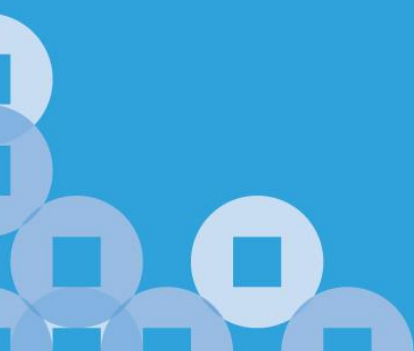




INLAND REVENUE
AUTHORITY
OF SINGAPORE

IRAS e-Tax Guide (Draft)

GST: Digital Payment Tokens



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Preface

This draft guide explains the GST treatment for transactions involving virtual currencies/cryptocurrencies that function or are intended to function as medium of exchange (henceforth, referred to as digital payment tokens).

Under the current rules, the supply of digital payment tokens is treated as a taxable supply of services. Therefore, the sale, issue or transfer of such tokens for consideration by a GST-registered business is subject to GST. When the tokens are used as payment for the purchase of goods or services, a barter trade resulting in two separate supplies arises — a taxable supply of the tokens and a supply of the goods or services.

From 1 Jan 2020, to better reflect the characteristics of digital payment tokens, the following changes will take effect:

- (i) The use of digital payment tokens as payment for goods or services will not give rise to a supply of those tokens; and
- (ii) The exchange of digital payment tokens for fiat currency or other digital payment tokens will be exempt from GST.

IRAS is seeking feedback on this change of GST treatment, from businesses dealing in digital payment tokens.

Please give your comments in relation to this draft guide by completing and submitting the template in Annex 1 by 26 Jul 2019 to:

**Goods & Services Tax Division
Inland Revenue Authority of Singapore
55 Newton Road
Singapore 307987
Or email to: gstfeedback@iras.gov.sg**

Electronic submission is encouraged. Your submission should include your name, the organization you represent, your email and telephone number.

From 5 Jul to 26 Jul 2019, the Ministry of Finance (MOF) will be conducting a Public Consultation on the legislative amendments for digital payment tokens. You may view the public consultation document on MOF website at www.mof.gov.sg and submit your comments on the legislative amendments to MOF.

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1 Aim

- 1.1 This e-Tax guide sets out the GST treatment of transactions involving digital tokens or cryptocurrencies that function or are intended to function as a medium of exchange (henceforth referred to as “digital payment tokens”) which will take effect from 1 Jan 2020.
- 1.2 You should read this guide if you transact in digital payment tokens, including:
- (i) Buying and selling digital payment tokens; or
 - (ii) Using digital payment tokens as payment/consideration; or
 - (iii) Charging a fee or commission to facilitate the transfer, purchase or sale of digital payment tokens; or
 - (iv) Issuing digital payment tokens, such as through an Initial Coin Offering (ICO).

2 At a Glance

- 2.1 With effect from 1 Jan 2020, supplies of digital payment tokens will no longer be subject to GST. Specifically:
- (i) The use of digital payment tokens as payment for goods or services will no longer give rise to a supply¹ of those tokens. That is, if you use digital payment tokens to pay for the purchase of goods or services, you need not account for GST on the use.²
 - (ii) A supply of digital payment tokens in exchange for fiat currency or other digital payment tokens will be exempt from GST. Therefore, the supply of such tokens, being an exempt supply, will not contribute to your annual taxable turnover for the determination of your liability for GST registration.
- 2.2 The GST treatment for digital tokens/virtual currencies/cryptocurrencies that do not qualify as digital payment tokens remain unchanged³. That is, supplies of such tokens will continue to be regarded as taxable supplies of services,

¹ Where the digital payment tokens are provided as consideration in a transaction other than for a supply of money or digital payment tokens, the provision of those tokens will be treated as neither a supply of goods nor a supply of services under the GST (Excluded Transactions) Order.

² The seller of the goods or services, if GST-registered, would have to charge and account for GST—there is no change in this position.

