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OF SINGAPORE

# IRAS e-Tax Guide

## GST: Guide for Motor Vehicle Traders (Ninth Edition)

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## 1 Aim

1.1 This guide is for GST registered businesses selling new and/or second-hand motor vehicles. The purposes of this guide are:

(a) To explain the GST treatment applicable to motor vehicle traders; and

(b) To illustrate the GST computations for sale of motor vehicles.

## 2 At a glance

2.1 The business activities of a motor vehicle trader include the importation of motor vehicles, sale of new and used vehicles, and sale of motor vehicle bodies of de-registered vehicles.

2.2 All motor vehicles in Singapore must be registered with LTA. To curb the growth of vehicle population in Singapore, LTA imposes regulatory charges on the sale of new vehicle. Regulatory charges do not attract GST as they do not relate to the provision of goods or services.

2.3 All other charges or payments received in relation to a supply of motor vehicles are subject to GST.

2.4 The GST treatment for the sale of a new motor vehicle differs from that of a second-hand motor vehicle. For the sale of a new vehicle, GST is chargeable on the selling price of the motor vehicle excluding regulatory charges such as COE. For the sale of a second-hand motor vehicle, the computation of the GST chargeable depends on whether the sale is made under the Gross Margin Scheme or the Discounted Sale Price Scheme.

2.5 If you are not a motor vehicle trader, you should use the Discounted Sale Price Scheme when you occasionally sell a second-hand vehicle that has been used in your business.

## 3 Glossary

### 3.1 ARF

ARF denotes Additional Registration Fee

### 3.2 AFC

AFC denotes Additional Flat Component

3.3 **CIF**

CIF denotes Cost, Insurance and Freight

3.4 **COE**

COE denotes Certificate of Entitlement

3.5 **Discounted Sale Price Scheme**

Discounted Sale Price Scheme is a scheme for the sale of a second-hand motor vehicle whereby GST is charged on 50% of the selling price of the vehicle.

3.6 **Gross Margin Scheme**

Gross Margin Scheme is a scheme for the sale of a second-hand motor vehicle whereby GST is charged on the difference between the selling and purchase prices of the vehicle.

3.7 **LTA**

LTA denotes Land Transport Authority

3.8 **OPC schemes**

OPC schemes denotes Off-Peak Car schemes

3.9 **PARF**

PARF denotes Preferential Additional Registration Fee

3.10 **RF**

RF denotes Registration Fee

3.11 **Second-Hand Vehicle**

A second-hand vehicle is a used motor vehicle which has been registered in Singapore. It excludes any used vehicle which was registered overseas.

3.12 **TCOE**

TCOE denotes Temporary Certificate of Entitlement

## 4 Imports

4.1 When you import motor vehicles from overseas, at the point of importation, GST is payable on the CIF value plus custom duties.

Example 1:

| | |
|---|---|
| CIF | $25,928 |
| Custom Duty | $ 5,185.60 |
| GST payable | 9% x (CIF + Custom Duty) |
| | = 9% x ($25,928 + $5,185.60) |
| | = $2,800.22 |

4.2 You may be granted relief from paying GST on the importation of motor vehicles for certain situations (e.g., re-importing motor vehicles exported temporarily for repair) if you satisfy the import relief conditions. If you wish to obtain relief from paying GST, you must make an application to Singapore Customs before importing the vehicle or sending the vehicle overseas. To know more about the import relief conditions, application procedure and documentary requirements, please contact Singapore Customs.

## 5 Price Display

5.1 For sale of motor vehicles to the public, you must display, advertise, publish or quote GST-inclusive prices. For example, you may advertise the GST-inclusive price of a vehicle as $158,533 (inclusive of ARF, COE and GST). This is so that the customer knows upfront the final price payable.

## 6 Sale of New Vehicles

6.1 When your customer buys a new vehicle, it comes with charges and fees which include ARF, COE, RF and Road Tax (which may include AFC[1]). These are charges imposed by LTA on vehicle buyers and do not attract GST as they do not relate to the provision of goods or services.

If you include the ARF, COE, RF and Road Tax in your selling price of the new vehicle, GST is to be charged on the Selling Price less ARF, COE, RF and Road Tax paid to LTA.

Example 2: Sale of new vehicle to another motor vehicle trader

| | |
|---|---|
| Selling Price | $155,000 (inclusive of ARF, COE, RF, Road Tax & **excluding** GST) |
| ARF | $20,000 |
| COE | $95,000 |

[1] The AFC is a component of road tax that is payable annually for electric cars.

| | |
|---|---|
| RF | $ 350 |
| Road Tax | $ 400 |

GST = 9% x (Selling Price - ARF - COE - RF – Road Tax)
= 9% x ($155,000 - $20,000 - $95,000 - $350 - $400)
= 9% x $39,250
= $3,532.50

- For GST reporting purposes

| | |
|---|---|
| Value of standard-rated supply | $39,250 |
| Output tax | $3,532.50 |

Example 3: Sale of new vehicle to the public

| | |
|---|---|
| Selling Price | $158,533 (inclusive of ARF, COE, RF, Road Tax & **including** GST) |
| ARF | $20,000 |
| COE | $95,000 |
| RF | $ 350 |
| Road Tax | $ 400 |

GST = 9/109 x (Selling Price - ARF - COE - RF – Road Tax)
= 9/109 x $42,783
= $3,532.54

- For GST reporting purposes

| | |
|---|---|
| Value of standard-rated supply | $39,250.46 (i.e., $42,783 - $3,532.54) |
| Output tax | $3,532.54 |

6.2 Similarly, if other regulatory fees, incentives, vehicular scheme surcharges or rebates have been factored into your selling price of the new vehicle, you should deduct the net regulatory charges payable from the selling price before computing GST.

Examples of other regulatory fees, incentives, surcharges and rebates:

- Vehicle plate number retention fee
- Enhanced Vehicular Emissions Scheme (VES) rebate
- VES surcharge
- Electric Vehicle Early Adoption Incentive

However, you cannot deduct the transfer fee as it is part of your business cost and not a regulatory fee imposed on vehicle buyers.

6.3 When you sell a car registered under the Revised Off-Peak Car (ROPC) scheme, you should not deduct the full value of ARF and COE from the selling price of the car when computing the value on which GST is to be charged. You should deduct only the net amount of ARF and COE paid to LTA (i.e., ARF and COE less ROPC scheme rebate).

