

EXPLANATORY NOTES TO GST REMISSION FOR PRESCRIBED FUNDS

Prescribed Expenses

Funds (including Variable Capital Companies ("VCCs")) that meet all the qualifying conditions will be able to recover GST incurred on all expenses that are incurred for the purpose of the fund's qualifying investment activities, with the exception of disallowed expenses under the GST Regulations 26 and 27 of the GST (General) Regulations.

Documentary evidence

1. In general, a qualifying fund can only claim expenses that are supported by valid tax invoices in the manner provided under regulation 11 of the GST (General) Regulations.
2. However, as an administrative concession, we are prepared to consider allowing qualifying funds to make GST claims for prescribed expenses that are invoiced to the fund manager, trustee or umbrella fund, subject to the conditions set out in paragraphs 3, 4 and 5 below. Please note that this concession is strictly for the purpose of GST remission of prescribed funds.
3. **Tax Invoices Addressed to Trustee**
 - (a) The expenses concerned are recognised in the respective fund's financial accounts and supported by evidence of payments made from fund's bank accounts;
 - (b) The fund maintains alternative supporting documents such as statements or letters issued by the trustee, showing the portion of expenses allocated to it and corresponding GST amounts. The document must also bear reference to the tax invoice issued by the supplier to the trustee; and
 - (c) The trustee must complete the relevant undertaking in Appendix 1.
4. **Tax Invoices Addressed to Umbrella/Master Fund**
 - (a) The umbrella/master fund is not eligible for GST registration or the GST remission;
 - (b) Both the sub-fund and umbrella/master fund are un-incorporated entities;
 - (c) The sub-fund has the same trustee as the umbrella/master fund;
 - (d) The expenses concerned are recognised in the sub-fund's financial accounts and supported by evidence of payments made from their bank accounts;
 - (e) The sub-fund maintains alternative documents such as statements or letters issued to it by the umbrella/master fund, showing the portion of expenses allocated to it and corresponding GST amounts. The document must also bear reference to the tax invoice issued by the supplier to the umbrella/master fund; and
 - (f) The trustee must complete the relevant undertaking in Appendix 1.
5. **Tax Invoices Addressed to Fund Manager**
 - (a) The expenses concerned are recognised in the respective fund's financial accounts and supported by evidence of payments made out from their bank accounts;
 - (b) The fund maintains alternative document such as statement or letter issued to it by the fund manager, showing the portion of expenses allocated to it and corresponding GST amounts. The document must also bear reference to the tax invoice issued by the supplier to the fund manager; and
 - (c) The fund manager must complete the relevant undertaking in Appendix 1.

APPENDIX 1 : UNDERTAKING

I have claimed GST on tax invoices addressed to:

Please put a tick in the applicable box(es).

Name of Trustee: _____

Entity ID: _____

I undertake that I had not and will not claim the GST for all expenses included in the Statement of Claims, in my GST return or any other Statement of Claims filed by me in the capacity as a trustee.

Name of authorised signatory: _____ Signature: _____

Designation/ Identification number: _____ Date: _____

Name of Umbrella/Master _____

Entity ID: _____

I undertake that I had not and will not claim the GST for all expenses included the Statement of Claims, in my GST return or any other Statement of Claims filed by me for the Umbrella/ Master fund.

Name of authorised Signatory: _____ Signature: _____

Designation/ Identification number: _____ Date: _____

Name of Fund manager _____

Entity ID: _____

I undertake that I had not and will not claim the GST for all expenses included in the Statement of Claims in my GST return.

Name of authorised Signatory: _____ Signature: _____

Designation/ Identification number: _____ Date: _____

Others: _____

Please specify the details of these claims:

APPENDIX 2 : ILLUSTRATION ON YA

Please note that the Fund is eligible for the GST remission if it satisfies the income tax concession for the preceding year*:

- It has to satisfy the income tax concession for YA 2018 (i.e. FY ending 31 Dec 2017) to be eligible for the GST claims from the approval date of the Income Tax concession to the year ended 31 Dec 2018; and
- It has to satisfy the income tax concession for YA 2019 (i.e. FY ending 31 Dec 2018) to be eligible for the GST claims for year 2019, and so forth.

*The commencement date of the GST remission for the fund is the effective date of the GST remission or the date that the fund is granted the specific income tax concessions, whichever is later. The end date of the GST remission for the fund is the last day that the fund qualifies for the specific income tax concession.

For funds that do not have a preceding year (e.g. newly set-up funds) or do not meet the preceding year condition in the first year of the grant of income tax concession, an administrative concession is granted to allow these funds to claim the GST incurred in the first year provided they meet the specific income tax concession at the end of the first year.