³ For example, the transfer of non-fungible tokens such as those that represent ownership rights to specific property (e.g. intellectual property, digital artwork) will remain a taxable supply of services as such tokens are not fully interchangeable for use as consideration.

unless they fall under the prescribed list of exempt financial services⁴ under Part I of the Fourth Schedule to the GST Act.

- 2.3 This guide focuses on the GST treatment that will take effect from 1 Jan 2020. Nevertheless, the sections on time of supply, mining and digital payment token intermediaries remain relevant to transactions involving digital payment tokens that take place before 1 Jan 2020. For a comparison of the GST treatment of digital payment token transactions before 1 Jan 2020 and that applicable from 1 Jan 2020, please refer to the table at Appendix A.

3 Glossary

3.1 Digital token

A digital token refers to any cryptographically-secured digital representation of value that can be transferred, stored or traded electronically.

3.2 Digital payment token

A digital payment token is a digital token that has the following characteristics:

- (a) it is expressed as a unit;
- (b) it is fungible;
- (c) it is not denominated in any currency, and is not pegged by its issuer to any currency; and
- (d) it is, or is intended to be, a medium of exchange accepted by the public, without any substantial restrictions on its uses as consideration.

but does not include:

- (e) money;
- (f) anything which, if supplied, would be an exempt supply under Part I of Fourth Schedule to the GST Act for a reason other than being a supply of a digital token(s) having the characteristics of (a) to (d);
- (g) anything which gives an entitlement to receive or to direct the supply of goods or services from a specific person or persons and ceases to function as a medium of exchange after the entitlement has been used.

3.3 Digital payment token broker

A platform or entity that provides services to its customers to facilitate their purchase or sale of digital payment tokens on an Over the Counter (OTC) basis. While serving a similar function as exchanges (see below), brokers do not publicly list bid-ask quotes from buyers and sellers for the tokens.

⁴ For example, security tokens that grant the holder shares in the issuer's company will be exempt under paragraph 1(f) of Part I of the Fourth Schedule.

3.4 Digital payment token exchange

A digital marketplace where traders can buy and sell digital payment tokens for fiat currencies or other digital payment tokens. It is an online platform that acts as an intermediary between buyers and sellers of digital payment tokens and publicly lists bid-ask quotes from buyers and sellers for the various digital payment tokens.

3.5 Digital payment token wallet

A software program that stores private and public keys and interacts with various blockchains to enable users to send and receive digital payment tokens and monitor their balance.

3.6 Initial Coin Offering (ICO)

The first issue of a digital token to the general public.

3.7 Mining

The process by which digital token transactions are verified and added to the blockchain, and also the means through which new digital tokens are released.

4 **Background**

4.1 Prior to 1 Jan 2020, the supply of virtual currencies (including cryptocurrencies such as Bitcoin) is treated as a taxable supply of services. Therefore, a person who supplies virtual currencies (such as selling them on cryptocurrency exchanges) in the course or furtherance of a business will be liable for GST registration if the annual turnover from the virtual currencies transactions exceeds \$1 million. Once registered, the person would have to account for GST on his supplies of virtual currencies⁵. Should he use the virtual currencies to pay for goods or services, a barter trade situation would arise — he would be regarded as supplying the virtual currencies in return for the supply of the goods or services received. Thus, he would have to account for GST on his supply of virtual currencies and concurrently, if the supplier of the goods or services is GST-registered, the supplier would have to charge him GST on the supply of goods or services (unless the supply is exempt).

4.2 Global development and growth in the use of cryptocurrencies have caused tax jurisdictions to review their GST position on cryptocurrencies transactions. Similarly, IRAS has reviewed its GST position to keep up to date with these developments. In particular, IRAS recognises that taxing

⁵ Where the supply is contractually made to and directly benefitting a person belonging outside Singapore, the supply will be zero-rated.

cryptocurrencies which function or are intended to function as medium of exchange (that is, digital payment tokens) results in two tax points — once on the purchase of the cryptocurrency and again on its use as payment for other goods and services subject to GST. To better reflect the characteristics of digital payment tokens, with effect from 1 Jan 2020, the supply of such tokens will no longer be subject to GST. The change in GST treatment does not represent IRAS' endorsement of cryptocurrency investments.

