

IRAS e-Tax Guide

GST: Exchange Rates for GST Purpose



INLAND REVENUE
AUTHORITY
OF SINGAPORE

Published by
Inland Revenue Authority of Singapore

Published on 13 Jun 2017

First edition on 30 Sep 2013

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GST: Exchange Rates for GST Purpose

1 Aim

- 1.1 This e-Tax guide provides details on the approved exchange rates that GST registered businesses can use to convert foreign currency into Singapore currency for GST purposes.¹

2 At a glance

- 2.1 Where GST-registered businesses make supplies in foreign currencies, they are required to convert the foreign currency denominated supplies into Singapore currency based on conversion rates applicable at the time of supply.
- 2.2 This requirement is provided for under Paragraph 11 of the Third Schedule of the GST Act.

3 Acceptable Exchange Rates

- 3.1 Generally, for GST purposes, the adoption of exchange rate that meets all the following conditions is acceptable:
- a) The exchange rate must be reflective of the Singapore money market at that point in time;

Administratively, exchange rates obtained from any of the sources listed in [Appendix A](#) would qualify.
 - b) The exchange rate must be the daily exchange rate corresponding to the time of supply. If not, it must be a good approximation of this rate;

Daily exchange rate refers to the prevailing buying rate, selling rate or average of the two. The use of the exchange rate 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) to approximate the daily exchange rate corresponding to the time of supply is acceptable.
 - c) The exchange rate must be updated at least once every three months;
 - d) The exchange rate must be consistently used for internal business reporting, accounting and GST purposes; and

¹ This e-Tax guide replaces the IRAS's e-Tax guide on "Exchange Rates for GST Purpose" published on 10 July 2004.

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- e) The exchange rate must be used consistently for at least one year from the end of the accounting period in which the method was first used.

4 Administrative Concession

- 4.1 GST-registered businesses using the exchange rates listed in the table in [Appendix A](#) and satisfy all the conditions stated in paragraph 3 do not need to seek the approval of the Comptroller in using these rates.

5 Use of Other Exchange Rates

- 5.1 GST-registered businesses that would like to adopt an in-house exchange rate that is based on sources other than those listed in Appendix A, or do not satisfy all the conditions stated in paragraph 3 are required to write to the Comptroller for approval.
- 5.2 In order for the Comptroller to review requests to use in-house exchange rates, businesses are required to provide the following information:
 - a) Explanation on how the proposed in-house exchange rates are reflective of the exchange rates in the Singapore money market at the time when the supplies take place. Businesses should provide comparisons of the proposed rates with those listed in Appendix A (e.g. the rates published by a local bank) over a 2-week period;
 - b) The type of exchange rates used by the business. E.g. daily exchange rates, buying rate, selling rate or the average of the buying and selling rates;
 - c) A confirmation that:
 - i. The exchange rate will be updated at least once every three months;
 - ii. The exchange rate will be consistently used for internal business reporting, accounting and GST purposes; and
 - iii. The exchange rate will be used consistently for at least one year from the end of the accounting period in which the method was first used.

In general, the Comptroller will allow the use of rates that are close approximations of the rates listed in [Appendix A](#).

6 Proper Documentation

- 6.1 GST-registered businesses are required to maintain sufficient documents to support the exchange rates used. Such books and records should be kept in a proper manner and made available for IRAS' verification whenever the need arises or when so requested by IRAS.

7 Contact Information

- 7.1 For enquiries on this e-Tax Guide, please contact:

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8 Updates And Amendments

	Date of amendment	Amendments made
1	30 Sep 2013	Added paragraph 1 & 2. Revised paragraph 5.1, 5.2, 6 and Appendix A.
2	13 Jun 2017	Added www.xe.com in Appendix A

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9 Appendix A - Acceptable Exchange Rates Sources for GST Purposes

Acceptable Sources of Exchange Rates	Remarks
a) Exchange rates published by local banks	These include rates published by full banks, wholesale banks, offshore banks and merchant banks in Singapore.
b) Exchange rates published by Singapore Customs	These rates are updated by Singapore Customs fortnightly. These rates can be obtained by dialling the Customs Tele-Info Phone Services (Customs TIPS) at Tel: 6355 2000.
c) Local circulated newspapers	Examples would include: <ul style="list-style-type: none">• Business Times• Straits Times• Wall Street Journal/Asian Wall Street Journal• Financial Times• Lianhe Zaobao
d) Exchange rates published by reputable news agencies e.g. <ul style="list-style-type: none">• Bloomberg• Reuters• Oanda	Rates from Bloomberg, Reuters and Oanda may also be obtained online from http://www.bloomberg.com , http://www.reuters.com , and http://www.oanda.com respectively.
e) Exchange rates published by foreign central banks e.g. European Central Bank and Federal Reserve Bank of New York	These apply only to foreign central banks without exchange controls.
f) Online resources e.g. Yahoo! Finance, www.xe.com	Exchange rates published by websites are acceptable if these websites based their rates from sources (a) to (e) above. For example, exchange rates from Yahoo! Finance are obtained from Reuters.