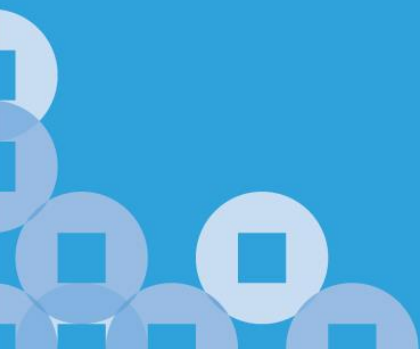




INLAND REVENUE
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IRAS e-Tax Guide

GST: Guide on Exemption of
Investment Precious Metals (IPM)
(Ninth Edition)



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TABLE OF CONTENTS

1	Aim.....	1
2	At a glance	1
3	Investment precious metals	2
4	Importation of investment precious metals.....	7
5	Supply of investment precious metals.....	8
6	Claiming of Input Tax	10
7	Other scenarios of investment precious metals supplied or deemed supplied..	13
8	GST reporting for the importation, purchase and supply of IPM	15
9	Contact Information.....	15
10	Updates and Amendments.....	16
	Appendix A – Sample invoice to customer for an exempt sale of IPM	18
	Appendix B – Illustration on the attribution and apportionment of input tax claims...	19

1 Aim

- 1.1 This e-Tax Guide provides details on the GST exemption of investment gold, silver and platinum. It is relevant to businesses that trade in physical gold, silver and platinum (hereinafter referred to as “**precious metals**”).
- 1.2 This guide covers the following:
- a) Definition of Investment precious metals (hereinafter referred to as “**IPM**”);
 - b) GST treatment for the importation and supply of IPM;
 - c) Claiming of input tax incurred for precious metals trading businesses; and
 - d) GST reporting for the importation, purchase and supply of IPM.

2 At a glance

- 2.1 The importation and local supply of IPM are exempt from GST¹ while the supply of IPM exported from Singapore is zero-rated.
- 2.2 Only precious metals in the form of a bar, ingot, wafer and coin which meet certain criteria can qualify as IPM. To provide certainty, precious metal coins that qualify as IPM are prescribed in the GST Act.
- 2.3 Precious metals which do not meet the criteria cannot qualify as IPM (hereinafter referred to as “**non-IPM**”) and the supply of non-IPM continues to be taxable. Examples of non-IPM are jewelry, scrap precious metals, numismatic coins and precious metals which are refined by refiners who are not on the ‘Good Delivery’ list of the London Bullion Market Association or the London Platinum and Palladium Market.
- 2.4 To provide clarity to your customers and to differentiate exempt supplies of IPM from taxable supplies of non-IPM, you are required to issue an invoice with specific information for an exempt supply of IPM.
- 2.5 You need to attribute and apportion your input tax incurred to make exempt supplies of IPM. Under the normal input tax claiming rules, the input tax directly attributable to an exempt sale of IPM is not claimable and only the portion of the residual input tax (e.g. rental, utilities) that is attributable to the making of taxable supplies is claimable.

¹ The exemption of IPM was announced in 2012 Budget Statement and took effect from 1 Oct 2012. The change was made in recognition that IPM are essentially financial assets like other actively traded financial instruments such as stocks and bonds, the supplies of which are GST-exempt, as well as to facilitate the development of IPM refining and trading in Singapore.

3 Investment precious metals

- 3.1 Precious metals in the form of a bar, ingot, wafer or coin that meet certain criteria, can qualify as IPM. The importation and local supply of IPM are GST-exempt².

Criteria for IPM bar, ingot and wafer

- 3.2 To qualify for GST exemption, the precious metal **must meet all** of the following criteria³:
- (a) It is gold of at least 99.5% purity, silver of at least 99.9% purity or platinum of at least 99% purity.
 - (b) It is capable of being traded on the international bullion market.

A precious metal bar, ingot or wafer refined by a refiner with the following accreditation/ endorsement is regarded as meeting this criterion:

- (i) For gold and silver, a refiner in the current or former 'Good Delivery' list of the London Bullion Market Association (LBMA)⁴;
- (ii) For platinum, a refiner in the current or former 'Good Delivery' list of the London Platinum & Palladium Market (LPPM)⁵; or
- (iii) A refiner which intends to be in the 'Good Delivery' list of the LBMA (for gold and silver) or LPPM (for platinum) and is endorsed by the Enterprise Singapore. A refiner which intends to or has set up its refining business in Singapore may contact Enterprise Singapore regarding the endorsement on 68981800 or enquiry@enterprisesg.gov.sg. The names of Refiners with Enterprise Singapore's endorsement will be published on IRAS' website⁶.

Precious metals produced by refiners with LBMA or LPPM accreditation are widely recognised by the industry as having the requisite quality to be traded on international bullion markets. They are also readily accepted for delivery on many international commodities exchanges. Hence, the two accreditations form the basis for the criterion of "capable of being traded on the international bullion market".

