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IRAS e-Tax Guide

GST: General Guide on Group Registration (Fifth Edition)



GST: General Guide on Group Registration

Published by
Inland Revenue Authority of Singapore

Published on 12 Nov 2021

First edition on 30 Sep 2013
Second edition on 5 Apr 2016
Third edition on 22 Oct 2019
Fourth edition on 13 May 2020

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Table of Contents

1	Aim.....	1
2	At a glance	1
3	Effect of Group Registration.....	1
4	Qualifying Conditions for Group Registration	3
5	Comptroller’s Powers	5
6	Application for GST Group Registration	6
7	Obligations under Group Registration	7
8	Contact Information	7
9	Updates and amendments	8
	Annex 1 – Notes for form completion.....	9
	Annex 2 – Example of a proposed group structure	11

1 Aim

- 1.1 This e-Tax Guide explains the mechanism and qualifying conditions for group registration¹. Group registration allows companies within a group to centralise their GST administration and reporting by filing one GST return. GST-registered companies that are interested in applying for group registration are encouraged to read this guide before proceeding with the application.

2 At a glance

- 2.1 Group registration allows two or more companies within a group to file GST returns as a group instead of individually. One of the companies in the group will be the “representative member” while the others are members. On successful application, the Comptroller will register the group in the name of the representative member.
- 2.2 Supplies of goods or services made by or to any member of the group shall be treated as being made by or to the representative member² and accounted for by the representative member.
- 2.3 The purpose of group registration is to reduce administration cost of groups of companies in GST reporting. It is not meant to facilitate tax planning by companies.
- 2.4 Existing companies with centralised group accounting functions would benefit from group registration, as they do not need to break up their present structures for GST reporting purposes. They can report GST as a group.
- 2.5 Supplies made between members of the group are disregarded for GST purposes and this helps to reduce compliance costs as well as improve cash flow for the group. However, from 1 Jan 2020, reverse charge may apply when a local member of a GST group procures services from an overseas member of the same GST group³.

3 Effect of Group Registration

3.1 Submission of a single GST return

The representative member has to report the GST transactions of the whole group in a single GST return and submit the GST return within the statutory time limit. All members of the group are required to keep proper accounting records of the GST transactions declared in the group’s GST return.

¹ This e-Tax guide replaces the IRAS’s e-Tax guide titled “General Guide on GST Group Registration” published on 1 May 2008.

² Section 30(1)(c) of the Goods and Services Tax Act

³ Refer to e-Tax guide “GST: Taxing imported services by way of reverse charge” for more information.

3.2 Joint and Several Liability

All the members of the group are jointly and severally liable for any tax due from the representative member⁴.

A former member will be held liable for tax due during its period of membership even after it has left the group. The representative member must ensure that all its group members are aware of this liability.

3.3 Input tax claim

All group members are treated as one taxable person after group registration. Partial exemption rules and standard input tax recovery formula⁵ shall be applied on a group basis. If any member of the group makes exempt supplies, the group has to apply the partial exemption rules to the entire group which may result in lower input tax recovery as compared to before the group registration.

3.4 Offsetting GST Refunds Against Other Tax Arrears

If any member of the group owes any tax besides GST, the Comptroller of GST may be appointed to collect the outstanding tax. In such an event, all members of the GST group are required to authorise the representative member to transfer any GST credit that may be due to the GST group to pay the outstanding tax of any member of the GST group. If such authorisation is not made, the Comptroller of GST will apportion any GST credit that may be due equally and transfer an amount equal to the member's share to pay its outstanding tax.

3.5 Invoicing Requirements

A new GST registration number will be issued to the group. This number identifies the group as a whole and will not change with addition or withdrawal of members or change of representative member.

All members must quote the group registration number on their tax invoices. They are not allowed to use their individual GST registration numbers that were given to them prior to joining the group. However they should use their individual names for easy identification.

3.6 Accounting for Intra-group Supplies

Goods or services supplied between members of the same group are disregarded for GST purposes. In other words, no GST will be imposed on intra-group supplies. However, from 1 Jan 2020, reverse charge may apply

⁴ Section 30(2) of the Goods and Services Tax Act

⁵ Refer to the e-Tax Guide "GST: Partial Exemption and Input Tax Recovery"

when a local member of a GST group procures services from an overseas member of the same GST group⁶.

