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IRAS e-Tax Guide

Record Keeping Guide for GST-Registered
Businesses
(Eighth Edition)



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1. Aim

- 1.1. This e-Tax Guide provides the mandatory record keeping requirements¹ for businesses registered for Goods and Services Tax (“GST”) in order to comply with Singapore Tax laws.

2. At a glance

- 2.1. This guide is designed to help GST-registered businesses² prepare and keep records for Income Tax and GST purposes.

3. Background

- 3.1. What types of records do businesses need to keep?

- 3.1.1. The types of records businesses need to keep include:

- a) Source documents that substantiate all business transactions e.g. receipts, invoices, vouchers, other relevant documents issued or received from customers/suppliers, bank statements;
- b) Accounting ledgers, schedules and journals documenting a business’ assets and liabilities, income and expenses, profits and losses; and
- c) Any other written evidence of transactions connected with your business.

- 3.2. Why keep records?

- 3.2.1. Good record keeping practices are an important part of doing business. Having good record-keeping practices can benefit you in the following ways:

- a) Make better business decisions;
- b) Be aware of the financial status of your business (e.g. profit or loss position, whether there is internal fraud or theft (if any)); and
- c) Reduce the cost and effort required to file Income Tax and GST returns, and to reply to IRAS’ queries (if any).

- 3.2.2. 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 Income Tax and GST declarations are duly supported with the required documents.

¹ This e-Tax Guide has been updated to give greater clarity on record keeping requirements and has also subsumed the following e-Tax Guides:

- Keeping Records of Business and Transactions in Microforms;
- Keeping Machine-Sensible Records and Electronic Invoicing; and
- Keeping of Records in Imaging Systems.

² “Businesses”, for the purpose of GST, would include sole-proprietorships, general partnerships, limited liability partnerships, limited partnerships, companies, clubs, associations, management corporations or organisations, non-profit organisations, statutory boards and government bodies.

3.3. How to keep your records?

3.3.1. Manual Records

- a) Manual record keeping is the recording of your business transactions in a physical form. Examples of manual records are record books, receipts and physical invoices. Business transactions must be supported by source documents such as invoices/receipts from your suppliers, and carbon/duplicate copies of invoices/receipts issued to your customers;
- b) When you keep your records manually, you must make sure that you keep all your records in a legible and well-organised manner. For example, you should retain photocopies of receipts printed on thermal paper in case the originals fade over time.

3.3.2. Electronic Records

- a) Records can be kept electronically using a computer and/or accounting software. This includes using Microsoft Office applications, off-the-shelf accounting software, customised accounting software and image systems³. Physical copies of source documents need not be kept to substantiate your business transactions for tax purposes if the source documents are kept electronically.
- b) You do not need to seek approval from IRAS to keep your records in an electronic format for tax purposes. However, you should ensure that proper internal controls are put in place to ensure the integrity, completeness, accuracy, availability and reliability of the electronic records, including all transactions executed electronically, where applicable⁴.
- c) Advantages of keeping records electronically include:
 - i. Quick, efficient and accurate recording of your business transactions (including details such as customer particulars, payment details, and stock/inventory details);
 - ii. Getting timely updates on how your business is performing so that you can plan ahead and forecast your business needs;

³ Image system refers to any computer system that is capable of capturing, storing and retrieving images or generating image system. Imaged records are business records that are kept in an image system.

⁴ To ensure proper storage of imaged business records, businesses may take reference from the criteria set out in the First Schedule of the Evidence (Computer Output) Regulations, i.e. criteria in relation to document capture, image storage and management, image output, computer applications, physical and environmental security, system and application security. A business may also wish to have part or all of its image system certified as an approved process under the First Schedule of the Evidence (Computer Output) Regulations, if this meets its business needs.

- iii. Convenient keeping of invoices and ease of generating summaries and reports to fulfil your tax and other business reporting obligations;
- iv. Less storage space required as compared to manual records;
- v. Facilitating the backing up of records and allowing backup records to be kept in a safer place in the event of theft or natural disasters. Backing up your records will benefit your business. In the event that your business records are missing or destroyed, it is your responsibility to make use of other relevant documents to reproduce your records.

3.3.3. Accounting software is a helpful tool that may assist you to improve your record keeping practices and tax compliance. You may refer to the Accounting Software Register Plus (“ASR+”)⁵ for a list of accounting software that are integrated with key IRAS-API digital products and recommended digital products/features to streamline tax compliance.