² Paragraph 1A of Part I of the Fourth Schedule to the GST Act.

³ Paragraph 1(a), 1(b), 1(c) and paragraph 1A of Part II and paragraph 2 of Part III of the Fourth Schedule to the GST Act.

⁴ Please refer to LBMA's website for its 'Good Delivery' list of gold and silver refiners at <http://www.lbma.org.uk/good-delivery-list-refiners-gold-current>.

⁵ Please refer to LPPM's website for its 'Good Delivery' list of platinum refiners. The list can be found at <http://www.lppm.com/lists.aspx?type=pt>.

⁶ Please refer to www.iras.gov.sg > GST > GST-registered businesses > Working out your taxes > When is GST not charged > Supplies Exempt from GST.

- (c) It bears a mark or characteristic that is internationally accepted as guaranteeing its quality.

An example of such a mark is the hallmark of a refiner in the 'Good Delivery' list of the LBMA/ LPPM stamped on the bar, ingot or wafer. In addition to the hallmark of the refiner, some bars may also bear the name of specific banks (e.g. Credit Suisse, UBS, Commerzbank, Scotiabank). These bars are commonly known as bank-branded bars and if produced by LBMA or LPPM accredited refiners would qualify for GST exemption.

- (d) It is not a decorative bar, ingot or wafer or a collector's bar, ingot or wafer.

This criterion replaces the previous criterion that the precious metal should be traded at a price based on the spot price of its precious metal content ("spot price criterion")⁷. The spot price criterion was intended to ensure that only bars, ingots and wafers traded largely for their precious metal content enjoy GST exemption. Bars, ingots and wafers which are traded based on their rarity or numismatic characteristics are not exempt. However, as most bars, ingots and wafers are sold at a premium (i.e. above the spot price), it is difficult to apply the spot price criterion to determine whether the precious metals are being traded for their metal content or because of their rarity, aesthetic features or numismatic value. Hence, the revised criterion gives clarity by stating upfront that decorative and collector's bars, ingots or wafers are excluded from GST exemption. Decorative and collector's bars, ingots or wafers are traded at a premium reflective of their rarity, aesthetic or numismatic value in addition to their metal content.

Such bars, ingots or wafers are also not in the form ordinarily accepted by the international bullion markets for trading (i.e. they would not satisfy criterion (d)). Some examples of non-qualifying bars, ingots or wafers are⁸:

- Bars, ingots or wafers with a hanger or hole (for wearing as a pendant)
- Odd-shaped bars, ingots or wafers (e.g. boat shape, animal shape, heart-shaped)⁹

How to determine if a precious metal bar, ingot or wafer qualifies as IPM

3.3 You can assess whether a precious metal bar, ingot or wafer meets criteria (a) and (b) in paragraph 3.2 by examining the physical precious metal. Typically, the following details will be reflected on the surface of the precious metal:

- (a) the name of the refiner and/or the refiner's hallmark;

⁷ Amended with effect from 1 Sep 2016.

⁸ These are examples of bars, ingots or wafers that do not qualify as IPM since inception i.e. 1 Oct 2012.

⁹ In contrast, standard investment bullion bars, ingots or wafers normally come in rectangular, trapezoidal, square and round shapes.

- (b) the purity of the precious metal; and
 - (c) the type of precious metal (e.g. gold, silver or platinum).
- 3.4 Hence, before treating a supply of precious metal as an exempt supply of IPM, you must ensure that:
- (a) the name of the refiner or the refiner's hallmark reflected on the precious metal belongs to a refiner in the current or former 'Good Delivery' list of the LBMA/ LPPM or a refiner which has been endorsed by Enterprise Singapore; **and**
 - (b) the purity reflected on the precious metal meets the minimum required purity content.
- 3.5 Precious metals which are produced by LBMA/ LPPM accredited refiners or refiners endorsed by Enterprise Singapore with additional aesthetic features as described in paragraph 3.2(d) above do not qualify as IPM. This is because the price at which these precious metals are traded are influenced by other attributes such as their design, rarity or finishing, other than the precious metal content. Hence, these precious metals will not be regarded as having all the investment characteristics as stated in paragraph 3.2; accordingly, the importation and supply of such non-IPM will continue to be taxable.