Example 4:

| | |
|---|---|
| Selling Price | $140,215 (inclusive of ARF, COE, RF, Road Tax & GST) |
| ARF | $ 20,000 |
| COE | $ 95,000 |
| | $115,000 |
| Less: ROPC rebate | $ 17,000 |
| Net ARF/COE paid to LTA | $ 98,000 |
| RF | $ 350 |
| Road Tax | $ 70 |

GST = 9/109 x (Selling Price - Net ARF and COE - RF - Road Tax)

= 9/109 x ($140,215 - **$98,000** - $350 - $70)

= 9/109 x $41,795

= $3,450.96

6.4 If you offer discounts on COE to your customers, the COE to be deducted from the selling price of the vehicle for the purpose of computing the GST chargeable is the COE quota premium and not the discounted price of COE. This is because the amount collected by LTA is the COE quota premium.

Example 5:

Selling Price $158,533 (inclusive of ARF, COE, RF, Road Tax & GST)

| | |
|---|---|
| COE Quota Premium | $95,000 |
| Actual purchase price of COE | $97,000 (say, from another motor vehicle trader) |
| COE charges as reflected in the tax invoice | $86,000 (discounted price of COE) |
| ARF | $20,000 |
| RF | $ 350 |
| Road Tax | $ 400 |

GST = 9/109 x (Selling Price - COE - ARF - RF – Road Tax)

= 9/109 x ($158,533 - **$95,000** - $20,000 - $350 - $400)

= 9/109 x $42,783

= $3,532.54

6.5 Upon scrapping a car that is less than 10 years old, your customer may get a PARF/COE rebate. PARF/COE rebates can be used to offset various taxes and fees (e.g., RF, ARF, COE Quota Premium) for a new vehicle. Whether the selling price that you quote to your customer for the new vehicle is before or after deducting the PARF/COE rebate, the amount of GST chargeable is the same.

Example 6: Price quoted **before** deducting PARF/COE rebate

| | |
|---|---|
| Selling Price | $158,533 (inclusive of ARF, COE, RF, Road Tax & GST) |
| ARF | $20,000 |
| COE Quota Premium | $95,000 |
| RF | $ 350 |
| Road Tax | $ 400 |

As customer has a PARF/COE rebate of $63,000 he only pays $95,533 (i.e., $158,533 - $63,000) to you.

| | |
|---|---|
| GST | = 9/109 x ($158,533 - $20,000 - $95,000 - $350 - $400) |
| | = 9/109 x $42,783 |
| | = $3,532.54 |

Example 7: Price quoted **after** deducting PARF/COE rebate

| | |
|---|---|
| Net Car Price | $95,533 (GST-inclusive net price payable by customer) |
| ARF | $ 20,000 |
| COE Quota Premium | $ 95,000 |
| RF | $ 350 |
| | $115,350 |
| Less PARF/COE rebate | $ 63,000 |
| Net amount paid to LTA | $ 52,350 |
| Road Tax | $ 400 |
| GST | = 9/109 x ($95,533 - $52,350 - $400) |
| | = 9/109 x $42,783 |
| | = $3,532.54 |

6.6 If you sell a new vehicle as a replacement vehicle under the Early Turnover Scheme (ETS), the COE value of the new replacement vehicle is the sum of the discounted Prevailing Quota Premium (PQP) payable and the COE rebate (if any) of the existing vehicle.

Example 8: Replacement vehicle under ETS

Selling Price $106,080 (inclusive of ARF, COE, RF, Road Tax & GST)

| | |
|---|---|
| ARF | $20,000 |
| RF | $ 350 |
| Road Tax | $ 170 |
| Discounted PQP paid for replacement vehicle at registration | $45,000 |
| COE rebate granted to existing vehicle at deregistration | $6,000 |

GST = 9/109 x (Selling Price - ARF - Discounted PQP - COE Rebate - RF - Road Tax)
= 9/109 x ($106,080 - $20,000 - **$45,000 - $6,000** - $350 - $170)
= 9/109 x $34,560
= $2,853.58

Note: The sale of vehicle body upon deregistration of the existing vehicle follows the treatment under paragraph 11.

## 7 Sale of New Vehicles under Hire-Purchase

7.1 For GST purposes, the sale of a motor vehicle under a hire-purchase agreement[2] results in two separate supplies. That is, you are supplying the vehicle to the finance company, which in turn supplies the vehicle to the customer (i.e., hirer) at the same price. Therefore, you must account for GST on the selling price of the vehicle (excluding ARF, COE, RF and Road Tax) as reflected on your tax invoice to the finance company. You can refer to Appendix 2 for an example of how you should present your tax invoices to the hirer and finance company.

From the finance company's perspective, a hire purchase agreement involves two distinct supplies to the hirer for GST purposes. These comprise a taxable supply of the vehicle and an exempt supply of financial service. For more detailed information on hire purchase agreements including the GST reporting and invoicing by the finance company, please refer to the e-Tax Guide "GST Treatment of Hire Purchase Agreements and Financing Instruments" available on IRAS' website[3].

7.2 If you offer a trade discount to the customer, your tax invoice to the finance company should reflect the net selling price of the vehicle (i.e., the selling price after deducting the trade discount). The GST accountable by you will be based on the net selling price (excluding ARF, COE, RF and Road Tax) shown on the tax invoice.

If you were to show the gross selling price (i.e., price before the trade discount) of the vehicle on your tax invoice to the finance company, you must account for GST on the gross selling price (but excluding ARF, COE, RF and Road Tax).

7.3 If you issue a credit note to the customer for the trade discount given, you cannot show any GST on the credit note and you will have to account for GST on the gross selling price (excluding ARF, COE, RF and Road Tax). In other words, you cannot reduce the output tax chargeable on your sale of the vehicle by issuing a credit note to the customer.

## 8 Sale of Second-Hand Vehicles

8.1 For GST purposes, a second-hand vehicle excludes any used vehicle which was previously registered overseas. This is because when a used vehicle from overseas is imported into Singapore, it is required to be registered and the owner will have to pay COE, ARF and other fees as if it is new.

[2] For goods sold under a hire-purchase arrangement, the supplier transfers the ownership of the goods to the financier who lets the hirer use the goods during the period of hire. The ownership of the goods is passed to the hirer upon full payment of all the hire instalments. The transfer of possession of goods under agreement for future ownership of the goods constitutes a supply of good at the point of possession under paragraph 1(2)(b) of the Second Schedule to the GST Act.

[3] www.iras.gov.sg > Quick links > e-Tax Guides > search for the Guide "GST Treatment of Hire Purchase Agreements and Financing Instruments".

In addition, delivery mileage or the registration for road use does not turn a new vehicle into a second-hand vehicle. A vehicle is ‘unused’ until either:

a) It has been driven on the road following a retail sale; or
b) It has been appropriated by the dealer for his business.

8.2 You have the option of two schemes for the calculation of GST on your sale of second-hand vehicles – the Gross Margin Scheme and the Discounted Sale Price Scheme.

