tax change has been taken into account, please consult your lawyer to determine if you can increase the consideration as a consequence of the rate increase.

9 ADJUSTMENT OF TAX PREVIOUSLY CHARGED

9.1 CREDIT NOTE

9.1.1 In instances where the situations as described in paragraphs 4.3 and 6.1.2 apply, you must by 14 July 2007 send or give the credit note to your customer and keep a copy of a properly headed "Credit Note" containing the following information:

- the identifying number and date of issue of the credit note;
- your name, address and GST registration number;
- your customer's name and address;
- the identifying number and date of issue of the tax invoice where tax was previously charged;
- a description which identifies the goods and services previously supplied;
- the value of goods or services to be treated as cancelled under the transitional rules;
- the amount of GST being credited.

9.1.2 You have to:

- reduce the taxable supplies by the value of goods or services to be treated as cancelled;
- reduce your output tax by the amount of GST being credited.

9.1.3 The accounts or supporting documents must state clearly the nature of the adjustments and reason for the adjustments.

9.1.4 If you receive a credit note in this form involving a tax deductible input tax, you must also:

- reduce your taxable purchases by the value of goods or services to be treated as cancelled;
- reduce your input tax by the amount of GST being credited.

9.1.5 You should make such adjustments arising from the issue or receipt of a credit note in the GST return for the prescribed accounting period in which you issue or receive the credit note. You should also enter the adjustments in your accounts.

9.2 VOLUME-RELATED DISCOUNTS

If you offer volume-related discounts to your customers when they reach a minimum purchase amount in respect of supplies made before 1 July 2007 but you effect the discount on/after 1 July 2007, the GST relating to the discount should be calculated at 5% as it relates to goods delivered before 1 July 2007.

9.3 GOODS RETURNED

- 9.3.1 If you have sold goods to your customer before 1 July 2007 at 5% GST and some of the goods sold which are defective are returned on/after 1 July 2007, you should adjust the GST at 5% as you have originally charged and accounted for in your previous GST return at 5%.
- 9.3.2 If you have sold goods to your customer on/after 1 July 2007 and charged GST at 7% and accounted for the tax in your previous GST return, you should adjust the GST at 7% if the goods sold are returned.
- 9.3.3 In a situation where goods are returned by your GST-registered customers, among other things, you should indicate in the credit note, the identifying number and date of the original tax invoice or maintain other evidence to show that you have previously accounted for the output tax on the original supply.
- 9.3.4 If you are unable to trace or identify the date and the number of the original tax invoice of the returned goods, you are allowed to issue a credit note without reflecting the GST adjustment on it, if you and your customer agree in writing with this arrangement.

In other words, for the goods returned, both you (the supplier) and your GST-registered customers will only need to reduce the taxable supplies and purchases in the GST returns respectively. There is no need to adjust the GST for the goods returned.

- 9.3.5 If it is your corporate policy to accept goods returned and allow refunds to your customers who do not produce receipts that show the date of purchase, you can adjust GST only at the rate before the increase, i.e. at 5%, if you are certain that GST on the sale of such goods had been previously accounted for on the original supply.

You can however make the GST adjustment at 7% (for sales made on/after 1 July 2007) in your GST return if you have documentary evidence to substantiate that the returned goods were sold or available for sale only on/after 1 July 2007.

10 **OTHER DETAILS**

10.1 NEW TAX INVOICE

In instances where you need to issue a new tax invoice (such as situations described in paragraphs 4.3 and 6.1.2), the tax invoice should contain the same information as required for any ordinary tax invoice. In addition, you should support this new tax invoice with documents such as a copy of credit note and the original tax invoice where part or the entire value of supply of goods or services is adjusted via a credit note.

10.2 TAX INVOICE IN SIMPLIFIED FORMAT

You can continue to issue a tax invoice in a simplified format if the total amount payable including GST does not exceed \$1,000.

However, if you charge GST at 5% as permitted in situations described in paragraphs 3.1 and 6.1.3, you must show the GST amount as a separate amount.

10.3 INPUT TAX CLAIMS

You can only claim the GST amount shown on the tax invoice as your input tax. Only in instances where the tax amount is not shown on the tax invoice, which is issued in a simplified format, you can use the tax fraction to compute the GST amount to be claimed as your input tax.

Generally, to determine the appropriate tax fraction to use, you should look at the date shown on the simplified tax invoice. If the simplified tax invoice is dated on/after 1 July 2007, you should use the tax fraction of 7/107, while for those dated before 1 July 2007, the tax fraction of 5/105 should be used.