Criteria for IPM coin

- 3.6 IPM coin is exempt based on criteria similar to those for IPM bar, ingot and wafer. Coins that qualify for GST exemption must be gold of at least 99.5% purity, silver of at least 99.9% purity or platinum of at least 99% purity; and is or was a legal tender in its country of origin.
- 3.7 To provide certainty to businesses, coins (excluding the proof, numismatic or collector's version) that qualify as IPM are prescribed under the Fourth Schedule to the GST Act¹⁰. They are:
- (a) List of qualifying **gold** coins
- (i) America Buffalo
 - (ii) Australia Kangaroo Nugget
 - (iii) Australia Lunar
 - (iv) Austria Philharmonic
 - (v) Canada Maple Leaf
 - (vi) China Panda
 - (vii) Malaysia Kijang Emas
 - (viii) Mexico Libertad
 - (ix) Singapore Lion¹¹
 - (x) United Kingdom Britannia¹²
 - (xi) Canada Call of the Wild series¹³
 - (xii) United Kingdom Lunar¹⁴
 - (xiii) United Kingdom The Queen's Beasts series¹⁵
 - (xiv) Australia RAM Kangaroo¹⁶
- (b) List of qualifying **silver** coins
- (i) America Eagle
 - (ii) Australia Kookaburra
 - (iii) Australia Koala
 - (iv) Australia Lunar
 - (v) Austria Philharmonic

¹⁰ Paragraph 1(d), 1(e), 1(f) and paragraph 2 of Part II of the Fourth Schedule to the GST Act.

¹¹ Singapore Lion coins are minted by The Singapore Mint.

¹² United Kingdom Britannia gold coins minted from year 2013 onwards satisfy the minimum gold purity content of 99.5%. These coins are exempt from GST with effect from 1 Apr 2013 by way of remission under section 89(2) of the GST Act. On the presumption that the United Kingdom Britannia Oriental Border gold bullion coin comes under, and has the same coin specification as the United Kingdom Britannia range of gold coins, the United Kingdom Britannia Oriental Border gold bullion coin would similarly be exempt from GST.

¹³ The series consists of the following coins:

(i) 2014 Howling Wolf (GST exempt from 1 Sep 2016), (ii) 2015 Growling Cougar (GST exempt from 1 Sep 2016), (iii) 2016 Roaring Grizzly (GST exempt from 1 Sep 2016), (iv) 2017 Elk (GST exempt from 9 Jul 2017), (v) 2018 Golden Eagle (GST exempt from 23 May 2018) and (vi) 2019 Moose (GST exempt from 2 Apr 2019).

¹⁴ GST exempt with effect from 1 Sep 2016.

¹⁵ This series is exempt from GST from 1 Sep 2016. Five coins in the gold series have been released: "Lion of England", "Griffin of Edward III", "Red Dragon of Wales", "Unicorn of Scotland" and "Black Bull of Clarence".

¹⁶ Coins listed in paragraphs 3.7(a)(xiv), 3.7(b)(xvii) to (xix) and 3.7(c)(vi) to (viii) are exempt from GST with effect from 23 May 2018.

- (vi) Canada Maple Leaf
- (vii) China Panda
- (viii) Mexico Libertad
- (ix) United Kingdom Britannia¹⁷
- (x) Australia Saltwater Crocodile¹⁸
- (xi) Canada Wildlife series¹⁹
- (xii) Canada Birds of Prey series²⁰
- (xiii) United Kingdom Lunar²¹
- (xiv) Armenia Noah's Ark
- (xv) Australia Kangaroo
- (xvi) United Kingdom The Queen's Beasts series²²
- (xvii) Australia Funnel-Web Spider
- (xviii) Canada Superman™ S-Shield
- (xix) Canada Tree of Life
- (xx) South Africa Krugerrand²³

(c) List of qualifying platinum coins

- (i) America Eagle
- (ii) Australia Koala
- (iii) Australia Platypus
- (iv) Canada Maple Leaf
- (v) Austria Philharmonic²⁴
- (vi) United Kingdom Britannia
- (vii) United Kingdom Lunar
- (viii) United Kingdom The Queen's Beasts series²⁵

3.8 Coins that are listed in the prescribed list but which are the proof, numismatic or collector's version (e.g. Singapore Lion gold proof coins and Canada Call of the Wild gold proof coins) would not qualify as IPM. Similarly, any proof, numismatic or collector's coin forming part of a prescribed coin series would also not qualify for GST exemption. Proof, numismatic or collector's coins do

¹⁷ United Kingdom Britannia silver coins minted from year 2013 onwards satisfy the minimum silver purity content of 99.9%. These coins are exempt from GST with effect from 1 Apr 2013 by way of remission under section 89(2) of the GST Act. On the presumption that the United Kingdom Britannia Oriental Border silver bullion coin comes under, and has the same coin specification as the United Kingdom Britannia range of silver coins, the United Kingdom Britannia Oriental Border silver bullion coin is similarly exempt from GST.

¹⁸ Minted in the year 2014 only. GST exempt from 1 Sep 2016.

¹⁹ This series is GST exempt from 1 Sep 2016 and consists of the following coins:

(i) 2011 Silver Timber Wolf, (ii) 2011 Silver Grizzly, (iii) 2012 Silver Cougar, (iv) 2012 Silver Moose, (v) 2013 Silver Pronghorn Antelope and (vi) 2013 Silver Wood Bison.

²⁰ This series is GST exempt from 1 Sep 2016 and consists of the following coins:

(i) 2014 Peregrine Falcon, (ii) 2014 Bald Eagle, (iii) 2015 Red-tailed Hawk and (iv) 2015 Great Horned Owl.