Supplies of goods and services by or to any member are treated as supplies by or to the representative member. Any GST paid or payable by any member on the importation of goods in the course of its business is also treated as paid or payable by the representative member.

3.7 Companies under Special Scheme

Companies under the Major Exporter Scheme (MES) or Import GST Deferment Scheme (IGDS) will be removed from the scheme once group registration is granted. To enjoy such a scheme again, the representative member has to apply for these schemes on behalf of the entire group.

For companies under the Zero GST Warehouse Scheme, Approved Third Party Logistics Company Scheme or any other scheme, the Comptroller will assess whether the relevant scheme can be allowed to continue after group registration. If the scheme cannot be continued, it will then be removed.

3.8 Changes to taxable supplies made between members before Group Registration

Following group registration, any adjustments to the supplies previously made between members prior to group registration will have to be adjusted in the individual members' GST returns using GST F7⁷. As such supplies are not intra-group supplies, adjustments to the GST charged earlier will have to be made by that group member accordingly. Debit or credit notes issued to adjust the past taxable supplies must also include the relevant GST amount.

4 Qualifying Conditions for Group Registration

4.1 To be eligible for group registration or to include a new member to an existing GST group, all, the following conditions must be satisfied:

- a) Each member in the proposed group must already be registered for GST individually.
- b) Each member⁸ in the proposed group must possess at least one of the following attributes:

⁶ Refer to e-Tax guide "GST: Taxing imported services by way of reverse charge" for more information.

⁷ GST F7 "Disclosure of Errors on GST return" can be requested online through '*myTax Portal*'.

⁸ With effect from 1 May 2008, Regulation 3, 4 and 6 of the Goods and Services Tax (General) Regulations has been amended to allow overseas businesses to be included in the group so long as it satisfies one of the attributes.

- (i) A resident in Singapore or has an established place of business in Singapore⁹;
 - (ii) Has an annual turnover (includes standard-rated supplies, zero-rated supplies, out-of-scope supplies and exempt supplies) of at least S\$1 million;
 - (iii) Listed on a securities exchange established in or outside Singapore;
 - (iv) A subsidiary of a body corporate that fulfils (ii) or (iii); or
 - (v) Financed by an entity (as part of its venture capital investment business) that fulfils (ii) or (iii).
- c) The representative member in the proposed group must be a corporate body that is a Singapore resident¹⁰ or corporate body with an established place of business in Singapore. In other words, an overseas company cannot be nominated as the representative member of the group.
- d) Each member in the proposed group must satisfy one of the control requirements specified in Regulation 4 of the GST (General) Regulations:
- (i) One of the members controls each of the others;
 - (ii) One non-member (whether a body corporate or an individual) controls all the members; or
 - (iii) Two or more individuals (non-member) carrying on a business in partnership control all of the members that are body corporate.

4.2 Group registration is subject to the approval of the Comptroller. The Comptroller can refuse an application for the protection of revenue. Additional information must be submitted in the application involving partially exempt group¹¹. The additional information is set out in Annex 1.

⁹ A company has an “established place of business” in Singapore if:

- it has a place in Singapore from which it carries on its business; and
- its physical presence is connected to a particular premise in Singapore; and
- this place of business is intended to have a degree of permanence.

¹⁰ For GST purposes, ‘Singapore resident’ has a similar definition to income tax resident status. A corporate body is considered a Singapore resident if the control and management of the corporate body is exercised in Singapore.

¹¹ If any of the proposed members is partially exempt, the GST group will be regarded as a partially exempt group. The additional information is also required in application for inclusion of new member who is partially exempt or who is joining an existing partially exempt group.

4.3 Meaning of Control

4.3.1 A body corporate is said to control another body corporate if it is that body's holding company within the meaning of section 5 of the Companies Act. An individual is said to control a body corporate, if he has the control equivalent to that of a holding company within the meaning of the Companies Act.

4.3.2 For control to exist, there must be a holding company-subsidary company relationship. Control exists if any one of the following conditions is satisfied:

- The holding company **controls** the composition of the board of directors of the other corporate body;
- The holding company **controls** more than half of the voting power of the other corporate body;
- The holding company **holds** more than half of the issued share capital (excluding preference shares) of the other corporate body.

4.4 Businesses registered under the Overseas Vendor Registration (OVR) simplified pay-only regime or GST Reverse Charge regime may also be eligible for group registration. For more information, refer to the respective e-Tax Guides¹².