## 9 Gross Margin Scheme for Sale of Second-Hand Vehicles

9.1 Before 1 July 2025, businesses are required to obtain approval from the Comptroller to use the Gross Margin Scheme (GMS). However, this requirement is removed from 1 July 2025. You should instead use the ‘Self-Review of Eligibility to Use the Gross Margin Scheme (GMS)’ checklist available on IRAS’ website[4], to self-assess your eligibility for the GMS and better understand the requirements of the Scheme.

9.2 If you are in the business of selling second-hand vehicles, you can only use the GMS for the sale of a second-hand vehicle if it is purchased from:

a) A non-GST registered individual or business[5]; or

b) A GST-registered supplier who had used the GMS, and where you had obtained a sales invoice (not a tax invoice) from the supplier showing that the goods were supplied to you under the GMS. The invoice should contain the details listed in paragraph 3(a) of Appendix 1 and should not show the GST chargeable on the sale.

9.3 If you cannot satisfy the conditions in paragraph 9.2, you must charge GST based on the Discounted Sale Price Scheme and issue a tax invoice to your customer. The Discounted Sale Price Scheme and the invoicing requirements are explained in paragraph 10.

9.4 If you had bought the second-hand vehicle from a GST-registered supplier[5] who did not use the GMS on the sale, the supplier must charge GST on the sale of the second-hand vehicle to you based on the Discounted Sale Price Scheme. You should obtain a tax invoice from your supplier to support your claim of input tax if you meet all the conditions for claiming input tax[6]. Should you choose to forgo the claim of input tax or fail to obtain a tax invoice from your supplier, you cannot use the GMS for your onward sale of the second-hand vehicle.

9.5 You cannot claim input tax on vehicles purchased under the GMS. Similarly, when you make a sale under the GMS, your customer is not allowed to claim input tax on the vehicle. You must not issue a tax invoice to your customer. You can only issue a normal sales invoice containing the details described at paragraph 3(a)

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[4] www.iras.gov.sg > Taxes > GST > General GST Schemes > Gross Margin Scheme
[5] You can check the GST registration status of your suppliers from IRAS’ website (www.iras.gov.sg > Taxes > GST > Consumers > Checking if a Business is GST registered)
[6] Please refer to paragraph 22 of this guide on the claiming of input tax.

of Appendix 1. The GST charged is not to be shown on the invoice.

9.6 Under the GMS, you must account for GST on the difference between the selling price (which is treated as inclusive of GST) and the purchase price of the motor vehicle.

Example 9:

| | |
|---|---|
| Selling Price | $25,000 (inclusive of GST) |
| Purchase Price | $20,000 |

| | |
|---|---|
| Selling Price | $25,000 |
| Purchase Price | ($20,000) |
| Gross margin | $ 5,000 |

GST = 9/109 x $5,000
= $412.84

- For GST reporting purposes

| | |
|---|---|
| Value of standard-rated supply | $24,587.16 (i.e., $25,000 - $412.84) |
| Output tax | $412.84 |

9.7 If you sell a second-hand vehicle at a loss, no GST is to be accounted for. However, you must report the selling price of the vehicle in Box 1 (Total Value of Standard-rated Supplies) of your GST returns.

Example 10:

| | |
|---|---|
| Selling Price | $ 8,000 |
| Purchase Price | $10,000 |

- For GST reporting purposes

| | |
|---|---|
| Value of standard-rated supply | $8,000 |
| Output tax | nil |

9.8 You cannot offset the loss incurred from one sales transaction against the gross margin of another sales transaction for the purpose of determining the total GST to be accounted for on all your sales using the GMS. The GST accountable for each sale should be computed individually.

9.9 If you incur regulatory charges such as road tax, prevailing quota premium and transfer fee upfront before any sale is transacted, you can include them as part of the cost of the vehicle. However, other business expenses such as repair, re-spray, administrative charges and commission cannot be included. If you have incurred GST on these other expenses, you can claim the GST incurred as input tax[6].

Example 11:

| | | |
|---|---|---|
| Selling price | $40,500 | |
| Purchase price | $10,900 | $37,525 |
| Prevailing quota premium | $26,000 | |
| Road tax | $ 600 | |
| Transfer fee | $ 25 | |
| Repair | $ 800 | |
| Commission | $ 500 | |

Gross margin $40,500 - $37,525

= $2,975

GST = 9/109 x $2,975

= $245.64

9.10 If you are recovering the regulatory charges from the customer separately, you cannot include them as part of the cost of the vehicle for the purposes of computing the gross margin.

Example 12:

| | | |
|---|---|---|
| Selling price | $40,500 | |
| Road tax (billed separately) | $ 600 | |
| Transfer fee (billed separately) | $ 25 | |
| Total Consideration paid by customer | $41,125 | |
| Purchase price | $10,900 | $36,900 |
| Prevailing quota premium | $26,000 | |
| Road tax | $ 600 | |
| Transfer fee | $ 25 | |
| Repair | $ 800 | |
| Commission | $ 500 | |

Gross margin $40,500 - $36,900

= $3,600

GST = 9/109 x $3,600

= $297.25

## 10 Discounted Sale Price Scheme for Sale of Second-Hand Vehicles

10.1 Under the Discounted Sale Price Scheme, GST is charged on 50% of the selling price of the vehicle. This is regardless of whether the vehicle is sold at a profit or loss.

Example 13: Sale of a second-hand vehicle to another motor vehicle trader

Selling price $25,000 (**excluding** GST)
Purchase price $20,000

GST = 9% x 50% x $25,000
= $1,125

- For GST reporting purposes

| | |
|---|---|
| Value of standard-rated supply | $25,000 |
| Output tax | $1,125 |

Example 14: Sale of a second-hand vehicle to the public

Selling price $25,000 (**including** GST)
Purchase price $20,000

GST = 9/209 x $25,000
= $1,076.56

- For GST reporting purposes

| | |
|---|---|
| Value of standard-rated supply | $23,923.44 (i.e., $25,000 - $1,076.56) |
| Output tax | $1,076.56 |

10.2 If you are a motor trader, you should use the Discounted Sale Price Scheme when:

a) You do not satisfy the requirements for the use of the Gross Margin Scheme on the sale of your second-hand vehicle[7]; or

b) The customer is registered for GST (the customer may be able to claim the GST charged if the input tax claiming conditions are satisfied[6]).

10.3 You must issue a tax invoice if the customer is GST-registered to enable him to claim input tax credit for a commercial vehicle if he meets the conditions for claiming input tax[6]. The tax invoice must have the details described at paragraph 3(b) of Appendix 1.

[7] Refer to paragraph 9 for the conditions before the Gross Margin Scheme can be used.

## 11 Sale of Vehicle Bodies

11.1 You can apply the Gross Margin Scheme (GMS)[8] to the sale of a vehicle body to another motor vehicle trader if the vehicle is purchased from:

a) A non-GST registered individual or business[9]; or

b) A GST-registered[9] supplier who had used use the GMS and where you had obtained a sales invoice (not a tax invoice) from the supplier showing that the goods were supplied to you under the GMS. The invoice should contain the details listed at paragraph 3(a) of Appendix 1 and should not show the GST chargeable on the sale.

