

Preparation checklist for entities registered under the Overseas Vendor Registration Regime

For supply of low-value goods (“LVG”)

From 1 Jan 2023, as an entity registered under the Overseas Vendor Registration (OVR) regime, you are required to account for GST on sales of low-value goods (LVG) to non-GST registered persons in Singapore. LVGs generally refers to goods with sales value not exceeding S\$400, which are imported by air or post to Singapore. **Please note that you are not allowed to charge GST on goods with sales value exceeding S\$400 (non-LVG).**

If you also make supplies of remote services¹ to non-GST registered customers belonging in Singapore, you may also wish to refer to the [“Preparation checklist for entities registered under the OVR Regime \(remote services\)”](#).

To comply with the GST rules, you will need to make changes to your systems and processes to identify, capture and account for GST on supplies of LVG correctly. This will also apply if you are a local or overseas electronic marketplaces operators (EMOs) that will be regarded as the suppliers for LVG made through the marketplace, on behalf of suppliers, when certain conditions² are met.

This checklist serves as a guide to help you prepare for the charging of GST on LVG.

At the point of sale – Charging GST correctly

Have you updated your system and processes to enable you to perform the following?

- To distinguish:**
 1. between LVG and non-LVG at the point of sale.³ You should only charge GST on sales of LVG. Non-LVGs should not be subject to GST at the point of sale;
 2. whether customer is registered for GST in Singapore⁴ and;
 3. whether goods are imported into Singapore via air/post
- To compute and account for** the correct amount⁵ of GST on sales of LVG to your customers. This should include shipping and insurance fees (if any) charged to customer in relation to the sale of the LVGs.
- Ensure that **GST is charged at** the prevailing rate of **8%** (effective from 1 Jan 2023). If the LVG is sold at a GST-inclusive price, use the tax fraction **8/108** to compute the value of output tax to be accounted to IRAS.

The GST rate will be increased to **9% with effect from 1 Jan 2024**. If the LVG is sold at a GST-inclusive price on/after 1 Jan 2024, use the tax fraction **9/109** to compute the value of output tax to be accounted to IRAS.
- For Electronic Marketplace Operators and Redeliverers ONLY**
To charge and account for GST on supplies of LVG made by local and overseas suppliers (regardless of whether they are GST-registered or not) through your marketplace to non-GST registered customers in Singapore.



At the point of importation – Preventing double taxation

Have you updated your system and processes to prevent double taxation?

Where you have accounted for GST on the sale of LVG, **transmit** the following two pieces of information down the logistics chain so that the transporter can declare non-payment permits⁶ at the border:

- 1. Whether GST has been paid for each item
- 2. Your GST registration number⁷

Transmitting the two pieces of GST Information correctly will ensure that import GST is not paid again to the Singapore Customs, preventing double taxation⁸.

As a good practice to prevent double taxation, you are also encouraged to **ship non-LVG and LVG separately**.

- Work** with your logistics services provider and their logistics partners to inform them on the change in procedure and where to look out for these two pieces of information.
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After sales

Have you?

- Trained** your staff on the filing of quarterly GST returns.
- Ensured** that business and accounting records will be kept for at least 5 years to substantiate the GST collected and accounted to IRAS. These are to be made available upon request by IRAS.
- Updated** your system and processes to provide a refund⁹ to your customer if he/she produces evidence to substantiate that import GST has been paid to Singapore Customs in the event of double taxation or where GST has been incorrectly charged on supplies to GST-registered customer.

Applying for exceptions

Have you assessed if you are qualified to apply for the elections listed below?

- Exception to use the import value of goods for determining whether the value of goods falls within the entry value threshold¹⁰
Are you able to determine the value of the transportation and insurance fees, and other incidental charges at the point of sale?

If yes and you wish to use the import value (i.e. Cost, Insurance and Freight (“CIF”)) of goods, instead of the sales value to determine whether the value of goods falls within the entry value threshold of S\$400, you may elect to do so by submitting the form via <https://go.gov.sg/lvg-entry-value-election>.
- Exception to apply the entry value threshold on a per-consignment basis¹¹
Do you have full oversight and control over how goods ordered by your customers are shipped and delivered, and whether they would be shipped as a single consignment?

If yes, and you meet the conditions to apply the entry value threshold on a per-consignment basis, you may elect to do so by submitting the form via <https://go.gov.sg/lvg-entry-value-election>.

<input type="checkbox"/>	<p>Exception to apply GST on LVG imported via sea or land¹²</p> <p>Are you able to determine the mode of shipment (whether by air, land or sea) of the goods at the point of sale?</p> <p>If you have genuine difficulties in determining the mode of shipment of the LVG at the point of sale, you may seek the Comptroller's approval to charge GST on LVG imported via sea and land, by submitting the form here: https://go.gov.sg/lvg-imported-via-sea-land?</p>
<p>Resources</p>	
	<p>e-Tax guide on GST: Taxing imported low-value goods by way of the overseas vendor registration regime</p>

¹ Remote services refer to digital services and non-digital services. Non-digital services refer to services that do not fall within the definition of 'digital services', and that can be supplied and received remotely.

² Refer to paragraph 6.3 of the e-Tax guide for more information.

³ Definition of LVG:

(a) are located outside Singapore and are to be delivered to Singapore via air or post;

(b) have a value not exceeding the import relief threshold of \$400 (hereinafter referred to as the "entry value threshold");

(c) goods are not dutiable goods, or are dutiable goods, but payment of the customs duty or excise duty chargeable on the goods is waived under section 11 of the Customs Act; and

(d) are not exempt from GST.

For purposes of determining entry value, the sales value of the goods is used i.e., the selling price of the goods excluding transportation and insurance costs, GST and duties payable to Singapore Customs. Refer to paragraphs 5.2 and 5.3 of the e-Tax guide for more information.

⁴ Ensure your system can collect the GST registration numbers of your customers that are registered for GST, e.g., by allowing them to provide their GST-registration number at checkout. GST-registered customers are responsible for providing their GST registration numbers. You can check the validity of your customer's GST registration number using the [GST-registered Business Search](#) on IRAS' website.

⁵ Refer to paragraphs 5.3.3 and 14 of the e-Tax guide for determining the value of supply of LVG and the GST to be charged under various scenarios. If you supply both LVG and non-LVG in a single transaction and charge a single delivery fee, you can apportion and charge GST on the portion of the transportation and insurance fees charged in relation to the delivery of the LVG. Refer to Paragraph 14.6 of the e-Tax Guide for details.

⁶ For LVG items which GST has been charged at the point of sale, declaring agent should declare non-payment permits to prevent GST being charged again at the point of importation. For non-LVG item, GST is not to be collected at the point of sale. Instead, import GST on non-LVG item is to be paid at the point of importation via a payment-permit.

⁷ If you are an overseas supplier that sells through an GST-registered electronic marketplace but ships the goods and prepares the shipping documents yourself, you are to pass down the logistics chain, the electronic marketplace's GST registration number and an indication of whether GST was paid at the point of sale.

⁸ Refer to paragraph 8.3 of the e-Tax guide for more information.

⁹ Refer to paragraph 8.4 of the e-Tax guide for more information.

¹⁰ Refer to paragraph 5.4 of the e-Tax guide for more information.

¹¹ Refer to paragraph 16.2 of the e-Tax guide for more information.

¹² Refer to paragraph 17 of the e-Tax guide for more information.