

GST Advance Ruling Summary No. 01/2026

1. Subject:

Whether the Company is liable for GST registration following the sale of non-residential property.

2. Relevant background and facts:

The Company is a non-GST registered business whose principal activities relate to the rental of properties and investment holding. The company intends to sell non-residential properties A, B & C (“**the Properties**”) purchased more than 30 years ago. During the period of ownership, the Properties were let out for rental income.

Excluding the sale of the Properties, the annual taxable supplies of the Company did not exceed S\$1 million. The Company does not have a history of recurring sales and purchases of properties.

There will be no continuity of the Company after the Properties are sold as the Company will apply to be struck off.

3. Relevant legislative provision(s):

The liability to register is prescribed under paragraph 1(1) of the First Schedule to the GST Act, which provides that a person who makes taxable supplies is liable to be registered —

- (a) at the end of any quarter where the total value of all his taxable supplies made in Singapore in that quarter and the past 3 quarters has exceeded S\$1 million (“Retrospective Basis”); or
- (b) at any time, if there are reasonable grounds for believing that the total value of his taxable supplies in the next 12 months will exceed S\$1 million (“Prospective Basis”).

In determining the value of taxable supplies for the purpose of GST registration, paragraph 1C(2) of the First Schedule to the GST Act provides that the supplies of goods or services that are capital assets of the business shall be excluded.

4. The ruling:

The sale of the Properties are sales of capital assets. Accordingly, the value of the Properties need not be included in the value of taxable supplies when determining the Company’s liability to register for GST. Since the Company does not make other

taxable supplies exceeding the GST registration threshold of S\$1 million, it would not be required to register for GST.

5. Reasons for the decision:

The sale of the Properties are regarded as sales of capital assets on the basis that:

- (a) Since acquisition, the Properties had been held by the Company to derive rental income and/or for the purpose of capital appreciation;
 - (b) The Properties were acquired by the Company more than 30 years ago. Considering the long period of ownership, the Company was unlikely to have purchased them with a view towards speculative gain through the trading of properties;
 - (c) Other than the sale of the Properties, the Company has not sold any other properties since incorporation.
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