11.2 Under the GMS, you must account for GST on the margin between the selling price of the vehicle body (which is treated as inclusive of GST) and the cost of the vehicle body (which is the purchase price of the vehicle less the face value of the PARF/COE rebate as at date of de-registration of the vehicle).

<u>Example 15:</u>

Purchase price of vehicle $85,000
Face value of PARF/COE rebate as at date of de-registration of vehicle $66,000

Selling price of vehicle body $20,000 (inclusive of GST)

Cost of vehicle body = Purchase price of vehicle - Face value of PARF/COE rebate as at date of de-registration of vehicle
= $85,000 - $66,000
= $19,000

Gross Margin = Selling price of vehicle body - Cost of vehicle body
= $20,000 - $19,000
= $1,000

GST = 9/109 x $1,000
= $82.57

- <u>For GST reporting purposes</u>
  Value of standard-rated supply $19,917.43 (i.e., $20,000 - $82.57)
  Output tax $82.57

11.3 Under the GMS, if the face value of the PARF/COE rebate as at the date of de-registration of the vehicle is greater than or equal to the purchase price of the second-hand vehicle, the cost of the vehicle body is treated as zero.

[8] Refer to paragraph 9.1.
[9] You can check the GST registration status of your suppliers from IRAS' website (www.iras.gov.sg > Taxes > GST > Consumers > Checking if a Business is GST registered)

Example 16:

Purchase price of vehicle $65,000
Face value of PARF/COE rebate as at date of de-registration of vehicle $66,000

Selling price of vehicle body $20,000 (inclusive of GST)

Cost of vehicle body = Purchase price of vehicle - Face value of PARF/COE rebate as at date of de-registration of vehicle
= $65,000 - $66,000
= -$1,000

Gross Margin = Selling price of vehicle body - Cost of vehicle body
= $20,000 - $0
= $20,000

GST = 9/109 x $20,000
= $1,651.38

- For GST reporting purposes

  Value of standard-rated supply $18,348.62 (i.e., $20,000 - $1,651.38)
  Output tax $1,651.38

11.4 If any of the conditions in paragraph 11.1 is not satisfied, you must charge and account for GST on the full selling price of the vehicle body[10] and issue a tax invoice to your customer.

Example 17:

Purchase price of vehicle $85,000
Face value of PARF/COE rebate as at date of de-registration of vehicle $66,000

Selling price of vehicle body $20,000 (excluding GST)

GST = 9% x $20,000
= $1,800

11.5 You cannot use the GMS for your sale of vehicle body if the used vehicle was purchased from a GST-registered supplier that did not use the GMS on the sale. The supplier would have charged GST under the Discounted Sale Price Scheme for the sale of used vehicle to you, and you should obtain a tax invoice from your supplier to support your claim of input tax if you meet all the conditions for claiming input tax[6]. Even if you choose to forgo the claim of input tax or fail to obtain a tax invoice from your supplier to support the input tax claim, you cannot use the GMS

[10] If you separately sold the vehicle body of a deregistered vehicle that was eligible for the Early Turnover Scheme (ETS) to a scrapyard, you must also charge GST on the full selling price of the vehicle body and issue a tax invoice to the scrapyard.

for your onward sale of the vehicle body. You must charge and account for GST on the full selling price of the vehicle body.

11.6 If the vehicle body is exported overseas, you can zero-rate the sale provided you are the one who export the vehicle body and you maintain export documents such as bill of lading and cargo clearance permit showing you as the exporter. For the export documents required to be maintained, please refer to our e-Tax Guide "GST: Guide on Exports" available on IRAS' website[11].

## 12 Sale of Vehicle Parts

12.1 When you dismantle a vehicle into various parts and sell/scrap the dismantled vehicle parts, you must charge and account for GST on the full selling price of the vehicle parts.

12.2 The Gross Margin Scheme cannot be applied to the sale of vehicle parts. You must charge and account for GST on the full selling price of the vehicle parts.

## 13 Sale of Temporary COE (TCOE)

13.1 If you sell a TCOE to another motor vehicle trader, you have to account for GST on the profit or value-added element.

Example 18:

Quota Premium for the month is $95,000

You sell TCOE to another motor vehicle trader at $95,500

You have to account for GST of $41.28 (i.e., 9/109 on the profit margin of $500)

## 14 Deposits

14.1 Generally, when you collect a deposit that forms part payment of the price of a new vehicle, you should account for GST on the full deposit collected unless the deposit is collected for the purpose under paragraph 14.2. You should subsequently adjust the final GST payable on the sale after determining the non-taxable component of the selling price[12]. For deposits collected for sales of vehicle under hire-purchase, please refer to Appendices 2 and 5 for examples of how your tax invoices should be issued to the hirer (customer) and the finance company, including how GST is to be computed.

14.2 If the deposit collected is to be paid to LTA for the bidding of COE, GST is not payable. However, you must keep evidence of proof that the deposit is fully paid to LTA as COE bid deposit. This would include the evidence of submission of the COE bid and deduction of bid deposit from your corporate bank account via

[11] www.iras.gov.sg > Quick links > e-Tax Guides > search for the Guide "GST: Guide on Exports".
[12] For example, when the COE is determinable only after the bidding exercise.

internet banking.

## 15 Trade-In

15.1 It is a common practice for a customer to trade in an old vehicle for a new vehicle. In a trade-in situation, there are two separate supplies made:

a) Your sale of the new vehicle to the customer; and
b) Your customer's sale of the old vehicle to you.

For (a), you should account for GST on the actual GST-inclusive selling price of the new vehicle, excluding ARF, COE, RF and Road Tax. In computing the GST for the new vehicle, you cannot net-off the trade-in value of old vehicle against the selling price of the new vehicle.

<u>Example 19:</u>

| | | |
|---|---|---|
| Selling price of new vehicle | $158,533 (inclusive of ARF, COE, RF, Road Tax & GST) | |
| ARF | $20,000 | $115,750 |
| COE | $95,000 | |
| RF | $ 350 | |
| Road Tax | $ 400 | |

Trade-in value of old vehicle $20,000
Payment received from customer $138,533

GST = 9/109 x ($158,533 – $115,750)
= 9/109 x $42,783
= $3,532.54

## 16 Commission and interest relating to Hire-Purchase Financing

16.1 If you introduce customers who require hire-purchase financing to finance companies and receive a commission from the finance companies, you must account for GST on the commission earned. This is because you are considered to have provided services to the finance companies.

16.2 If you provide hire-purchase financing to your customers, GST is not chargeable on hire-purchase interest and this interest amount should be separately disclosed to the hirer. You should report the interest charged to the customers in Box 3 (Total Value of Exempt Supplies) of the GST returns.