²¹ Coins listed in paragraphs 3.7(b)(xiii) to (xv) are GST exempt from 1 Sep 2016.

²² This series is GST exempt from 1 Sep 2016. Five coins in the silver series have been released: "Lion of England", "Griffin of Edward III", and "Red Dragon of Wales", "Unicorn of Scotland" and "Black Bull of Clarence".

²³ Coins listed in paragraph 3.7(b)(xx) are exempt from GST with effect from 17 Jan 2019.

²⁴ Coins listed in paragraphs 3.7(c)(v) are exempt from GST with effect from 1 Sep 2016.

²⁵ Three coins in the platinum series have been released and they are known as "Lion of England", "Griffin of Edward III" and "Red Dragon of Wales".

not qualify as IPM because they are traded at prices largely determined by their rarity, finishing and beauty instead of based on the prices of the precious metals they contain. The importation and supply of such non-IPM coins continue to be taxable.

4 Importation of investment precious metals

- 4.1 The importation of IPM into Singapore is exempt from payment of import GST (i.e. an 'exempt import')²⁶.

Permit requirements for importation of IPM

- 4.2 Notwithstanding that the importation of IPM is exempt from payment of import GST, you are required to take up an Exemption permit via TradeNet® for the importation of IPM and take note of the following requirements:

Permits details	Information / requirements
Message Type	In-Non-Payment (INP)
Declaration Type	GST Relief and/or Duty Exemption (GTR)
Place of receipt code	IGPM
HS Code	To declare HS Code/s of the IPM.
CA/CS Product Code	<ul style="list-style-type: none"> For IPM bar, ingot or wafer, to declare 'Bar', 'Ingot' or 'Wafer' respectively; For IPM coin, to declare 'Goldcoin', 'Silvercoin' or 'Platinumcoin' accordingly.
Supplier Name	For IPM bar, ingot or wafer, to declare name of the refiner who produced the IPM bar, ingot or wafer.
Brand Name	For IPM coin, to declare name of the coin in accordance with the list in paragraph 4.7, e.g. Canada Maple Leaf.
CA/SC Code 1	To declare purity content of the IPM. There is no need to indicate the unit of measurement (i.e. %). For example, a purity content of 99.8% should be declared as 99.8.

- 4.3 Failure to declare import permit for importation of IPM or wrong declaration of taxable imports as exempt imports is an offence and will attract penalties. For more information on the permit application procedures for importing IPMs, please refer to Singapore Customs website at www.customs.gov.sg >

²⁶ Section 8(4) and section 22(1A) of the GST Act.

Businesses > Importing Goods > Import Procedures > Importing Investment Precious Metals (IPMs).

- 4.4 Businesses under the Major Exporter Scheme (MES) should not declare ME permit for importation of IPM²⁷. As highlighted in paragraph 4.2, an Exemption permit should be taken up for the import of IPM. Further, as MES is meant for the importation of goods which will be used for the making of taxable supplies, you should also not use MES to import materials which are for refining into IPM since such imports will be used to make exempt supplies of IPM locally or outside Singapore which would be exempt supplies if made in Singapore.

Erroneous payment of GST

- 4.5 A GST-registered business who has erroneously declared a payment permit and paid GST for an importation of IPM may write in to IRAS (the Comptroller of GST), with supporting documents to prove that the imports are in fact IPM, to seek a refund of the GST erroneously paid. Upon approval, the GST-registered business can claim the refund in its next GST F5 return by reporting the amount as input tax in Box 7 “Input tax and refunds claimed”.

5 Supply of investment precious metals

- 5.1 A local sale of IPM (i.e. a supply of IPM where the IPM is delivered in Singapore) is an exempt supply.
- 5.2 An export sale of IPM (i.e. a supply of IPM that is exported from Singapore) is a zero-rated²⁸ supply. You are required to maintain the relevant export documents to support the export of IPM. Please refer to the e-Tax Guide “GST: A Guide on Exports” for the list of documents to maintain.
- 5.3 A sale of IPM which is located outside Singapore continues to be an out-of-scope supply. You do not need to charge GST on the supply made.

Determining the time of supply of IPM made in Singapore

- 5.4 Generally, the time of supply of goods is the earlier of invoice issued or consideration received. Therefore, you are required to report in your GST return your supply of IPM made in Singapore at the earlier of when you issue an invoice or receive consideration in respect of the supply.

Invoicing requirements for an exempt supply of IPM

- 5.5 There is a wide range of precious metal products in the market and many cannot qualify as IPM even though the suppliers or customers may perceive

²⁷ The same also applies to Approved Third Party Logistics Company Scheme, Approved Contract Manufacturer and Trader Scheme and Approved Import GST Suspension Scheme.

