

Frequently Asked Questions – Extension of OVR regime to Imported Low Value Goods

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A. FAQs on Permit Application Procedure and Best Practices

1. How does the extension of OVR regime to imported low-value goods (“LVG”) impact you as a logistics operator (i.e., transporter, air courier or forwarding company) for imports via air or post?

	From 1 Jan 2023
Imports ≤ S\$400 via air or post	There is no change in the procedure for such imports, i.e., customs import permit is not required for non-controlled, non-dutiable goods.
Imports > S\$400 via air or post	<ul style="list-style-type: none"> • To apply for In-Payment (GST) permit for all imports, where import relief is not applicable. • To apply for In-Non-Payment (APS) permit for specific items where two pieces of relevant GST information* are passed down to you (i.e., indicative that GST has been collected on those items). In-payment (GST) permit should be applied for the remaining items where the two pieces of relevant GST information are not passed down to you. <p>*The two pieces of relevant GST information refers to:</p> <ol style="list-style-type: none"> i. the GST registration number of the OVR vendor; and ii. the amount of GST paid or an indication to show whether GST has been charged for each item of goods

2. Is there a change in import procedures for imports via sea or land?

- Generally, you will continue to apply for In-Payment (GST) permits to account for the importation and GST payable for all imports via sea or land as per existing requirements.
- However, some OVR vendors may obtain approval to charge GST on goods not exceeding S\$400 imported via sea and land (“approved OVR Vendor). Once approved, the approved OVR Vendor would charge GST on all LVG regardless of the mode of shipment.
- Where the Approved OVR Vendor GST passes down the two pieces of relevant GST information to you on such items imported via sea or land, you are to apply for an In-Non-Payment (APS) permit. For any remaining items without the two pieces of relevant GST information, you should take up an In-payment (GST) permit.

3. How can I apply for the import permit for importation of LVG where the total CIF value of the consignment exceeds \$400?

- For the importation of a consignment containing one or more LVG items where the total CIF value of the consignment exceeds \$400 at the border, you are required to obtain an import permit to account for the importation of goods.
- Where two pieces of relevant GST information are passed down to you on the LVG items, you may apply for an In-Non-Payment permit for those LVG items with the following GST information in the import permit application to avoid double taxation:

S/N	Permit Field	Input Value
1	Message Type	In-Non-Payment (INP)
2	Declaration Type	Approved Premises/Schemes (APS)
3	Place of Receipt Code	OVR
4	CA/SC Product Code	OVR
5	CA/SC Code 1	OVR GSTN (e.g., XXXXXXXXXXXX)

All other fields to be declared in the In-Non-Payment permit will be as per current procedures.

- If the consignment contains other items where the two pieces of relevant GST information are not passed down to you, you should take up an in-payment (GST) permits for the remaining items where GST has not been collected by the OVR vendor.

4. What are the fields that I have to declare in an Advance Manifest?

S/N	Declaration Field
1.	Transporter Name
2.	Transporter UEN
3.	Import Clearance Date
4.	Tracking No./HAWB/Reference No.
5.	Outer Packing No.
6.	Supplier Name
7.	Supplier Address
8.	Supplier GSTN (<i>Applicable to LVG only</i>)
9.	Consignee Name
10.	Consignee Address
11.	Consignee Postcode
12.	Consignee Tel
13.	Consignee Email
14.	Description
15.	Item CIF Value (SGD)
16.	Total CIF Value Under Same Tracking No./HAWB/ Reference No. (SGD)
17.	Country of Origin
18.	Port of Loading

5. How do I know whether the OVR vendor has collected GST on the sale of LVG?
- If GST has been collected at the point of sale, the OVR vendors must include the two pieces of relevant GST information in the commercial document or transmit it via electronic interface, which is passed down to you.
 - The two pieces of relevant GST information refers to:
 - (i) the GST registration number of the OVR vendor; and
 - (ii) the amount of GST paid or an indication to show whether GST has been charged for each item of goods¹.
6. How will the two pieces of relevant GST information (e.g., OVR vendor's GST registration number and amount of GST paid/ indicator that GST has been paid) be passed down to me?
- As OVR vendors have different logistics processes and system setups, to facilitate compliance, IRAS does not prescribe the manner in which the relevant GST information should be transmitted to the transporters for non-postal imports. OVR vendors can determine and inform or agree with the transporters on the method of transmission of the relevant GST information.
 - To facilitate the customs permit application, you can check with your customer (i.e., OVR vendor) on the method of transmission.
7. What if the OVR vendor has passed down its GST registration number but there is no indication that GST was charged for each item of goods?
- In this case, you should apply for In-Payment (GST) permit where import relief is not applicable (i.e., imports > S\$400 via air or post and all imports via sea or land).
 - Where any of the two pieces of relevant GST information is not passed down to you, you should apply for In-Payment (GST) permit if import relief is not applicable.
8. What if the GST registration number presented by the OVR vendor is invalid but there is a GST paid indicator on the item?
- If you have information that GST registration number presented is invalid (such as when the GST registration number is flagged out as erroneous in the TradeNet system), you should verify the GST registration number with the OVR vendor (where possible) and maintain a record of your check done before submitting the permit application.
 - If you are unable to obtain a valid GST registration number from the OVR vendor, you should declare a GST payment permit where import relief is not applicable (i.e., imports > S\$400 via air or post and all imports via sea or land).