## 17 Repossession of Vehicles Sold under Hire-Purchase

17.1 When you repossess a vehicle that has been sold under a hire-purchase agreement, there is no supply for GST purposes. Therefore, no GST is chargeable.

17.2 When you subsequently sell the repossessed vehicle, the sale is treated as being made by the hirer. Therefore, if the hirer is a GST registered person, you must charge and account for GST on the sale on behalf of the hirer[13]. If the hirer is not a GST registered person, you need not charge GST on the sale of the repossessed vehicle.

17.3 If you incur repossession related expenses such as search fee, towing fee and storage fee and subsequently recover the expenses from the hirer, you do not have to charge and account for GST. This is because the recovery of repossession related expenses is treated as compensation arising from default in payment by the hirer and therefore not a supply for GST purposes. You may claim the GST incurred on the repossession related expenses as your residual input tax[14].

## 18 Insurance

18.1 You act as an agent for general insurance companies. Upon selling a vehicle, you introduce your customer to the insurance companies for insurance coverage. For the insurance premium paid by your customer, you do not have to charge GST as you are only acting on behalf of the insurance companies.

If the insurance companies are registered for GST, they will impose 9% on the insurance premiums. You do not need to charge another 9% on the premiums collected on behalf of the insurance companies.

<u>Example 20</u>:

| | |
|---|---|
| Selling Price | $137,605 (inclusive of ARF, COE, RF, Road Tax, insurance & GST) |
| ARF | $20,000 |
| COE Quota Premium | $95,000 |
| RF | $ 350 |
| Road Tax | $ 400 |
| Insurance | $ 1,605 |
| Payment received from customer | $137,605 |

[13] Under regulation 58 of the GST (General) Regulations, when an asset owned by a GST-registered person is sold in satisfaction of debt, the person selling the asset is required to collect GST on the selling price and pay the tax directly to IRAS.
[14] Residual input tax refers to GST incurred on purchases/expenses that cannot be directly attributable to either taxable or exempt supplies (e.g., overheads). Such input tax needs to be apportioned if you do not satisfy the De Minimis Rule. For more information, please refer to our webpage (www.iras.gov.sg > Taxes > GST > Claiming GST (Input Tax) > Claiming Input Tax Incurred to Make Exempt Supplies)

GST = 9/109 x ($137,605 - $20,000 - $95,000 - $350 - $400 - $1,605)
= 9/109 x $20,250
= $1,672.02

18.2 You cannot claim GST on the insurance premiums incurred by vehicle buyers, as the supply of insurance is not contractually made to you but to the vehicle buyers.

18.3 You are required to account for GST on the commission that you receive from the insurance companies for introducing your customers to them as you are providing a service to the insurance companies.

## 19 Accessories and Spare Parts

19.1 When a customer buys a new car and requests for accessories, e.g., spoilers or sports rims to be installed, you must charge and account for GST when you recover the cost of the accessories from the customer. If you have incurred GST on the purchase of the accessories, you can claim the GST incurred as input tax.

19.2 If you sell In-Vehicle Units (IUs) / On-Board Unit (OBUs) and number plates, you must charge and account for GST on the sale of these units and number plates regardless of whether you are selling these units and number plates only or with new vehicles. If you have incurred GST on the purchase of the IUs / OBUs and number plates, you can claim the GST incurred as input tax.

## 20 Miscellaneous Fees/Charges

20.1 You must account for GST on all your supplies of services made in the course of your business. These include handling charges, collection fees, administration fees, agreement fees and commission.

20.2 Interest collected from late payment is not subject to GST as it is an exempt supply. However, you must report the amount in Box 3 (Total Value of Exempt Supplies) of your GST returns.

## 21 Free Gifts and Free Warranties

21.1 As part of your sales promotion, you offer free accessories, e.g., tyres or seat covers to your customers. You need not account for GST on the free gifts as the cost of the ‘free gifts’ would have already been included in the selling price of the vehicle sold.

21.2 If you offer free warranties to your customers, you need not account for GST on goods and services provided free of charge during the warranty period. This is because the free warranties are already included in the selling price of the vehicle, for which GST has been accounted for.

21.3 If you bought a vehicle with warranty from an overseas dealer and you in turn sold the vehicle with the warranty to a customer, you do not have to charge GST when you seek reimbursement from the overseas dealer for the cost of repairs incurred during the warranty period although the repair works may be performed in Singapore. This is because your selling price of the vehicle, for which GST has been accounted for, would have taken into consideration the cost of repairs covered by the warranty.

However, if the customer has not bought the vehicle from you but you have been appointed by the overseas dealer to perform repair services for the customer, you must charge GST at 9% when you bill the overseas dealer for the repair services performed on vehicles located in Singapore.

## 22 Claiming Input Tax

22.1 If you have paid GST for your business purchases, including imports, you are entitled to claim the input tax incurred if you meet all the conditions for claiming input tax. Please refer to our website[15] for the list of input tax claiming conditions, including the input tax disallowed under Regulations 26 and 27 of the GST (General) Regulations.

22.2 Pre-registration GST is the GST that businesses incur on supplies of goods or services made to them before they are registered for GST.

Pre-registration GST is allowable only to the extent that the goods or services acquired are used or will be used for taxable supplies made after GST registration. Hence, if before your GST registration the goods have already been consumed or supplied, or services have been used to make supplies before registration, the pre-registration GST incurred is not allowable.

If the services or goods acquired by you are used to make supplies that straddle your GST registration (i.e., supplies are made both before and after GST registration) or the goods are partially consumed before your GST registration, you need to apportion the GST incurred. Only the portion of GST that is attributable to the supplies made after registration is claimable. You should refer to the e-tax guide on “GST: Pre-Registration Claims on Goods and Services” to determine how apportionment may be done.

22.3 When making claims for input tax, you should check that your supplier is GST registered[5]. No input tax should be claimed in your GST returns for purchases from non-GST registered businesses.

## 23 De-Registration

23.1 Once you are de-registered from GST registration, a final GST return (GST F8) will be issued to you to file and account for GST up till the last day of the GST registration, one day before your effective date of cancellation of your GST registration. In your GST F8, you only need to account for output tax based on 50% of the Open Market Value for used vehicles.

For more information on de-registration from GST registration please refer to our

[15] Refer to our webpage (www.iras.gov.sg > Taxes > GST > Claiming GST (Input Tax) > Conditions for claiming input tax)

webpage (www.iras.gov.sg > Taxes > GST > GST Registration/Deregistration > Cancelling GST registration).

## 24 Record Keeping

24.1 It is the responsibility of business owners and company directors to ensure that proper records are kept. You are expected to put in place a record keeping system to ensure that your GST declarations are duly supported with the required documents.