If a fund is unable to meet the specific income concession at the end of the first year of the grant of income tax concession as it is unable to meet the minimum spending requirement, but is able to meet the specific income tax concession at the end of the second year, a further administrative concession is granted to allow the fund to claim the GST incurred in the second year. The GST incurred in the first year remains not claimable. The GST incurred in the second year can only be claimed after the fund established that it meets the conditions for the income tax concession in the second year. Funds can self-assess to apply this concession. Prior approval from IRAS is not required.

Example : Fund's financial year end end 31 Mar

Period of GST claims		Has to satisfy Income Tax Concession for:
From	To	YA
1/4/2017	30/6/2017	2018
1/7/2017	30/9/2017	2018
1/10/2017	31/12/2017	2018
1/1/2018	31/3/2018	2018
1/4/2018	30/6/2018	2019
1/7/2018	30/9/2018	2019
1/10/2018	31/12/2018	2019
1/1/2019	31/3/2019	2019
1/4/2019	30/6/2019	2020
1/7/2019	30/9/2019	2020
1/10/2019	31/12/2019	2020
1/1/2020	31/3/2020	2020
1/4/2020	30/6/2020	2021
1/7/2020	30/9/2020	2021
1/10/2020	31/12/2020	2021
1/1/2021	31/3/2021	2021

Example : Fund's financial year end end 30 Jun

Period of GST claims		Has to satisfy Income Tax Concession for:
From	To	YA
1/7/2017	30/9/2017	2018
1/10/2017	31/12/2017	2018
1/1/2018	31/3/2018	2018
1/4/2018	30/6/2018	2018
1/7/2018	30/9/2018	2019
1/10/2018	31/12/2018	2019
1/1/2019	31/3/2019	2019
1/4/2019	30/6/2019	2019
1/7/2019	30/9/2019	2020
1/10/2019	31/12/2019	2020
1/1/2020	31/3/2020	2020
1/4/2020	30/6/2020	2020
1/7/2020	30/9/2020	2021
1/10/2020	31/12/2020	2021
1/1/2021	31/3/2021	2021
1/4/2021	30/6/2021	2021

Example : Fund's financial year end end 30 Sep

Period of GST claims		Has to satisfy Income Tax Concession for:
From	To	YA
1/10/2017	31/12/2017	2018
1/1/2018	31/3/2018	2018
1/4/2018	30/6/2018	2018
1/7/2018	30/9/2018	2018
1/10/2018	31/12/2018	2019
1/1/2019	31/3/2019	2019
1/4/2019	30/6/2019	2019
1/7/2019	30/9/2019	2019
1/10/2019	31/12/2019	2020
1/1/2020	31/3/2020	2020
1/4/2020	30/6/2020	2020
1/7/2020	30/9/2020	2020
1/10/2020	31/12/2020	2021
1/1/2021	31/3/2021	2021
1/4/2021	30/6/2021	2021
1/7/2021	30/9/2021	2021

Example : Fund's financial year end end 31 Dec

Period of GST claims		Has to satisfy Income Tax Concession for:
From	To	YA
1/1/2017	31/3/2017	2017
1/4/2017	30/6/2017	2017
1/7/2017	30/9/2017	2017
1/10/2017	31/12/2017	2017
1/1/2018	31/3/2018	2018
1/4/2018	30/6/2018	2018
1/7/2018	30/9/2018	2018
1/10/2018	31/12/2018	2018
1/1/2019	31/3/2019	2019
1/4/2019	30/6/2019	2019
1/7/2019	30/9/2019	2019
1/10/2019	31/12/2019	2019
1/1/2020	31/3/2020	2020
1/4/2020	30/6/2020	2020
1/7/2020	30/9/2020	2020
1/10/2020	31/12/2020	2020

APPENDIX 3 : BREAKDOWN OF GST CLAIMS

(1) You are required to maintain a copy of the purchase listing in the format below for each period of claim and submit it to IRAS upon request.

Date of tax invoice ¹ (DD/MM/YYYY)	Tax invoice number	Supplier's GST registration number	Name of supplier	Description of expense	Value of purchases before GST(S\$)	GST amount incurred (S\$)

¹ Indicate in the actual tax invoice date and not date of processing under the field "Date of tax invoice"

(2) If you have claimed GST on tax invoices dated in other accounting period(s) in the Statement of Claims submitted. Please maintain the list of late claims in the format below.

Period of claims ² (DD/MM/YYYY to DD/MM/YYYY)	Total purchases before GST (S\$)	Total GST amount (S\$)	Fixed Rate	Recovery	Total GST amount claimable (S\$)

² You are required to key in the total sum of tax invoices claimed within the same year at the same recovery rate.