²⁸ Section 21(2) of the GST Act provides for zero-rating (e.g. when goods are exported) to override exemption.

them to be of “investment” in nature. To provide clarity to the customers and to differentiate exempt supplies of IPM from taxable supplies of non-IPM, you are required to issue an invoice which contains all the following information for an exempt supply of IPM²⁹:

- (i) An identifying number
- (ii) Date of issue of the invoice
- (iii) Name, address and registration number of the supplier
- (iv) Name and address of the customer
- (v) A description of the IPM supplied –

For each IPM bar, ingot or wafer

- Type of precious metal (*gold, silver or platinum*)
- Weight
- Purity
- Name of refiner (*e.g. Metalor Technologies SA*)
- Unique serial number (where applicable)
- Unit price

For each IPM coin

- Type of precious metal (*gold, silver or platinum*)
- Name of coin (*e.g. Canada Maple Leaf coin*)
- Weight
- Unit price

(vi) Quantity of IPM supplied

(vii) Total amount payable

5.6 The invoice should be issued within 30 days of the time of supply of IPM. You are required to maintain the invoice to support the exempt supply made. Please refer to Appendix A for a sample invoice of an exempt supply of IPM.

²⁹ Regulation 13A of the GST (General) Regulations.

6 Claiming of Input Tax

- 6.1 Generally, a GST-registered business can only claim input tax incurred in the course or furtherance of its business to the extent that the input tax is incurred for the making of taxable supplies (i.e. standard-rated and zero-rated supplies). The input tax incurred for the making of exempt supplies is not claimable. If the input tax is incurred for the overall operation of the business (e.g. rental and utilities) or incurred for the making of both taxable and exempt supplies, only a portion of the input tax is claimable and this is calculated based on the percentage of taxable supplies over total supplies.
- 6.2 Therefore, if you make both taxable supplies (e.g. sale of non-IPM or export of IPM) and exempt supplies of local sale of IPM, you will need to attribute and apportion the input tax claim like other partially exempt businesses. However, an exception to this requirement is when you satisfy the De Minimis Rule³⁰. Please refer to the GST e-Tax Guide “GST: Partial Exemption and Input Tax Recovery”³¹ for detailed information on De Minimis Rule, apportionment and attribution of input tax and performance of longer period adjustments.
- 6.3 Based on the normal input tax claiming rules outlined in paragraphs 6.1 and 6.2, you are required to attribute and apportion the input tax claim of your business as follows:

No.	Input tax	Whether or not the input tax is claimable
1	Input tax on purchases that are used or to be used exclusively to make a local sale of IPM (exempt supply).	You will not incur any GST on imports and local purchases of IPM since these are GST-exempt. However, you may incur input tax on other expenses (e.g. local storage fee) that is used to make the local sale of IPM. Such input tax is directly attributable to the making of an exempt supply and is not claimable .
2	Input tax on purchases that are used or to be used exclusively to make:	Such input tax is directly attributable to the making of a taxable supply and is claimable .

³⁰ If the value of the total exempt supplies in a GST accounting period is:

- less than or equal to an average of \$40,000 a month; and
 - less than or equal to 5% of the total supplies made in that GST accounting period,
- you can claim all input tax incurred in the course or furtherance of your business for that GST accounting period, including input tax that is directly attributable to exempt supplies.

³¹ The e-Tax Guide “GST: Partial Exemption and Input Tax Recovery” can be found at www.iras.gov.sg
> Quick links > e-Tax Guides.

No.	Input tax	Whether or not the input tax is claimable
	(i) an export sale of IPM or non-IPM (zero-rated supply); or (ii) a local sale of non-IPM (taxable supply)	
3	Residual input tax incurred for: (i) the overall operation of the business (e.g. rental and utilities); or (ii) the making of both taxable and exempt supplies (e.g. local transportation for transporting IPM and non-IPM).	Only a portion of the input tax that is attributed to the making of taxable supplies is claimable and this is calculated based on the percentage of taxable supplies over total supplies.