The types of records you need to keep include:

(a) Source documents that substantiate all transactions in your business - e.g., receipts, invoices, vouchers, and other relevant documents issued or received from customers/suppliers;

(b) Records of the steps taken to ascertain whether the supply made to you or by you was a part of a Missing Trader Fraud arrangement – e.g., the risks assessed, the due diligence checks performed, and the actions taken in response to the results from the checks;

(c) Accounting records and schedules - manual or electronic records of assets and liabilities, revenue and expenses, gains (profit) and losses;

(d) Bank statements; and

(e) Any other records of transactions connected with your business.

You may refer to the e-Tax Guide "Record Keeping for GST registered Businesses" available on IRAS' website[16] for more information.

For more details on the records to be maintained for the sale of second-hand vehicles, please refer to Appendix 1.

24.2 Under the Income Tax Act and the GST Act, you are required to keep business records for a period of at least five years.

24.3 Under the Income Tax Act and the GST Act, failure to maintain sufficient records is an offence and may result in expenses claimed being disallowed or/and penalties being imposed.

[16] www.iras.gov.sg > Quick links > e-Tax Guides > search for the Guide "Record Keeping for GST-registered Businesses".

## 25 Contact Information

25.1 For enquiries on this e-Tax Guide, please contact the Goods and Services Tax Division at www.iras.gov.sg (select “Contact Us”).

## 26 Updates and Amendments

| | Date of amendment | Amendments made |
|---|---|---|
| 1 | 20 Nov 2015 | Inserted paragraph 7.7 |
| 2 | 13 Feb 2018 | Removed paragraph 4 of second edition on GST registration and renumbered the ensuing paragraphs.<br><br>Amended paragraph 26 of second edition (renumbered as paragraph 25 in third edition) on contact information. |
| 3 | 10 Feb 2021 | Revised paragraph 22.1 on input tax claiming conditions.<br><br>Inserted paragraph 24.1(b) on record keeping requirements to ascertain whether the supply was part of a Missing Trader Fraud arrangement.<br><br>Editorial changes. |
| 4 | 1 Oct 2021 | Revised paragraph 22.1 on input tax claiming conditions to make references to the relevant IRAS webpages.<br><br>Deleted previous Appendix 2 on Regulations 26 and 27 of the GST (General) Regulations. |
| 5 | 1 Jan 2023 | Removed paragraph 6.4 of fifth edition on GVR and CEVS rebate. Paragraph 6.2 provides the GST computation method when the selling price includes regulatory charges, incentives, vehicular schemes surcharges or rebates.<br><br>Revised section 9 on the Gross Margin Scheme and section 11 on Sale of Vehicle Bodies to provide better clarity on the conditions to be met before the Gross Margin Scheme can be applied on sales transactions.<br><br>Revised paragraph 10.2 on Discounted Sale Price Scheme to provide better clarity on when the scheme is to be applied. |

| | Date of amendment | Amendments made |
|---|---|---|
| | | Revised paragraph 11.5 on export to reference to the e-Tax Guide “GST: Guide on Exports” for the export documents required to be maintained.<br><br>Edited paragraph 14.2 on the evidence to be maintained for deposits collected for the bidding of COE.<br><br>Computational examples updated to new GST rate<br><br>Editorial changes. |
| 6 | 1 Jan 2024 | Updated numerical examples to new GST rate of 9%.<br><br>Renumbered paragraph 10.3 (of 6th edition) to 2.5.<br><br>Simplified paragraph 4.2 (of 6th edition) and removed ATA Carnet from Glossary. For available GST relief relating to importing motor vehicles, importers can contact Singapore Customs for more information on such reliefs.<br><br>Updated paragraph 14 on deposits.<br><br>Inserted paragraph 22.3 on GST charged by non-GST registered suppliers.<br><br>Inserted footnote 13 to clarify the GST treatment on the sale of vehicle bodies of used vehicles eligible for the Early Turnover Scheme.<br><br>Simplified footnote 14 (of 6th edition) and subsumed within paragraph 11.5.<br><br>Updated Appendices 1 to 5. Non-compulsory signatures of seller and buyer are removed from the examples. Examples of tax invoices issued to hirer and finance company for vehicles sold under hire purchase arrangement are also updated.<br><br>Editorial changes. |

| | Date of amendment | Amendments made |
|---|---|---|
| 7 | 2 Dec 2024 | Inserted information on hire purchase financing from the finance company's perspective at paragraph 7.1.<br><br>Editorial changes. |
| 8 | 1 Jul 2025 | Eligible businesses that wish to start using the GMS from 1 Jul 2025 no longer need to obtain IRAS' approval. Consequential amendments have been made to reflect this change. The form "Self-Review of Eligibility and Declaration on Use of Gross Margin Scheme Form" is replaced by a "Self-Review of Eligibility to Use the Gross Margin Scheme (GMS)" checklist.<br><br>Other editorial changes were made. |

## Appendix 1 - Record Keeping for Sale of Second-Hand Vehicles

1. For sale of second-hand vehicles, you are required to keep the following records:

   (a) The purchase and sales invoice / tax invoice described at paragraphs 2 and 3 below; and

   (b) A stock book or similar records with separate headings for each of the following:

   Purchase details

   - stock book number
   - date of purchase
   - purchase invoice number
   - name of seller
   - vehicle registration, engine and chassis numbers
   - make and model

   Sales details

   - date of sale
   - sales invoice number
   - name of purchaser

   Accounting details

   - purchase price and GST incurred (if applicable)
   - selling price and GST charged (if applicable)
   - method of disposal (Gross Margin or Discounted Sale Price Scheme)
   - margin on sale (if applicable)
   - GST rate on date of sale
   - GST amount accounted as output tax

   You can include any other items in your stock book for your own accounting purposes, but the details listed above must always be shown and your stock book must be kept **up-to-date**.

2. When you buy a vehicle from an individual

   (a) You must prepare a **purchase invoice** showing:

   - seller's name and address
   - your name and address
   - invoice number
   - date of transaction
   - stock book number
   - particulars of vehicle (registration, engine and chassis numbers, make and model)
   - total purchase price

(b) You have to record the purchase details of the vehicle in your stock book or similar record under the headings shown, including the purchase price. The purchase price is the price on the invoice which has been agreed between you and the seller. This price should not be altered.

3. When you sell a vehicle

(a) Under the **Gross Margin Scheme**, you must issue a **sales invoice** showing:

- your name, address and GST registration number
- buyer's name and address
- invoice number
- invoice date
- stock book number
- particulars of vehicle (registration, engine and chassis numbers, make and model)
- total price
- the statement 'This vehicle is sold under GST Gross Margin Scheme. Both the seller and buyer cannot claim any input tax on the vehicle.'