- 4.3 With the change, businesses that trade in digital payment tokens are no longer liable for GST registration even if the annual turnover from the trade exceeds \$1million as the supplies of the tokens are exempt supplies. However, GST-registered businesses that make both taxable supplies and exempt supplies of digital payment tokens will become partially exempt and may have to apportion their input tax. These businesses may also be subject to reverse charge.

5 Characteristics of a Digital Payment Token

- 5.1 A digital payment token is a digital representation of value that has all of the following characteristics:

- (a) it is expressed as a unit;
- (b) it is fungible;
- (c) it is not denominated in any currency, and is not pegged by its issuer to any currency;
- (d) it can be transferred, stored or traded electronically;
- (e) it is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, without any substantial restrictions on its use as consideration;

but does not include:

- (f) money;
- (g) anything which, if supplied, would be an exempt supply under Part I of Fourth Schedule to the GST Act for a reason other than being a supply of one or more digital representations of value having the characteristics mentioned in (a) to (e);
- (h) anything which gives an entitlement to receive or to direct the supply of goods or services from a specific person or persons and ceases to function as a medium of exchange after the entitlement has been used.

- 5.2 Examples of digital payment tokens are Bitcoin, Ethereum, Litecoin, Dash, Monero, Ripple and Zcash.

- 5.3 Paragraphs 5.4 to 5.10 explain in details some of the characteristics of a digital payment token while paragraphs 5.11 to 5.12 explain the exclusions.

Is fungible

5.4 To qualify as a digital payment token, a digital token/cryptocurrency must be designed as fungible, that is, it must be designed to be used interchangeably as consideration.

5.5 Gaming credits and virtual collectibles such as gaming assets and digital artwork are not fungible as they are not fully interchangeable for the purposes of their use as consideration. Therefore, they will not qualify as digital payment tokens.

Is not denominated in any currency, and is not pegged by its issuer to any currency

5.6 A digital payment token must not have a value that is based on the value of anything else. Therefore, any digital token that is denominated in any fiat currency or with a value pegged to any fiat currency will not qualify as a digital payment token.

5.7 For example, a digital token pegged to US dollars will not qualify as a digital payment token but may instead fall under the list of financial services (such as derivatives under paragraph 1(j)) in Part I of the Fourth Schedule to the GST Act.

Is, or is intended to be, a medium of exchange accepted by the public/a section of the public without any substantial restrictions on its use as consideration

5.8 Digital tokens that are not designed in a way such as to function, without substantial restrictions, as a medium of exchange accepted by the public or a section of the public, are not digital payment tokens. Examples of digital tokens with substantial restrictions on their use as a medium of exchange (and thus, would not qualify as digital payment tokens) include:

- Game credits or “currencies” that cannot be used outside of the context of the online game under the terms under which the game credit/ ‘currency’ is made available.
- Tokens issued on private blockchains. Such tokens cannot be used outside of the context of the permissioned networks.
- Loyalty points issued by retailers, merchants or online platform operators as such points can only be used to redeem products by the issuer of the points or merchants who have agreed to participate in the loyalty programme.

5.9 Minor impediments or restrictions to the use of digital tokens or cryptocurrencies as a medium of exchange will not disqualify them from being regarded as digital payment tokens. Examples of restrictions that are generally not substantial include restrictions imposed by the laws of foreign

governments and practical difficulties in using digital tokens without internet access.

- 5.10 While a digital token or cryptocurrency must be suitable for use as a medium of exchange in order to be regarded as a digital payment token, there is no minimum level of use required to meet the definition. For example, when a cryptocurrency is first launched via an Initial Coin Offering (ICO), there may be few, if any, parties that initially accept it as payment, but it can still be a digital payment token provided the design and features of the cryptocurrency allow it to be used in this way.