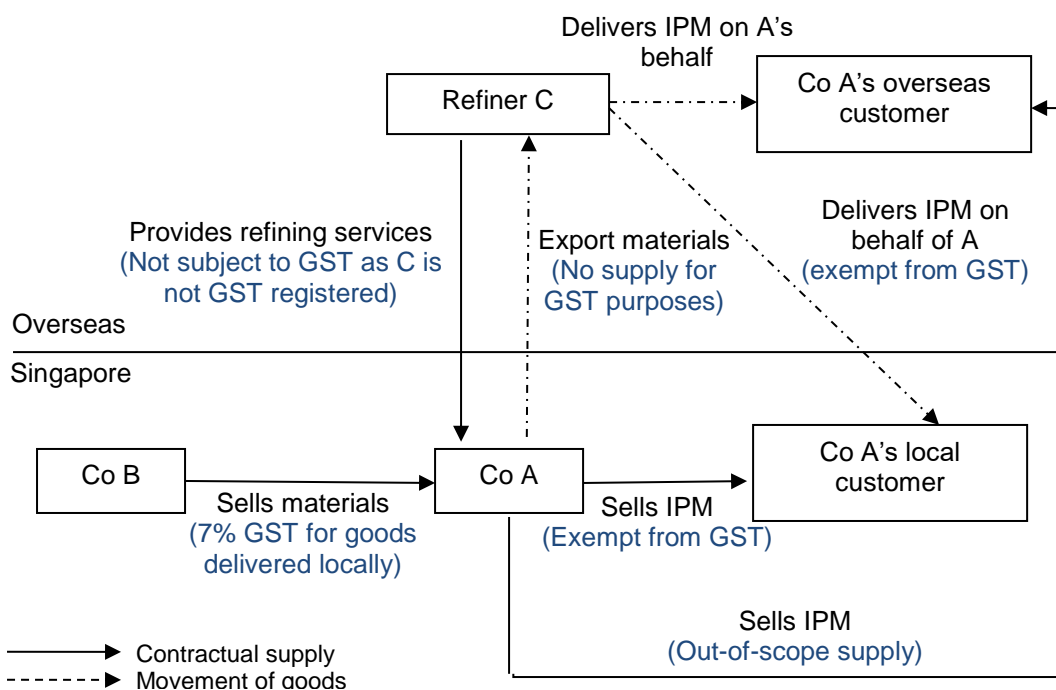
6.4 In addition to the above, if you purchase materials (e.g. scrap gold and other non-IPM) and deliver them to a LBMA or LPPM accredited refiner for refining into IPM under the toll refining model³², you cannot claim the GST incurred on the purchase of those materials if the GST is attributable to the making of exempt supplies of IPM in Singapore or out-of-scope supplies of IPM overseas which would be exempt supplies if made in Singapore.

³² Under the toll refining model, the refiner is merely providing refining services to its customers in return for a fee and would not take ownership of their materials or IPM produced. There is no sale of materials by the customer to the refiner under this model.

Example 1

Company A (GST-registered) purchases materials from Company B (GST-registered). A exports the materials to Refiner C (a LBMA accredited refiner situated overseas) for refinement into IPM under the toll refining model. C refines the materials into IPM and is required to return the IPM to A. C charges A a refining fee for its refining services.

A sells some of the refined IPM to customers located overseas and in Singapore and instructs C to deliver the IPM to its customers respectively on its behalf (Please see diagrammatic illustration of the arrangement below).



In this case, the GST incurred by A on the purchase of materials is directly attributable to the subsequent exempt sale of IPM in Singapore and the sale of IPM overseas which would be exempt supplies if made in Singapore. Hence, A cannot claim the GST incurred on the purchase of materials under the normal rules.

6.5 Please refer to Appendix B for an illustration on the attribution and apportionment of input tax for a business that is trading in both IPM and non-IPM and consolidating materials for refinement into IPM and non-IPM.

Special input tax claim rules under the Approved Refiner and Consolidator Scheme

- 6.6 If you are a refiner of IPM or a consolidator³³ that makes exempt supplies of IPM, you may wish to apply for the Approved Refiner and Consolidator Scheme. Under the scheme, you can enjoy GST suspension on the importation of materials for refining into IPM, as well as claim input tax incurred to make the first sale of newly-refined IPM. Such input tax is not claimable under the normal rules described in paragraphs 6.1 and 6.2.
- 6.7 Please refer to the e-Tax Guide “GST: Approved Refiner and Consolidator Scheme (ARCS)”³⁴ for details on the eligibility requirements and input tax claim rules for approved persons.

7 Other scenarios of investment precious metals supplied or deemed supplied

Sale of IPM or non-IPM in return for non-monetary consideration

- 7.1 You may receive a payment for a supply of IPM or non-IPM in non-monetary forms. For example, your customer makes payment to you for IPM supplied to him by crediting your loco London gold account³⁵. For GST purposes, there are two separate supplies made:
- (1) A supply of IPM by you; and
 - (2) A supply of loco London gold by the counter-party, i.e. the customer.

The value of the supply of IPM and the value of the supply of loco London gold will be their respective open market values.

³³ Consolidators are businesses that consolidate or aggregate materials containing precious metals for supply or delivery to refiners for the purpose of refining into IPM.

³⁴ The e-Tax Guide “GST: Approved Refiner and Consolidator Scheme (ARCS)” can be located at www.iras.gov.sg > Quick links > e-Tax Guides.

³⁵ A gold account held with individual London trading houses. A credit balance on a loco London gold account represents a holding of gold.

Example 2

Company A (GST-registered) sells non-IPM, e.g. scrap gold to Consolidator B (GST-registered). B makes payment for the scrap gold by crediting A's loco London gold account.

In this case, A is making a taxable supply of scrap gold. It is required to charge and account for GST at 7% on the supply based on the open market value of the scrap gold supplied.