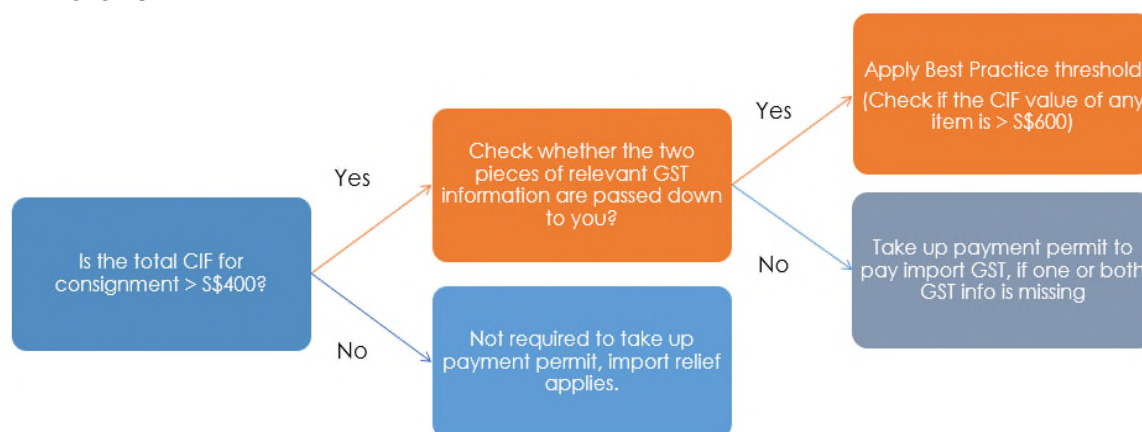
¹ For example, OVR vendors can indicate the words "GST-paid" for each item for which GST was charged and collected at the point of sale.

9. What is the import procedure for a consignment containing both LVG and non-LVG for imports via air?

- Where LVG forms part of a consignment with total CIF value exceeding S\$400, you should declare an In-Non-Payment (APS) permit for the LVG items for which the two pieces of relevant GST information are passed down to you.
- You should continue to declare payment permit and pay import GST on the remaining items imported in the same consignment for which the two pieces of relevant GST information are not passed down to you.

10. I have a consignment with total CIF value exceeding S\$400. How can I determine if the GST information that have been passed down to me are for LVG and not non-LVG items?

- Where the relevant GST information are for non-LVG² items, you should declare a payment permit instead of In-Non-Payment permit. This is no different from all other import declarations made to Customs, you are required to ensure that all import declarations for LVG are correct and are liable for the collection of import GST on consignments with total CIF above S\$400.
- To help you identify non-LVG items in a consignment exceeding S\$400 where the two pieces of relevant GST Information are present but may have been passed down erroneously, we suggest that you apply the Best Practice threshold as follows:



² As the entry value threshold of S\$400 (excluding GST) to determine whether an item is a LVG is generally applied on a per item basis, there should be limited instances (e.g., exchange rate fluctuations) where the OVR vendor collects GST on goods with sales value or CIF value more than S\$400.

Applying Best Practice threshold (wef 1 Jan 2023)

- a) Check if the CIF value of **any item** is > S\$600 (Best Practice threshold).
 - i. If the CIF value of item is \leq S\$600, to declare a In-Non-Payment permit unless you have information that the item is non-LVG³; or
 - ii. If the CIF value of item is > S\$600, to declare a payment permit unless you have information that the item is an LVG⁴.

- b) If only the total CIF value of the consignment is available and you do not have the breakdown by item, you may compute a total CIF threshold based on the number of items in the consignment (e.g., S\$600 x no. of items).
 - i. If the total CIF value of the consignment is \leq (S\$600 x no. of items), to declare a In-Non-Payment permit unless you have information that any item is non-LVG; or
 - ii. If the total CIF value of the consignment is > (S\$600 x no. of items), to declare a payment permit unless you have information that any item is an LVG.

11. Will I be exempted from penalties for any errors in the import permit if I had followed Best Practices?

- The Best Practices are guidelines meant to help you identify non-LVG.
- By following the guidelines, it may reduce your risk of having to rectify for errors and pay import GST subsequently for non-payment permits taken up.
- Investigations would be conducted on the errors made and the outcome of the investigations, including imposition of penalties, would be determined on a case-by-case basis.

12. At the point of sale, if the sales value of the item sold does not exceed S\$400 (i.e., LVG), but due to exchange rate fluctuations, the value of the item exceeded S\$400 at the point of import, what document should I use to clear the goods?

- As the CIF value of the item has exceeded \$400 at the point of import, you are to declare a non-payment permit for the item imported.
- This is assuming that the item is an LVG and the two pieces of relevant GST information (i.e., GST registration number and GST payment indicator for each item of goods) are passed down to you.

³ For example, you can see from the invoice that the item is a non-LVG because the sale is transacted in SGD and the SGD sales value per item > \$400 + GST.)