Does not include money or anything which if supplied, would be an exempt supply under Part I of the Fourth Schedule to the GST Act

- 5.11 Money and financial instruments, the supply of both which are exempt under Part I of the Fourth Schedule to the GST Act, are excluded from the definition of digital payment token. Currently, IRAS is not aware of any digital token that would qualify as money or a financial instrument under the Fourth Schedule and yet still satisfy all the characteristics of a digital payment token. However, it is possible that this could change in future. The exclusion is to prevent any overlapping and also to clarify that there is no change in GST position for such supplies. For example, a digital token that qualifies as an equity or a debt security is excluded from the definition of digital payment token as the supply of such a token is already exempt under paragraph 1(e) or 1(f) of Part I of the Fourth Schedule to the GST Act. An exchange of money or fiat currency on the other hand, is exempt under paragraph 1(c) of Part I of the same schedule.

Does not include “anything which gives an entitlement to receive... goods or services...and ceases to function as a medium of exchange after the entitlement has been used.”

- 5.12 Issuers who issue digital tokens/cryptocurrencies via an ICO to fund the development of certain products, services or infrastructure may promise that the tokens/cryptocurrencies can be used as consideration for products and services on the funded ecosystem. The tokens/cryptocurrencies may also be traded on exchanges. Such tokens/cryptocurrencies will henceforth be referred to as ‘hybrid tokens’. Assuming that the hybrid token has all other characteristics of a digital payment token and it can still potentially be used as a medium of exchange even after it has been used to obtain a product or service on the ecosystem, the hybrid token will qualify as a digital payment token.

Example 1 – A digital payment token

IdealCoin is a digital token utilising a public blockchain that has been designed to be used as consideration in a related smart contract framework, IdealContract, but it can also be freely used outside this framework.

IdealCoins are issued by Ideal Pte Ltd via an ICO to fund the development of the IdealContract framework. Other than holding a number of IdealCoins for itself, Ideal Pte Ltd issues the tokens to its partners during the ICO. Miners also receive IdealCoins that are automatically created by the public blockchain when they verify transactions on the blockchain. Entities that miss the ICO but wish to transact in IdealCoins can still purchase the tokens from IdealCo Pte Ltd, its partners, entities that participated in the ICO, or miners.

The fact that IdealCoin is designed to be the only form of consideration suitable for use in the IdealContract framework does not affect its value as a medium of exchange – the IdealContract framework is just one context in which IdealCoin is used as consideration.

Therefore, IdealCoin is a digital payment token as it is generally available to the public for use as consideration.

6 Supply of Digital Payment Tokens

Use of digital payment token as payment

- 6.1 The use/provision of digital payment tokens as payment for anything (other than for fiat currency or other digital payment tokens) is disregarded as a supply for GST purposes.
- 6.2 If you are **paying** digital payment tokens in return for goods and services, you need not account for output tax.
- 6.3 If you are **receiving** digital payment tokens in return for your supply of goods or services and you are GST-registered, you would have to account for output tax on your supply of goods or services (unless the supply is an exempt or a zero-rated supply).

Example 2 – Use of digital payment tokens as payment

GST-registered company A uses Bitcoin to purchase software from GST-registered company B. With effect from 1 Jan 2020, Company A will not be considered as making any supply of Bitcoins and thus, will not need to account for output tax. Company B will have to account for output tax on its supply of software.

Exchange of digital payment token for fiat currency or other digital payment token

- 6.4 The exchange of digital payment tokens for fiat currency or other digital payment tokens is treated as an exempt supply.

Example 3 – Exchange of one digital payment token for another:

GST-registered company C exchanges Bitcoin for Ethereum from GST-registered company D. With effect from 1 Jan 2020, both companies' supplies are exempt from GST— C's exempt supply of Bitcoin and D's exempt supply of Ethereum. They do not have to charge or account for output tax. Instead, they will report the net realised gain/loss from their exchange transactions as exempt supplies in their GST returns.

Example 4 – General ICO scenario:

GST-registered company E issues Digital Payment Token X to the public in Singapore via an ICO in exchange for Singapore dollars. With effect from 1 Jan 2020, E will report the proceeds received for the Digital Payment Token X as its exempt supplies in its GST return.

