

## **Frequently Asked Questions (FAQs)**

### **General**

#### **Qn 1: What is the purpose of collecting the revenue data?**

Ans: The revenue of businesses is one of the key economic data used for policy-making. Government agencies use this data to assess the performance and development of industries and businesses on a regular basis.

#### **Qn 2: Why is the revenue data collected through the GST returns?**

Ans: This data is normally collected through the annual tax returns and sample surveys conducted by the Department of Statistics. However, in view of the rapid economic changes in the recent years, there is an increasing need for more frequent, timely and comprehensive economic data for monitoring and policy-making purposes. This will help the government to respond more swiftly to impending economic changes.

Instead of imposing additional survey reporting on businesses, it is more efficient and cost effective to collect such economic data through existing channels such as GST returns since they are filed on a more frequent basis. Hence, the inclusion of an additional item in the GST returns for businesses to report their revenue.

#### **Qn 3: How does the Government collect the revenue data from non-GST registered traders?**

Ans: The data will be collected through the companies' ECI (Estimated Chargeable Income) Forms, annual tax returns and sample surveys conducted by the Department of Statistics.

### **Definition of Revenue**

#### **Qn 4: What is "Revenue"?**

Ans: "Revenue" refers to the main income source of a company/business as reflected in its profit and loss account. This generally refers to income received from the provision of services, sale of goods and any other operating income. However, it should exclude non-operating income, such as sale/disposal of fixed assets, grants and gross receipts collected on behalf of others.

#### **Qn 5: Where should I obtain the value of my revenue?**

Ans: Your revenue would have been captured in your profit and loss account. Hence, for the purpose of reporting it in your GST returns, you should extract this figure from your accounts, whether they have been audited or not. If you are unable to provide an accurate value at the point of your GST reporting, you can report the best estimate.

If you are a newly-incorporated business or company which does not have past financial accounts and are unsure of where to extract the value of your revenue, you may wish to check with your accountant, auditor or tax agent.

### **Completion of the item in the GST return**

#### **Qn 6: Where can I find the revenue item in the GST returns?**

Ans: You can find the revenue item in Box 13 and Box 15 of the GST F5 and GST F7 returns (“Disclosure of Errors on GST Return”) respectively.

#### **Qn 7: Is the revenue item a compulsory entry?**

Ans: The revenue data is a compulsory piece of information that the Government requires. GST-registered traders must therefore report the value of their revenue in their GST returns with effect from Feb 2009.

#### **Qn 8: What should I do if the value of my revenue is not ready at the point of GST reporting?**

Ans: You should continue to submit the GST return by providing a best estimate of the value of your revenue.

#### **Qn 9: Can I request for an extension of time to submit the GST return if the value of my revenue is not ready at the point of GST reporting?**

Ans: In such circumstances, we are unable to grant you an extension of time to file the GST return. You should continue to submit the GST return by providing a best estimate of the value of your revenue.

#### **Qn 10: Must the value of my revenue tally with the total value of supplies (i.e. Box 4 of the GST returns)?**

Ans: Not necessarily. The value of your revenue may differ from the total value of supplies.

#### **Qn 11: Is it possible for the value of my revenue to be zero?**

Ans: Yes, as it depends on the nature of transactions that are being carried out by you during the accounting period. For example, if you have no sales transactions or the transactions involve sale of capital assets only, the value of your revenue would then be zero.

#### **Qn 12: Must the value of my revenue be reported according to the time of supply rules?**

Ans: No. The value of your revenue should be extracted from your profit and loss account. It does not have to be aligned with GST reporting.

**Qn 13: If I am submitting a GST return for the period covering from 1 Apr 2009 to 30 Jun 2009, should I report my revenue figure for the same period?**

Ans : Yes. You should also report the value of your revenue from 1 Apr 2009 to 30 Jun 2009, according to the prescribed accounting period covered in your GST return.

### **Making Adjustment**

**Qn 14: If I have submitted an incorrect value of my revenue as well as other value(s) in the GST return, what should I do?**

Ans: If you have made a mistake in your past GST return(s), you can correct the error(s) in your current GST F5 return if:

- (a) the net GST amount in error for all the prescribed accounting periods affected is not more than \$1,500 (w.e.f. 1 Oct 2007); and
- (b) the summation of non-GST amounts in error for (each of) the prescribed accounting period(s) affected is not more than 5% of the total supplies (In the case where there were no supplies made in the prescribed accounting period, the 5% rule will be applied to the total value of taxable purchases).

In such circumstance, if you have reported an estimated value of your revenue in Box 13 of an earlier GST F5 return, you are not required to adjust the revenue figure in the current GST F5 return. Please ensure that you report the correct value of your revenue for the subsequent GST returns.

If you failed to satisfy any of the above conditions, please correct the errors, including the value of the revenue by submitting a GST F7 return (“Disclosure of Errors on GST Return”) for the affected prescribed accounting periods.

### **Divisional Registration**

**Qn 15: If I am under divisional registration, must the respective divisions report the value of their revenue in the GST returns?**

Ans: Yes. The respective divisions are required to report the value of their revenue in their own GST returns.

## **Foreign Companies, Representative Offices and Branches of Foreign Companies**

**Qn 16: If I am a GST-registered foreign company without a Singapore Branch, do I need to report the value of my revenue in the GST returns?**

Ans: No. Since you do not have a business presence in Singapore, the new reporting requirement is not applicable to you. In this instance, please declare the figure “0” in Box 13 and Box 15 of the GST F5 return and GST F7 return (“Disclosure of Errors on GST Return”) respectively.

**Qn 17: If I am a GST-registered Representative Office or Singapore Branch of a foreign company, do I need to report the value of my revenue in the GST returns? If so, what should be reported?**

Ans: Yes. For Representative Office or Singapore Branch, your revenue refers to any reimbursement of operating expenditure from your overseas head office and your own sale of goods and services (if any). It should, however, exclude revenue of your overseas head office and other overseas branches/representative offices.

## **Non-profit Organisations**

**Qn 18: If I am a GST-registered non-profit organisation, do I need to report the value of my revenue in the GST returns?**

Ans: Yes. For non-profit organisation, your revenue refers only to receipts from the sale of goods and services made by the organisation. It does not include income such as funds raised, pure donations and grants/subsidies received by the organisation.

## **Sole-proprietorship Businesses**

**Qn 19: If I am a GST-registered sole-proprietor, do I need to report the value of my revenue in the GST returns?**

Ans: Yes. For sole-proprietor, your revenue refers to the main income source of all your sole-proprietorship businesses as reflected in the profit and loss accounts.

## **Others**

**Qn 20: If my GST registration is back-dated, am I required to complete the value of my revenue in all the back-dated GST returns?**

Ans: No. You are not required to report the value of the revenue in all your back-dated GST returns. Please declare the figure “0” in the revenue item for all back-dated returns.