B is also making a supply of loco London gold to A. The supply of loco London gold without any physical delivery would qualify as an exempt supply under paragraph 1(n) of Part I of the Fourth Schedule to the GST Act³⁶. B is required to report the exempt supply made based on the open market value of the loco London gold supplied.

7.2 You may also trade-in IPM for non-IPM (e.g. jewellery) from a jeweller, or vice versa. For GST purposes, such transaction will be treated as two separate supplies:

- a) A supply of IPM by you; and
- b) A supply of non-IPM by the jeweller.

You need not charge GST on a) since the supply of IPM is an exempt supply. On the other hand, the supply in b) by the jeweller is a taxable supply. The jeweller is required to charge and account for GST on the open market value of the non-IPM.

IPM given away free

7.3 A supply of goods is deemed to be made by you when you transfer or dispose of goods forming part of your business assets for which input tax had been allowed to you previously, even if you do not receive consideration for the transfer or disposal of the goods³⁷. Hence, when an IPM forming part of your business assets is given away free, you are deemed to be making a supply of IPM if you have been allowed the input tax on the purchase of the IPM or any goods you used to produce the IPM (e.g. materials). However, as a local supply of IPM is exempt from GST, you do not need to account for output tax on the IPM given away free in Singapore.

³⁶ Paragraph 1(n) of Part I of the Fourth Schedule to the GST Act exempts the provision or assignment of any option or contract for the sale of any unallocated commodity which does not lead to a delivery of the commodity from the seller to the buyer.

³⁷ Paragraph 5(1) of the Second Schedule to the GST Act.

- 7.4 You should report the deemed supply of IPM given away free in Singapore based on its open market value in Box 3 “Total value of exempt supplies” in your GST F5 return.

IPM assets held at the time of GST de-registration

- 7.5 In the event you cancel your GST registration, any goods forming part of your business assets held on the last day of GST registration, is deemed to be supplied by you³⁸. However, you are not required to account for output tax on the deemed supply if the value of the supply is less than or equal to \$10,000. For the purpose of determining if the value of the deemed supply has crossed the \$10,000 threshold, you do not need to include the value of IPM assets.
- 7.6 In the event the value of the deemed supply exceeds \$10,000, you only need to account for output tax on the taxable assets (excluding IPM) held on the last day of your GST registration for which input tax had been previously allowed to you.

8 GST reporting for the importation, purchase and supply of IPM

- 8.1 You are required to report the exempt supply of IPM and exports of IPM in Box 3 “Total value of exempt supplies” and Box 2 “Total value of zero-rated supplies” respectively in your GST F5 return.
- 8.2 You do not need to report exempt purchases and imports of IPM in your GST return. However, you should still maintain relevant documents (e.g. import permit, purchase order, invoice, delivery note) to support such purchases.

9 Contact Information

- 9.1 For enquiries on this e-Tax Guide, please contact the Goods and Services Tax Division at www.iras.gov.sg (select “Contact Us”).
- 9.2 If you wish to enquire about permits declaration matters for importation of IPM, please contact:

Singapore Customs
55 Newton Road
Singapore 307987
Website: www.customs.gov.sg
Tel: (+65) 6355 2000

³⁸ Paragraph 7(1) of the Second Schedule to the GST Act.

10 Updates and Amendments

	Date of amendment	Amendments made
1	1 Apr 2013	<p>(i) Editorial amendments made to paragraphs 2.6, 4.7, 4.8, 6.8 and 7.4</p> <p>(ii) Revised paragraphs 4.2(b)(iii), 4.2(c), 4.2(d) and 6.7(v)</p> <p>(iii) Inserted paragraphs 4.7(a)(x), 4.7(b)(ix), 5.4, 7.4, Example 1 and Appendix A</p> <p>(iv) Renumbered Example 1 to Example 2 and Appendix A to Appendix B</p> <p>(v) Inserted footnote at paragraphs 4.1, 4.2, 4.7, 4.7(a)(x), 4.7(b)(ix), 5.1, 5.4, 6.7 and 7.4</p>
2	4 Nov 2013	<p>(i) Editorial amendments made to paragraph 4.5 and footnote 6</p>
3	1 Sep 2016	<p>(i) Amended paragraphs 4.2(d), 4.5 and 4.8</p> <p>(ii) Inserted qualifying IPM coins in paragraph 4.7</p>
4	3 Jul 2017	<p>(i) Amended footnotes 12, 13 and 18</p>
5	22 May 2018	<p>(i) Inserted qualifying IPM coins in paragraph 4.7</p> <p>(ii) Amended footnotes 11 to 13 and 15</p> <p>(iii) Inserted footnotes 14, 19 and 21</p> <p>(iv) Amended paragraph 10.1 on contact information</p>
6	18 Jan 2019	<p>(i) Editorial amendments made to paragraphs 1.1, 2.1, 2.5, 3.1, 5.1, 5.2, 5.4, 6.2, 6.3, 6.4, 7.2 and Appendix A and B to remove contents no longer relevant due to statutory time bar.</p> <p>(ii) Editorial amendments made to paragraphs 3.2, 3.4 and 3.5 to update the name and contact details of International Enterprise Singapore (now known as Enterprise Singapore).</p>

		(iii) Amended footnote 4 on website link. (iv) Inserted qualifying IPM coins in paragraph 3.7
7	27 Mar 2019	(i) Amended footnote 13 to insert a new qualifying IPM coin (ii) Amended paragraph 4.3 on website link.