(b) Under the **Discounted Sale Price Scheme**, you must issue a **tax invoice** showing:

- the words 'tax invoice' in a prominent place
- invoice number
- invoice date
- your name, address and GST registration number
- buyer's name and address
- stock book number
- particulars of vehicle (registration, engine and chassis numbers, make and model)
- type of supply (e.g., outright sale or hire purchase)
- cash discount offered, if any
- amount payable, excluding GST
- GST rate and GST amount
- total amount payable, including GST

(c) The sales details and selling price of the vehicle must be entered into the stock book or similar record under the appropriate headings.

(d) A copy of the sales/tax invoice must be kept and maintained.

## Appendix 2 - Sample Tax Invoice to Customer/Finance Company for Sale of New Vehicles under Hire-Purchase

Using details in example 3 of paragraph 6.1

ABC Automobile Pte Ltd
No. 1 Ubi Ave 2 Singapore 123456
GST Reg No: M2-0123456-7

Tax Invoice

Finance Co:
XYZ Finance Pte Ltd

Invoice No 1258
Date : 1/1/2024

2 Shenton Way
Singapore 666666

Stock Book No : 01501

Customer:
ABC Trading
88 Thomson Road
Singapore 888888

| No. | Description | Amount |
|---|---|---|
| 1 | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX | |
| | Selling price (incl. ARF, COE, RF, Road Tax & GST) | $158,533.00 |
| | Less: Deposit/Downpayment paid | $ 47,559.90 |
| | Less: GST paid on behalf of Finance Co.[17] | $ 2,472.78 |
| | Hire purchase amount due | $108,500.32 |
| | GST details[18]: | |

| | Taxable supplies | GST (9%) |
|---|---|---|
| Customer | $11,775.14 | $1,059.76 |
| Finance co. | $27,475.32 | $2,472.78 |
| Total | $39,250.46 | $3,532.54 |

[17] Assuming that it has been agreed between the hirer and finance co. that the GST chargeable to the finance company shall be paid for by the hirer on behalf of the finance company.

[18] The proportion of taxable supplies allocated to the hirer and finance co. follows the percentage of the selling price payable by the buyer and finance co. respectively. In the above example, the percentage of the selling price payable by the hirer (excluding the GST paid on behalf of the finance co.) and the finance co. is 30% and 70% respectively. If the hirer is entitled to claim input tax on the purchase of a commercial vehicle, the hirer is required to support his claim with valid tax invoices issued by both the seller and the finance co. In this example, the hirer must obtain a tax invoice from the finance co. for the GST of $2,472.78 chargeable by the finance co. in addition to the tax invoice issued by the seller. The seller and finance co. are then required to account for output tax of $3,532.54 and $2,472.78

## Appendix 3 - Sample Sales Invoice to Customer for Sale of Second-Hand Vehicles under the Gross Margin Scheme

Using details in example 9 of paragraph 9.6

ABC Automobile Pte Ltd
No. 1 Ubi Ave 2 Singapore 123456
GST Reg No: M2-0123456-7

Sales Invoice

Mr Marcus Tan
123 Newton Road
Singapore 999999

Invoice No 1002
Date : 1/1/2024
Stock Book No : 0158

| No. | Description | Amount |
|---|---|---|
| 1 | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX | |
| | Selling price of vehicle | $25,000.00 |
| | Less: Deposit paid | $ 2,000.00 |
| | Balance amount due | $23,000.00 |

This vehicle is sold under GST Gross Margin Scheme. Both the seller and buyer cannot claim any input tax on this vehicle.

respectively.

**Appendix 4 - Sample Tax Invoice to a GST-Registered Customer for Sale of Second-Hand Vehicles under Discounted Sale Price Scheme**

Using details in example 13 of paragraph 10.1

ABC Automobile Pte Ltd
No. 1 Ubi Ave 2 Singapore 123456
GST Reg No: M2-0123456-7

Tax
Invoice

XYZ Motor Co
2 Wheelock Ave
Singapore 555555

Invoice No 2052
Date : 1/1/2024
Stock Book No: 0160

Type of Supply: Cash Term

| No. | Description | Amount |
|---|---|---|
| 1 | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX | |
| | Selling price of vehicle | $25,000.00 |
| | Add: GST @ 9% x 50% x $25,000 | $ 1,125.00 |
| | Total amount due | $26,125.00 |
| | Less: Deposit paid | $ 5,000.00 |
| | Balance amount due | $21,125.00 |

## Appendix 5 - Sample Tax Invoice to Customer/Finance Company for Sale of Second-Hand Vehicles under Discounted Sale Price Scheme

Using details in example 14 of paragraph 10.1

ABC Automobile Pte Ltd
No. 1 Ubi Ave 2 Singapore 123456
GST Reg No: M2-0123456-7

Tax Invoice

Finance Co:
XYZ Finance Pte Ltd
2 Shenton Way
Singapore 666666

Invoice No 1520
Date : 1/1/2024
Stock Book No : 0210

Customer:
ABC Trading
88 Thomson Road
Singapore 888888

Type of Supply: Hire Purchase

| No. | Description | Amount |
|---|---|---|
| 1 | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX | |
| | Selling price of vehicle (incl. GST) | $25,000.00 |
| | Less: Deposit/Downpayment paid | $ 7,500.00 |
| | Less: GST paid on behalf of Finance Co.[17] | $ 753.59 |
| | Hire purchase amount due | $16,746.41 |
| | GST details[19]: | |

| | Taxable supplies | GST (9%)* |
|---|---|---|
| Customer | $ 7,177.03 | $ 322.97 |
| Finance co. | $16,746.41 | $ 753.59 |
| Total | $23,923.44 | $1,076.56 |

*GST is computed at 9% of 50% of the taxable supply

[19] The proportion of taxable supplies allocated to the hirer and finance co. follows the percentage of the selling price payable by the buyer and finance co respectively. In the above example, the percentage of the selling price payable by the hirer (excluding the GST paid on behalf of the finance co.) and the finance co. is 30% and 70% respectively. If the hirer is entitled to claim input tax on the purchase of a commercial vehicle, the hirer is required to support his claim with valid tax invoices issued by both the seller and the finance co.. The hirer must obtain a tax invoice from the finance co. for the GST of $753.59 chargeable by the finance co. in addition to the tax invoice issued by the seller. The seller and finance co. will then be required to account for output tax of $1,076.56 and $753.59 respectively.