⁴ Such information may include (i) an invoice showing that sales value per item excluding GST is < S\$400, (ii) shipping documents showing I&F exceed \$200 such that the sales value can be inferred to be less than \$400 or (iii) You have checked with the OVR vendor or the importer and obtained confirmation that the item is an LVG and GST has been paid to the OVR vendor.

13. As a transporter, I have brought in two items consigned to the same importer on the same flight. The two items were purchased from two separate vendors. Item A is a \$300 handbag purchased from a GST-registered vendor ABC, and the two pieces of relevant GST information are passed down to me on the handbag. Item B is a pair of \$200 sunglasses purchased from a non-GST registered vendor DEF. How should I declare my goods?

- To determine the total CIF value, all goods consigned to the same importer and arriving in Singapore on the same flight are treated as a whole, even if the goods are covered by different freight documents.
- As the total CIF value for the two items exceeds S\$400, GST relief does not apply and import permits must be declared.
- You should take up a non-payment permit for \$300 handbag since this is a LVG and the two pieces of relevant GST information are passed down to you on item. For the \$200 sunglasses, you should declare a payment permit since this is not a LVG and GST has not been collected by the vendor.

B. FAQs on Handling Double Taxation issues

14. What should I do if importer informs that he/ she has been taxed twice on the same goods (i.e., GST was charged on sale of goods by OVR vendor and subject to tax again at border)?

- You should advise the importer to seek a reimbursement of GST from the OVR vendor. The importer should provide the following evidence to the OVR vendor to substantiate that import GST was paid to Singapore Customs:
 - i. Tax invoice or permit notification issued by the air express couriers; or
 - ii. Import permit; or
 - iii. GST payment receipt issued by SingPost.
- You can refer the importer to paragraph 8.4 of IRAS e-Tax Guide “GST: Taxing imported low-value goods by way of the overseas vendor registration regime”. (www.iras.gov.sg > Quick links > e-Tax Guides)
- You should also advise the importer to maintain the following documents pending a refund from the OVR vendor:
 - i. Commercial invoice or any other supporting document (e.g., email correspondence from supplier, order form etc.) to show that the OVR vendor has charged GST at the point of sale of the LVG;
 - ii. Shipping document for the importation of LVG (e.g., Delivery/Consignment Note); and
 - iii. Evidence of payment in relation to commercial invoice, e.g., credit card statement.

15. What should I do if the importer refuses to pay import GST as he/ she has already paid GST on goods at the point of sale?

- You should advise the importer to pay import GST as import relief does not apply. If the importer has paid GST on goods at the point of sale, he/ she should seek a reimbursement of GST from the OVR Vendor.
- If the importer still refuses to pay import GST despite the abovementioned advice, you should follow your existing procedures for handling default payment for import GST. Refer to Q/n 17 if you have borne the import GST.

16. What should I do if the importer informs that double taxation has occurred, but the OVR vendor has refused to reimburse the GST on the sale?

- If the importer informs that the OVR vendor has refused to reimburse the GST, as a last resort, you as a transporter can assist the importer to submit a refund application to Singapore Customs for assessment. More information on the required supporting documents can be obtained from Singapore Customs website with effect from 1 Jan 2023.

17. What should I do if import GST cannot be recovered from the importer in the event of double taxation on LVG?

- If you have tried all means but are still unable to recover the import GST paid from the importer, you can submit a refund application to Customs for assessment. More information on the required supporting documents can be obtained from Customs website with effect from 1 Jan 2023.

C. Other common FAQs on extension to imported low value goods (“LVG”)

18. Are OVR vendors allowed to charge GST on all goods shipped to Singapore, regardless of value?

- Suppliers registered under the OVR regime are not allowed to charge GST on item with sales value exceeding S\$400 imported into Singapore, so as not to affect existing Customs processes.
- Sales value refers to the selling price of the goods, which is the amount of consideration received or receivable for the supply but excluding any amounts charged for:
 - i. Transportation and insurance costs (i.e., fees charged to customer for transportation and insurance) for transporting the goods from overseas to the place of delivery in Singapore;
 - ii. Any GST chargeable on the supply of LVG; and
 - iii. Any duties payable to Singapore Customs.

19. Am I responsible for the failure or late notification for GST registration of the overseas vendor selling LVG?

- The liability to register for GST lies with the overseas vendor and not the transporters. However, as the transporter, you can inform your overseas vendors that they are liable to register for GST in Singapore if it:
 - i. has an annual global turnover exceeding \$1 million; and
 - ii. makes B2C supplies of LVG to Singapore exceeding \$100,000.

20. How does an overseas vendor register for GST in Singapore under the OVR regime?

- If an overseas vendor has reasonable grounds to believe that it is liable to register for GST in Singapore under the OVR regime, it can submit the registration form at <https://form.gov.sg/#!/628c35095285380016698317>

21. How to tell whether the vendor is GST- registered in Singapore?

- To check if a business is GST-registered, a search can be performed at [GST Registered Business Search](#) by using the business name or Tax Reference Number (i.e., GST registration number/Unique Entity Number (UEN)).