10.4 RECEIPT OF PAYMENT

In respect of receipt of payment, as an administrative concession, cheques presented to the bank (i.e. the bank-in date) by 3 July 2007 and cleared successfully will be treated as payments received before 1 July 2007.

10.5 GIRO PAYMENT

To put customers paying by GIRO on the same footing as those who pay by cash or cheque before 1 July 2007 on advance billings, as an administrative concession, businesses are allowed to treat all payments received through GIRO within the month of July 2007 as payments received before 1 July 2007 and charge GST at 5% instead of 7%, provided that all the following conditions are met:

- a. the GIRO deductions are successfully effected by the end of July 2007;
- b. the GIRO deductions relate to bills or tax invoices that have been issued before 1 July 2007; and
- c. the bills or tax invoices in (b) have been issued according to the normal billing cycle of the business.

There is no need for businesses receiving payments through GIRO to apply to IRAS for this concession.

10.6 BUSINESSES THAT OPERATE PAST MIDNIGHT ON 30 JUNE 2007

As an administrative concession, businesses that operate past midnight on 30 June 2007 up to 7 a.m. of 1 July 2007 are allowed to continue charging GST on their sales at the old rate of 5%. This is provided that it is their normal accounting practice to treat the sales after midnight as sales of the preceding day and their cash registers and accounting systems are already programmed in this way.

10.7 PRICE DISPLAY

GST-registered retailers are required to show prices inclusive of GST. With effect from 1 July 2007, price displays would be inclusive of GST at 7%. If you are not able to switch your price tags overnight from prices inclusive of 5% to prices inclusive of 7%, you may display 2 prices; one applicable before 1 July 2007 that shows prices inclusive of 5%, the other taking effect from 1 July 2007 that shows prices inclusive of 7%.

If you decide not to increase your prices as a result of GST, you do not need to change your price tags. However, you need to account to IRAS the GST based on 7/107 of your price for the sales made on or after 1 July 2007.

10.8 GST RATE

You should charge GST at the prevailing rate. That is, if you issue a tax invoice before 1 July 2007, even if it relates to goods to be delivered/services to be performed after 1 July 2007, you should still reflect GST at 5%. Only for invoices issued on/after 1 July 2007, you should charge GST at 7%, except in situations where transitional rules mentioned in paragraphs 3, 6.1.3, 6.3 and 8 apply.

2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

11 CHECKLIST FOR CHARGING GST

Table 1 Tax invoice issued on/after 01/07/07, within 14 days of goods delivered/services performed

Payment Received	Goods Delivered / Services performed	GST
Before 01/07/07	On or after 01/07/07	5%
On or after 01/07/07	Before 01/07/07	5%
Before 01/07/07	Part before and part on or after 01/07/07	5%
Part before & part on or after 01/07/07	Before 01/07/07	5%
On or after 01/07/07	Part before and part on or after 01/07/07	5% & 7% *
Part before & part on or after 01/07/07	On or after 01/07/07	5% and 7% #

* 5% GST for that part of goods delivered/services performed before 01/07/07 & 7% GST for that part of goods delivered/services performed on/after 01/07/07

5% GST for that part of payment received before 01/07/07 & 7% GST for that part of payment received on/after 01/07/07

Table 2 Tax invoice issued before 01/07/07

Payment Received	Goods Delivered / Services performed	GST
Before 01/07/07	On or after 01/07/07	5% @
On or after 01/07/07	Before 01/07/07	5% @
Before 01/07/07	Part before and part on or after 01/07/07	5% @
Part before & part on or after 01/07/07	Before 01/07/07	5% @
On or after 01/07/07	Part before and part on or after 01/07/07	5% & 7% **
Part before & part on or after 01/07/07	On or after 01/07/07	5% and 7% ##
Part before & part on or after 01/07/07	Part before and part on or after 01/07/07	5% and 7% ^^

@ As either full payment received or goods delivered/services performed is before 01/07/07, GST is at 5%.