7 Value of Supply

Receiving digital payment token as consideration

- 7.1 When you receive digital payment tokens as consideration for your supply of goods or services, you should report the open market value⁶ of the goods or services as the value of your supply in your GST return.

Exchange of digital payment tokens for fiat currency or other digital payment tokens

- 7.2 When you exchange digital payment tokens for fiat currency or other digital payment tokens, you may report as the value of supply, either:
- (a) the realised gain/loss from the exchange. This is similar to the current reporting for exchange of fiat currencies; or
 - (b) the proceeds received.
- 7.3 As the value to be reported must be in Singapore currency, if the consideration that you receive is in a foreign currency or digital payment tokens, you would need to convert it to Singapore currency using an acceptable exchange rate prevailing at the time of supply.

⁶ Open market value is the value the supply would have fetched "if the supply were for consideration in money as would be payable by a person who has no relationship with any person which would affect that consideration" —section 17(5) of the GST Act. Put simply, open market value is the arm's-length price for a supply between unrelated parties.

- 7.4 For information on the acceptable exchange rates to convert foreign currency to Singapore currency, please refer to the e-Tax Guide, “GST: Exchange Rates for GST Purpose”.
- 7.5 If you exchange a digital payment token for another digital payment token (i.e. you receive your consideration in digital payment token), to convert the value of the digital payment token to Singapore currency, you may, for the purpose of GST only, use the exchange rates from:
- (a) any bona fide digital payment token exchange; or
 - (b) any bona fide provider of digital payment token exchange rates (e.g. Google Finance, Reuters); or

In the event the exchange rate for the digital payment token is not available from either sources, you may then use the agreed exchange rate stated in any written agreement between you and your customer.

- 7.6 If the digital payment token exchange rate from the sources (see paragraph 7.5) is only quoted in a foreign currency, after obtaining the value of the digital payment token in the foreign currency amount, on the same day, convert the amount expressed in the foreign currency to Singapore currency using an acceptable exchange rate (see paragraphs 7.3 and 7.4).

Example 5 – Digital token exchange rate is only quoted in foreign currency:

Xcoin is quoted only in USD in digital payment token exchanges. On 1 Jan 2020, 1 Xcoin is quoted as worth USD100. On the same day, the Reuters exchange rate for USD to SGD is USD1 to SGD1.45. Therefore, the Singapore currency equivalent of Xcoin is SGD145.

- 7.7 The digital payment token exchange rates used to arrive at the value of your supply in Singapore currency should rightfully be the exchange rate prevailing at the time of supply. You may, however, use exchange rates on dates other than the time of supply such as the token exchange rates on a particular day of the month (e.g. last working day of the previous month) or an average rate over a specific period (e.g. average of the daily rates for the previous month). You need not seek prior approval of the Comptroller for using the approximate exchange rates but they must be consistently used for GST purposes.

8 Time of supply

- 8.1 The general time of supply rule based on the earlier of the date of invoice or date of receipt of consideration also applies to digital payment token transactions.

- 8.2 If you supply goods or services in return for consideration in the form of digital payment tokens, you may regard the consideration as received when the payment is validated on the blockchain by miners.

Example 6:

GST-registered company Full Digital Pte Ltd launched an ICO for Digital Token X at the price of 2 Bitcoins for 1 Token X. GST-registered company Semi Digital Pte Ltd used 20 Bitcoins to purchase 10 Token X from Full Digital Pte Ltd.

Semi Digital Pte Ltd transferred 20 Bitcoins to Full Digital Pte Ltd on the block chain and this transaction was validated by miners on 29 Jun 2018. Both companies did not issue any invoices for the transaction.

At the close of the ICO on 5 Jul 2018, Full Digital Pte Ltd transferred 10 Token X to Semi Digital Pte Ltd on the block chain.

The date of supply of Full Digital Pte Ltd's supply of Token X to Semi Digital Pte Ltd is 29 Jun 2018, the date Full Digital Pte Ltd received the payment of Bitcoins for the Tokens (based on the date of validation of the payment).