Appendix A – Sample invoice to customer for an exempt sale of IPM

ABC Bullion Pte Ltd
 No. 1 Raffles Quay
 Singapore 123456
 GST Reg No: M2-0123456-7
 www.abc-bullion.com.sg
 Tel: 6987 6543 Fax: 6987 6541

Invoice

Name and address of customer:
 G & S Trading Pte Ltd
 100 Thomson Road
 Singapore 888888

Invoice No : 090001
 Date : 1/10/2018

No.	Item Description	Quantity	Unit Price	Amount
1	999.9 Gold Bar 1,000 gram Refiner – PAMP SA Unique Serial No: A333333	1 pc	\$70.00 per gram	\$70,000.00
2	Canada Maple Leaf One Ounce Gold Coin	2 pcs	\$1727.78	\$3,455.56
			Sub Total	\$73,455.56
			Exempt from GST	\$0.00
			Total Amount Payable	\$73,455.56

Appendix B – Illustration on the attribution and apportionment of input tax claims

Bullion Trading Company (Bullion) is in the business of buying and selling precious metals and consolidating materials to be sent to Refiner A for refinement. Bullion trades in both IPM (exempt supplies) and non-IPM (taxable supplies). Refiner A is on the 'Good Delivery' list of LBMA and thus precious metals refined by A qualifies as IPM³⁹.

The following taxable supplies, exempt supplies and expenses were made/ incurred by Bullion for the quarter ended 31 Oct 2018. Below is an illustration on the attribution and apportionment of the input tax incurred by Bullion, and computation on the amount of input tax claimable by Bullion.

Supplies made	Value
Standard-rated supply – Sale of non-IPM in Singapore	\$1,000,000
Zero-rated supply – Export Sale of IPM and non-IPM	\$2,000,000
Exempt supply – Sale of IPM in Singapore	\$ 500,000
Total Supplies	\$3,500,000

No.	Purchases*	Input tax incurred	Attribution of input tax
(A)	Purchase \$800,000 worth of non-IPM for sale	\$56,000	Directly attributable to the making of taxable supplies (i.e. standard-rated and zero-rated supplies) – claimable in full
(B)	Purchase/Importation of IPM (exempt)	No GST	Not applicable
(C)	Refining fee of \$50,000 and materials of \$200,000 incurred for refinement of materials into IPM for subsequent local sale	\$17,500	Directly attributable to the making of exempt supplies – not claimable
(D)	Local transportation costs of \$10,000 incurred for transporting IPM for sale locally	\$700	Directly attributable to the making of exempt supplies – not claimable
(E)	Local storage costs of \$20,000 incurred for storing of IPM for export	\$1,400	Directly attributable to the making of taxable supplies – claimable in full
(F)	Local transportation costs of \$10,000 incurred for sale of IPM and non-IPM	\$700	Residual input tax – subject to apportionment
(G)	Rental for office space of \$500,000	\$35,000	Residual input tax – subject to apportionment

*Value of purchases is exclusive of GST.

Input tax directly attributable to the making of taxable supplies:

= (A) + (E)

³⁹ The precious metals also meet the minimum purity content requirement of IPM.

$$\begin{aligned} &= \$56,000 + \$1,400 \\ &= \$57,400 \end{aligned}$$

Residual input tax attributable to the making of taxable supplies:

$$\text{Residual Input Tax} \times \frac{\text{Value of Total Taxable supplies}}{\text{Value of Total Supplies}}$$

$$= \{(F) + (G)\} \times \frac{\$3,000,000}{\$3,500,000}$$

$$= (\$700 + \$35,000) \times 86\%^{40}$$

$$= \$30,702$$

Total amount of input tax claimable⁴¹:

Input tax directly attributable to taxable supplies + Residual input tax attributable to taxable supplies

$$= \$57,400 + \$30,702$$

$$= \$87,102$$

⁴⁰ The ratio (\$3,000,000/\$3,500,000) should be rounded off to the nearest whole number, i.e. 86%.

⁴¹ The input tax claims are only allowed provisionally at the end of each prescribed accounting period. Bullion has to perform a Longer Period Adjustment in respect of the input tax that he has claimed during the longer period. For detailed information on the performance of Longer Period Adjustments, please refer to the e-Tax Guide "GST: Partial Exemption and Input Tax Recovery" (www.iras.gov.sg > Quick links > e-Tax Guides).