

Preparation checklist for entities registered under the Overseas Vendor Registration Regime

For supply of imported remote services

Since 1 Jan 2020, Singapore has introduced the Overseas Vendor Registration Regime (OVR) to tax business-to-consumer¹ (B2C) supplies of digital services to customers in Singapore.

From 1 Jan 2023, the OVR regime will be extended to tax B2C supplies of non-digital services² provided to customers in Singapore. Digital services and non-digital services are referred to as 'remote services' under the extended OVR regime.

On the same date, the OVR regime will also be extended to tax B2C supplies of low-value goods (LVG) imported. If you also make supplies of LVG, you may also wish to refer to the "[Preparation checklist for entities registered under the OVR Regime \(LVG\)](#)".

To comply with the GST rules, you, as an entity registered under the OVR regime, will need to make changes to your systems and processes to identify, capture and account for GST on supplies of remote services correctly. This will also apply if you are a local or overseas electronic marketplaces operators (EMOs) that will be regarded as the suppliers for remote services made through the marketplace, on behalf of overseas suppliers, when certain conditions³ are met.

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

At the point of sale – Charging GST correctly

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

- ☐ **To identify, capture and maintain** the following information to determine and substantiate the charging of GST on a supply of remote services at the point of supply
 1. Whether customer belongs in Singapore⁴
 2. Whether customer is registered for GST in Singapore⁵
- ☐ **To compute** the correct amount of GST to charge to your customers at the billing stage.
- ☐ Ensure that **GST is charged at** the prevailing rate of **8% (effective from 1 Jan 2023)**. If the service 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 service 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 Overseas and Local Electronic Marketplace Operators (EMOs) ONLY**
To charge and account for GST on supplies of remote services made by overseas suppliers (regardless of whether they are GST-registered or liable to register for GST) through your platform to non-GST registered customers in Singapore.

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 refund to the customer where GST has been incorrectly charged on supplies to GST-registered customer.
Applying for exceptions	
	For Overseas and Local Electronic Marketplace Operators (EMOs) ONLY ☐ To facilitate compliance, EMOs can seek approval to charge and account for GST on all supplies of remote services made by <u>both local</u> (GST-registered and non-GST registered) <u>and overseas suppliers</u> through the marketplace to non-GST registered customers in Singapore⁶. If you intend to do so, have you sought approval from the Comptroller in writing? For <u>Local</u> Electronic Marketplace Operators ONLY ☐ If you meet the conditions and intend to charge and account for GST on <u>both B2C and B2B</u> supplies (i.e., to all customers in Singapore regardless of whether they are GST-registered or non-GST registered) of remote services made by suppliers through the marketplace⁷, have you sought approval from the Comptroller in writing?
Resources	
	e-Tax guide on GST: Taxing imported remote services by way of the overseas vendor registration regime

¹ Business-to-Consumer (“B2C”) supplies refer to supplies made to non-GST registered persons, which include individuals and businesses that are not registered for GST. Business-to-Business (“B2B”) supplies refer to supplies made to GST-registered persons, including companies, partnerships and sole-proprietors. You should not charge GST on B2B supplies of remote services.

² Non-digital services refer to services that do not fall within the definition of ‘digital services’, and that can be supplied and received remotely.

³ Refer to paragraph 6.3 of the e-Tax guide for more information.

⁴ Belonging status can be determined by relying on 2 non-conflicting evidence based on the following proxy categories:

- Payment proxy (e.g., credit card info, bank account details)
- Residence Proxy (e.g., billing or home address)
- Access Proxy (e.g., IP address, mobile country code of SIM card)

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

⁵ 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.

⁶ Refer to paragraph 6.5 of the e-Tax guide for more information.

⁷ Refer to paragraph 6.6 of the e-Tax guide for more information.