The date of supply of Semi Digital Pte Ltd's supply of Bitcoins is 5 Jul 2018, the date Semi Digital Pte Ltd received the payment of Token X for the Bitcoins (based on the date of validation of the payment).

9 Determining where the customer belongs

- 9.1 While the supply of digital payment tokens is an exempt supply, you can zero-rate the supply if the supply is contractually made to a person who belongs in a country outside Singapore and directly benefits a person belonging outside Singapore or a GST-registered person in Singapore⁷.
- 9.2 The current GST rules on determining the belonging status of a recipient of services will continue to apply for issuers, transferors and sellers of digital payment tokens to determine if a customer belongs in Singapore:
- For a **corporate entity**, the customer is treated as belonging in Singapore if:
 - (i) he has a business establishment ("BE") (i.e. an agency or a branch in Singapore) or fixed establishment ("FE") only in Singapore; or
 - (ii) he has a BE or FE both in Singapore and outside Singapore and the services are most directly used or to be used by his establishment in Singapore; or

⁷ Section 21(3)(j) of the GST Act. The person also must not be in Singapore when the service is performed.

(iii) he does not have a BE or FE in any country but his usual place of residence (i.e. place of incorporation or place of legal constitution) is in Singapore.

- For an **individual**, the customer is treated as belonging in Singapore if his usual place of residence is in Singapore. An individual's "usual place of residence" is in Singapore if:
 - (i) he resides in Singapore for a settled purpose, such as to pursue a course or study or due to employment; and
 - (ii) his stay in Singapore has some degree of continuity, apart from temporary or occasional absence, such that it forms part of the regular and habitual pattern of his life.

Generally, the residential address of an individual may be regarded as his usual place of residence if there are no indicators suggesting otherwise.

9.3 Given that digital payment token transactions are generally transacted over the internet with limited information available in some instances, issuers, transferors and sellers of the tokens may not be able to verify the belonging status of the customer they are transacting with. In instances that you are unable to reasonably verify the belonging status of your customer, as an administrative concession, you can use the following proxy indicators to determine the belonging status of your customer.

9.4 You are required to obtain and maintain at least two pieces of non-conflicting evidence of your customer's belonging status, based on the following three proxy categories:

- (i) Payment Proxy (e.g. credit card information based on BIN number⁸, bank account details)
- (ii) Residence Proxy (e.g. billing address, home address)
- (iii) Access Proxy (e.g. name of Internet Service Provider, IP address)

9.5 The proxy indicators listed are non-exhaustive, and you may use other commercially available information which are aligned with any of the three proxy categories for the determination of where your customer belongs.

9.6 If you are unable to maintain the records described above to show that your customer belongs overseas, you should assume that your customer belongs in Singapore.

Transacting through a digital payment token intermediary

⁸ Bank identification number (BIN), also known as the Issuer Identification Number, is the first 6 digits of a credit card number. It identifies the institution that issued the card to the card holder.

- 9.7 If you are transacting in digital payment tokens through an intermediary such as an exchange, wallet, or broker, where you are not able to identify your customer or request for evidence of your customer's belonging status, you may use the intermediaries' belonging status as a proxy for the belonging status of your customer. For example, if you sell your digital payment tokens on an overseas exchange, you can zero-rate the supply as it would be regarded as made to and directly benefitting a person who belongs overseas.

10 Mining

- 10.1 In the mining process, there is generally no sufficiently close nexus between the service provided by the miner to the persons whose transactions are verified, and the mined tokens that the miner received from the blockchain ecosystem. The parties paying the mined tokens are also not identifiable. Therefore, the mining of digital payment tokens does not constitute a supply for GST purposes.
- 10.2 However, if a miner performs services to an **identifiable** party or parties, in return for a consideration, this constitutes a taxable supply of services. The miner, if GST-registered has to charge and account for GST (unless zero-rating applies).
- 10.3 The subsequent sale or transfer of the mined digital payment tokens to a customer belonging in Singapore by the miner will be an exempt supply if the supply takes place on or after 1 Jan 2020.