5 **Comptroller's Powers**

5.1 The Comptroller will consider each application on its own merits.

5.2 The Comptroller is empowered to refuse an application, de-register a group or remove any member from an existing group if:

- The group or any member has at any time ceased to satisfy any of the control requirements;
- The group or any member has failed to comply with any conditions or requirements imposed by the Comptroller as he may think fit;
- The group or any member has provided any false, misleading or inaccurate declaration or information in its application;
- The representative member of the group ceases to satisfy any of the requirements for eligibility to be a representative member;
- None of members of the group is eligible to be a representative member; or
- It is necessary for the protection of revenue.

¹² e-Tax Guides "GST: Taxing imported services by way of an overseas vendor registration regime" and "GST: Taxing imported services by way of reverse charge".

6 Application for GST Group Registration

6.1 Before applying for GST group registration, the group should nominate a “representative member” and ensure all members of the group satisfy the qualifying criteria.

6.2 GST-G-1: Application for Group Registration

- All members of the group must make a joint application to the Comptroller using Form GST-G-1. In the application, they should specify the name of the nominated representative member.
- The application must be made **at least 90 days** before the proposed effective date of the group registration.
- The Comptroller reserves the right to approve grouping on a date later than that requested if the application for group registration is not made at least 90 days before the requested date for group registration.
- The nominated representative member will be informed of the outcome of the application and the nominated representative member is to notify all the group members accordingly.

6.3 GST-G-2: Application for Inclusion/Removal of Member To/From the GST Group

Application Form GST-G-2 must be submitted to include new members in the group or when a member leaves/is removed from the group. The Comptroller can refuse the application if he thinks fit.

6.4 GST-G-3: Application for Deregistration of Group

Application Form GST-G-3 must be submitted to deregister the group. Once the group is deregistered, the group GST registration number will be cancelled. From that point onwards, all members must use their individual GST registration number that were given to them before the group registration.

6.5 GST-G-4: Application for Change of Group Representative Member

Application Form GST-G-4 must be submitted to change the group representative member. The Comptroller has the right to refuse the application if he thinks it is necessary to do so.

6.6 The application forms can be downloaded from our website at www.iras.gov.sg under Quick links > Forms > GST.

7 Obligations under Group Registration

- 7.1 The Comptroller must be informed when any member starts to make exempt supplies.
- 7.2 Every member of the group and its representative member must continue to satisfy all the qualifying conditions at all times.
- 7.3 The representative member must inform the Comptroller in writing within 30 days if any of the members ceases to satisfy any of the qualifying conditions. The Comptroller shall remove the affected member from the group or deregister the group altogether.
- 7.4 On notification and subsequent review, the Comptroller may decide to de-register the group or remove any member from the group where appropriate.
- 7.5 Notwithstanding the above, the Comptroller has the power to de-register a group or remove any member of an existing group.

8 Contact Information

- 8.1 For enquiries on this e-Tax Guide, please contact the Goods and Services Tax Division at <https://www.iras.gov.sg> (select "Contact Us").

9 Updates and amendments

	Date of amendment	Amendments made
1	5 Apr 2016	Amended the note # under paragraph 5.2
2	22 Oct 2019	<ul style="list-style-type: none"> (i) Amended paragraphs 2.5 and 3.6 to reflect changes arising from reverse charge regime (ii) Added paragraph 4.4 on reverse charge regime and overseas vendor registration regime (iii) Deleted paragraph 5 on Partially Exempt Companies & Input Tax Recovery as information is available in e-Tax Guide on GST: Partial Exemption and Input Tax Recovery (iv) Clarified that the nominated representative member shall notify all the group members on the outcome of the application for GST Group Registration (v) Various editorial changes
3	13 May 2020	<ul style="list-style-type: none"> (i) Updated paragraph 4.2 to clarify the circumstances where the Comptroller may reject a group registration application. (ii) Amended Annex 1 to include the requirement to provide additional information in the application form for partially exempt group.
4	12 Nov 2021	Various editorial changes

Annex 1 – Notes for form completion

GST-G1: Application for Group Registration

These notes and the General Guide on Group Registration must be read jointly when completing the application form.

Please fill in all particulars as required as an incomplete form may delay processing of your application.

CONDITIONS

(a) Registration for GST

Members who wish to be grouped must first be registered individually for GST.

The Comptroller reserves the right to allow grouping on a date later than that requested.