# Appendix 6 - GST Computation Templates for Sale of New Vehicles

## New Vehicles

Using details in example 3 of paragraph 6.1

| | | | | [A] | [B] | [C] | [D] | [E] | [F]=[A]-[B]-[C]-[D]-[E] | [G]=[F] x 9/109 | [H]=[F]-[G] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **S/n** | **Invoice date** | **Invoice no.** | **Vehicle no.** | **Selling price** | **ARF** | **COE** | **Regn fee** | **Road tax** | **Taxable supply (including GST)** | **GST output tax** | **Standard-rated supply** |
| 1 | DDMMYY | XXXXX | XXXXX | $158,533.00 | $20,000.00 | $95,000.00 | $350.00 | $400.00 | $42,783.00 | $3,532.54 | $39,250.46 |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |
| | | | | | | | | | **Total** | **$3,532.54** | **$39,250.46[1]** |
| | | | | | | | | | | Box 6 | Box 1 |

## Off-Peak Cars[2]

Using details in example 4 of paragraph 6.3

| | | | | [A] | [B] | [C] | [D] | [E]=[B]+[C]-[D] | [F] | [G] | [H]=[A]-[E]-[F]-[G] | [I]=[H] x 9/109 | [J]=[H]-[I] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **S/n** | **Invoice date** | **Invoice no.** | **Vehicle no.** | **Selling price** | **ARF** | **COE** | **OPC scheme rebate** | **Net ARF and COE paid to LTA** | **Regn fee** | **Road tax** | **Taxable supply (including GST)** | **GST output tax** | **Standard-rated supply** |
| 1 | DDMMYY | XXXXX | XXXXX | $140,215.00 | $20,000.00 | $95,000.00 | $17,000.00 | $98,000.00 | $350.00 | $70.00 | $41,795.00 | $3,450.96 | $38,344.04 |
| 2 | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | |
| | | | | | | | | | | | **Total** | **$3,450.96** | **$38,344.04[1]** |
| | | | | | | | | | | | | Box 6 | Box 1 |

**Notes:**

[1]Cents to be dropped for Box 1 reporting purposes. Based on the examples in Appendix 6, the combined value to be reported in Box 1 will be $77,594.
[2]For other rebate/surcharge vehicular schemes, please refer to paragraph 6.2 of this guide

# Appendix 7 - GST Computation Templates for Sale of Second-Hand Vehicles

## Gross Margin Scheme[1]

Using details in example 11 of paragraph 9.9

| | | | | [A] | [B] | [C] | [D] | [E] | [F]=[A]-[B]-[C]-[D]-[E] | [G]=[F] x 9/109 | [H]=[A]-[G] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **S/n** | **Invoice date** | **Invoice no.** | **Vehicle no.** | **Selling price** | **Purchase price** | **COE renewal[2]** | **Road tax renewal[2]** | **Transfer fee[2]** | **Gross margin[3]** | **GST output tax** | **Standard-rated supply** |
| 1 | DDMMYY | XXXXX | XXXXX | $40,500.00 | $10,900.00 | $26,000.00 | $600.00 | $25.00 | $2,975.00 | $245.64 | $40,254.36 |
| 2 | | | | | | | | | | | |
| 3 | | | | | | | | | | | |
| | | | | | | | | | **Total** | **$245.64** | **$40,254.36[5]** |
| | | | | | | | | | | Box 6 | Box 1 |

## Discounted Sale Price Scheme[4]

Using details of example 14 of paragraph 10.1

| | | | | [A] | [B] | [C]=[A] x 9/209 | [D]=[A]-[C] |
|---|---|---|---|---|---|---|---|
| **S/n** | **Invoice date** | **Invoice no.** | **Vehicle no.** | **Selling price** | **Purchase price** | **GST output tax** | **Standard-rated supply** |
| 1 | DDMMYY | XXXXX | XXXXX | $25,000.00 | $20,000.00 | $1,076.56 | $23,923.44 |
| 2 | | | | | | | |
| 3 | | | | | | | |
| | | | | | **Total** | **$1,076.56** | **$23,923.44[5]** |
| | | | | | | Box 6 | Box 1 |

**Notes:**

[1]The second-hand vehicle must be purchased from a non-GST registered supplier or a GST-registered supplier who had used the Gross Margin Scheme on the sale of the second-hand vehicle to you and where you have a sales invoice (not tax invoice) from the supplier to support your purchase made under the Gross Margin Scheme.

[2]If the LTA charges were separately recovered from the customers, you cannot deduct the LTA charges from the selling price of the used vehicle to arrive at the gross margin.

[3]If the gross margin is ≤ \$0, the GST output tax [G] is \$0 and the standard-rated supply [H] is the selling price of the used vehicle [A].

[4]You do not satisfy the requirements for the use of the Gross Margin Scheme on the sale of your second-hand vehicle or the customer is registered for GST.

[5]Cents to be dropped for Box 1 reporting purposes. Based on the examples in Appendix 7, the combined value to be reported in Box 1 will be \$64,177.

## Appendix 8 - GST Computation Templates for Sale of Vehicle Bodies

## Scenario: You purchase a second-hand vehicle, deregister it and sell the vehicle body locally.

Using details in examples 15 and 16 of paragraphs 11.2 and 11.3

| | | | | [A] | [B] | [C] | [D]=[B]-[C] | [E]=[A]-[D] | [F]=[E] x 9/109 | [G]=[A]-[F] |
|---|---|---|---|---|---|---|---|---|---|---|
| **S/n** | **Invoice date** | **Invoice no.** | **Vehicle no.** | **Selling price of vehicle body** | **Purchase price of used vehicle**[1] | **Face value of PARF/COE rebate as at date of de-registration of vehicle**[2] | **Cost of vehicle body**[3] | **Gross margin**[4] | **GST output tax** | **Standard-rated supply** |
| 1 | DDMMYY | XXXXX | XXXXX | $20,000.00 | $85,000.00 | $66,000.00 | $19,000.00 | $1,000.00 | $82.57 | $19,917.43 |
| 2 | DDMMYY | XXXXX | XXXXX | $20,000.00 | $65,000.00 | $66,000.00 | $0.00 | $20,000.00 | $1,651.38 | $18,348.62 |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| 5 | | | | | | | | | | |
| | | | | | | | | **Total** | **$1,733.95** | **$38,266.05**[5] |
| | | | | | | | | | Box 6 | Box 1 |

**Note:**

[1]The used vehicle must be purchased from a non-GST registered supplier or a GST-registered supplier who had used the Gross Margin Scheme on the sale of the used vehicle to you and where you have a sales invoice (not tax invoice) from the supplier to support your purchase made under the Gross Margin Scheme. Otherwise, you must charge and account for GST on the full selling price of the vehicle body.

[2]This figure is to be extracted from LTA documents.

[3]The cost of vehicle body is $0 when the face value of PARF/COE rebate at date of de-registration of the vehicle [C] is ≥ the purchase price of the second-hand vehicle [B].

[4]If the gross margin is ≤ $0, the GST output tax [F] is $0 and the standard-rated supply [G] is the selling price of the vehicle body [A].

[5]Cents to be dropped for Box 1 reporting purposes. Based on the example in Appendix 8, the value to be reported in Box 1 will be $38,266.