11 Digital Payment Token Intermediaries

- 11.1 Services provided by intermediaries remain taxable even if these are in relation to digital payment token transactions. These intermediaries may also trade in digital payment tokens. Whether these intermediaries (if GST-registered) have to report the sales of the digital payment tokens as their supplies in their GST returns would depend on whether they have acted as an agent or a principal.
- 11.2 If you are a GST-registered intermediary selling digital payment tokens as a principal, you have to report the sale as your supply in your GST return. On the other hand, if you are selling the tokens as an agent on behalf of your customer, you should not report the sale as your supply. Instead, you should report the fee or margin that you earn on the transaction as your supply and account for output tax on the fee/margin (unless your supply can be zero-rated).
- 11.3 You should self-assess whether you are acting as a principal or agent in each transaction, taking into account the following indicators:

Indicators	You are a principal if	You are an agent if
Contractual liability and assumption of responsibilities and risks	You have contracted for the supply of digital payment tokens in your own name or capacity.	You have arranged for the supply of digital payment tokens on behalf of another party and you are not a party to the contract.
Legal obligations to make payment	You have the legal obligation to make payment for the purchase of the digital payment token	You do not have the legal obligation to pay for the purchase but is authorised by another party to make payment to the third party supplier on his behalf.
Price determination	You can determine the price you wish to transact at	Unless authorised to do so by the other party, you cannot determine the price you wish to transact at
Ownership	You own the digital payment tokens being transacted.	You do not own the digital payment tokens being transacted as they belong to the party whom you are acting on behalf.

12 Claiming of input tax and reverse charge

- 12.1 Generally, you can only claim input tax incurred in the course or furtherance of your business to the extent that the input tax is incurred for the making of taxable supplies. Input tax incurred for the making of exempt supplies is not claimable. Input tax incurred for the making of both taxable and exempt supplies or for the overall operation of business may need to be apportioned.
- 12.2 Therefore, if you make both taxable supplies and exempt supplies of digital payment tokens, you will need to attribute and apportion the input tax claim like any other partially exempt businesses (unless you satisfy the De Minimis Rule). Please refer to the e-Tax Guide, “GST: Partial Exemption and Input Tax Recovery” for detailed information on the De Minimis Rule, apportionment and attribution of input tax.
- 12.3 In addition, as a partially exempt business, you may also be subject to reverse charge on services that you acquire from overseas suppliers. For more information on reverse charge, please refer to the e-Tax Guide, “Taxing imported services by way of reverse charge”.

Appendix A - Overview of GST treatment of Digital Payment Tokens (DPT) Before 1 Jan 2020 and From 1 Jan 2020

Description	Before 1 Jan 2020	From 1 Jan 2020
Provision of DPT as payment	Treated as a taxable supply of services	Will be disregarded as a supply
Exchange of DPT for fiat currency or other DPT	Subject to GST (standard-rate/zero-rate).	GST-exempt (zero-rated if supplied to an overseas person and directly benefitting an overseas person or a GST-registered person in Singapore).
Supplies of services by intermediaries	Taxable.	No change i.e. remain taxable.
Mining services	Not a supply unless services are made to identifiable parties for a consideration.	No change.
Time of supply	Supply takes place at the earlier of when invoice is issued or consideration is received.	No change.
Value of supply a) Supply of DPT as payment b) Supply of DPT for money c) Supply of DPT for other digital tokens (services) d) Supply of DPT for other DPT.	a) OMV of DPT b) Money received less GST chargeable c) OMV of DPT supplied d) OMV of DPT supplied	a) Nil (as no longer regarded as a supply) b) Money received or realised exchange gain/loss c) Nil (regarded as payment – same as a)) d) OMV of DPT received or realised exchange gain/loss
Determining where the customer belongs	See paragraph 9.2.	No change.

Annex 1 – Template for Submission of Comments

Feedback on IRAS e-Tax Guide “GST: Digital Payment Tokens”

No.	Paragraph / Section of draft e-Tax Guide	Comments	Proposed alternative(s)

Submitted by:

Name of Company/Business: _____

Contact Person: _____

Telephone Number: _____

Email Address: _____