(b) Time for filing application

You are required to submit your application to the Comptroller at least 90 days before the proposed effective date of the group registration. Please ensure that the group's accounting and administrative system is ready by the proposed date.

(c) Proposed Group Structure

Please attach the organisational chart of the proposed group together with the application form. The organisation chart must highlight the following particulars:

- (i) the name of the person controlling the group;
- (ii) the names of all members in the proposed group;
- (iii) how the person in paragraph (i) controls each member mentioned in paragraph (ii), stating the percentage of voting power, or the issued share capital, or the basis of control over the composition of the board of directors of each member;
- (iv) indicate the position of the nominated representative member in the organisational chart; and
- (v) indicate all partially-exempt members.

An example of the above is illustrated in **Annex 2**.

(d) Group with Partially Exempt Members

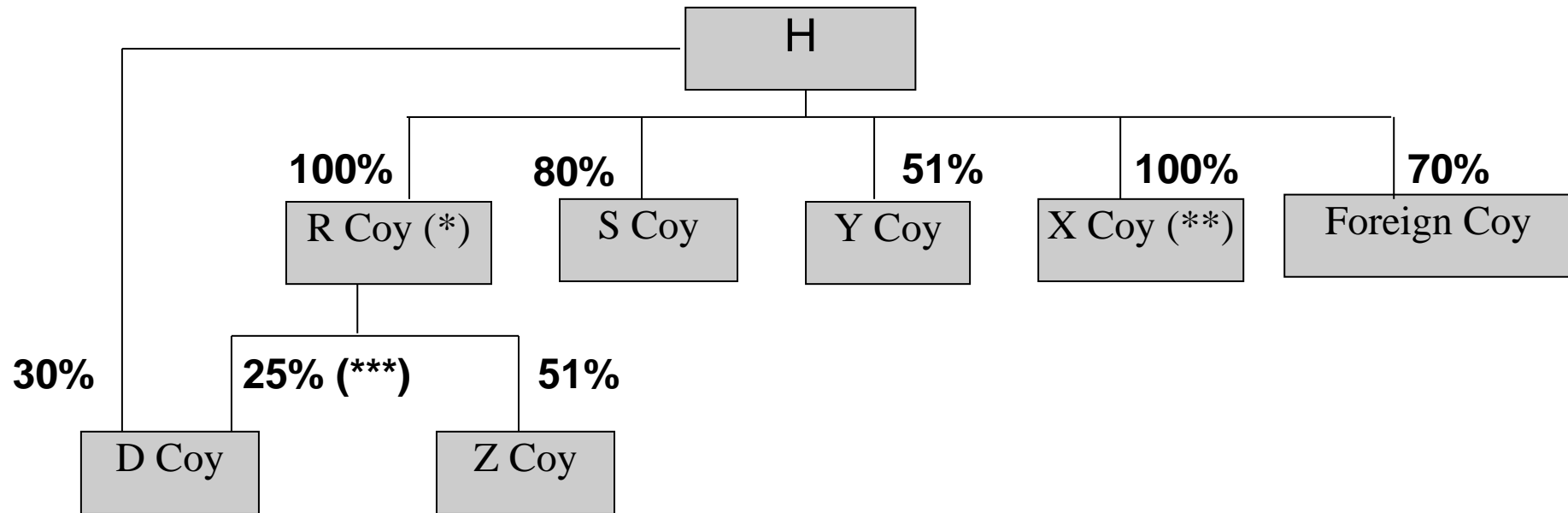
Where one or more of the proposed members is a partially exempt member, you are required to provide information on:

- (i) the reasons for grouping, specifically, if it is triggered by regulatory requirements;
- (ii) the volume and value of supplies made among proposed members and other entities outside the group; and
- (iii) the estimated compliance cost (e.g. manpower, administrative and system costs) savings and tax savings as a result of group registration. Compliance cost savings can be in the form of manpower costs savings from filing of consolidated GST return instead of multiple returns for each group member, and disregarding of intra-group supplies. Tax savings refer to the difference in tax position of the proposed members if they are individually registered and if they are registered as a GST group.

(e) Members applying for group registration

All members applying for group registration must declare and sign in this application form. They will all be liable jointly and severally for any tax due from the proposed representative member.

Annex 2 – Example of a proposed group structure



Note: -

Person controlling the group is H

*Nominated Group Representative Member

** Partially-exempt member

*** Through R Coy, H controls the composition of the Board of Directors of D Coy