** Issue credit note & 7% GST tax invoice for that part of goods delivered / services performed on or after 01/07/07.

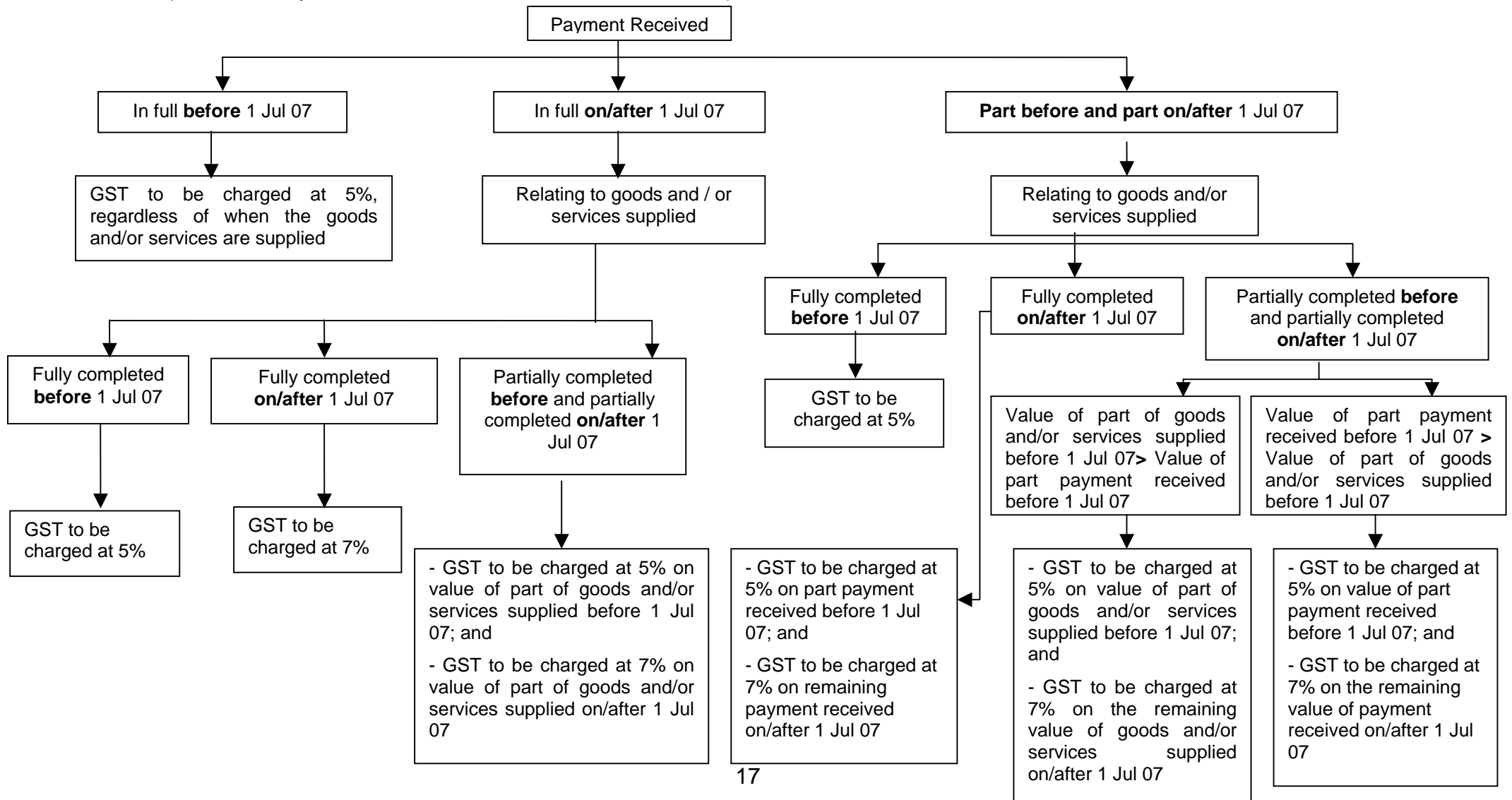
Issue credit note & 7% GST tax invoice for that part of payment received on or after 01/07/2007

^^ Issue credit note & 7% GST tax invoice for the lower of payment received or goods delivered/services performed after 01/07/07

2007 GST RATE CHANGE – A GUIDE FOR GST-REGISTERED BUSINESSES

12 STEP-BY-STEP GUIDE

12.1 TAX INVOICE ISSUED ON/AFTER 1 JULY 2007 (Within 14 days of Goods Delivered/Services Performed)



13 CHECKLIST FOR GST RATE CHANGE PREPARATIONS

Have I?

- Changed my accounting and invoicing system to incorporate the new GST rate
- Changed my cash register and receipting system to incorporate the new GST rate for point-of-sales billing
- Changed my price displays to reflect the new GST rate
- Trained my staff to apply the correct GST rate for the sales transactions
- Reviewed my contracts/agreements for the GST rate to be charged or borne by each party
- Informed my customers of the GST increase
(For example, you may wish to state in your advertisements, websites and brochures that GST would be charged at the rate prevailing at the time of supply)
- Considered applying for the Major Exporter Scheme if my business deals mainly with imports and exports. (Please refer to the e-tax guide “Major Exporter Scheme for more details)