3.3.4. Manual Records versus Electronic Records

- a) A manual record keeping system may be sufficient if your business has small volumes of transactions. However, as your business expands and the number of transactions increases, a manual record keeping system may no longer be able to meet your needs. For instance, if you are a retailer with many outlets, you should find an electronic record keeping system more useful in managing your business records;
- b) Using an electronic record keeping system will incur lower manpower costs as you would not have to manually track each and every business transaction. For source documents (e.g. receipts, invoices, vouchers), you can keep them either in physical or electronic form.

3.3.5. Your business records must be kept up-to-date, and in such a manner that would enable IRAS to verify the figures you state in your Income Tax and GST returns.

3.3.6. In the absence of records, IRAS will refer to available sources to estimate your business performance. Expense claims and other claims (e.g. for capital allowance, GST input tax) may be disallowed in the event of insufficient records.

3.4. How long to keep your records?

3.4.1. Under the Income Tax Act and the GST Act, you are required to keep your records for at least five years.

⁵ To see the list of accounting software, please refer to the IRAS website at www.iras.gov.sg (Home > Who We Are > What We Do > Digital Collaboration > For Software Developers > Accounting/Tax Software > IRAS Accounting Software Register Plus (ASR+))

3.4.2. In addition to the above requirement under para 3.4.1, for tax purposes, companies and limited liability partnerships (“LLPs”) are also required to retain records of the company and/or LLP for a period of at least 5 years after the date on which the company and/or LLP is struck off/dissolved/wound up⁶. The responsibility of maintaining the records upon cessation of the business operations will rest with the person who was an officer⁷ of the company/LLP immediately before the company/LLP was dissolved. In the case of a liquidation, the responsibility of maintaining the records will rest with the liquidator of the company/LLP.

3.4.3. Other than the record keeping requirements for Income Tax and GST purposes, you may also be required to maintain your records to meet statutory requirements under other legislation (e.g. Companies Act 1967).

3.5. Implications of non-compliance

3.5.1. It is important to follow the requirements set out in this e-Tax Guide. Failure to comply may constitute an offence under Section 67 of the Income Tax Act (read with Section 94 of the Income Tax Act) and/or under Section 46(6) of the GST Act, which could result in:

- a) IRAS exercising its best judgement to estimate revenue earned;
- b) Expense claims, capital allowances or GST input tax claims being disallowed; and/or
- c) Penalties being imposed.

Under the Income Tax Act, a maximum fine of \$1,000 may be imposed (in default of payment, a jail term of up to six months may be imposed).

Under the GST Act, a maximum fine of \$5,000 and/or a jail term of up to six months may be imposed. In the case of a subsequent conviction, offenders may be fined a maximum of \$10,000 and/or jailed for a maximum of three years.

⁶ Please refer to the Companies’ Act (Sections 4, 320 and 344H) and Limited Liability Partnership Act (LLP Act) (Sections 4, 38H and Section 67 of the Fifth Schedule) for the enhanced record-keeping requirements and the definition of companies and LLPs affected by these enhanced record keeping requirements.

⁷ Generally, an officer in relation to a company and/or LLP includes (non-exhaustive, please refer to the Companies’ Act and/or LLP Act for the most complete definition):

- Any director or secretary of the company or a person employed in an executive capacity by the company
- Any manager of the LLP
- A receiver and manager of any part of the undertaking of the company/LLP appointed under a power contained in any instrument: and
- Any liquidator of a company/LLP appointed in a voluntary winding up

4. Record Keeping Requirements

4.1. Income Records

4.1.1. You **must** retain records (including source documents) for and be able to explain ALL transactions relating to your income. The records required include:

- a) Sales invoices/tax invoices/customer accounting tax invoices/simplified tax invoices⁸ issued, serially-numbered receipts/vouchers issued or cash register tapes as proof of all income transactions;
- b) Rental agreements signed with tenants as proof of rental income;
- c) Credit notes issued e.g. for goods returned, services not supplied;
- d) Export documents (e.g. delivery orders, bills of lading, air waybills, export permits) specified in the GST e-Tax Guide, “A Guide on Exports”;
- e) Evidence of payments received (e.g. bank statements); and
- f) Contracts/agreements signed with customers.

4.1.2. If you use the proceeds received from your sales to pay for your business expenses or purchases, you **must** record the proceeds used and include them as sales. Similarly, if you make any personal drawings from your business’ cash collection, you must include these drawings in your sales. Please note that sales are to be reported in your Income Tax returns as “revenue”. Please refer to [Appendix 2](#) for a sample of a “Revenue Record”.

4.2. Business Expense Records

4.2.1. You **must** retain records (including source documents) for and be able to explain ALL transactions relating to your business expenses. The records required include:

- a) Sales invoices/tax invoices/customer accounting tax invoices/simplified tax invoices or receipts received as proof of business expenses;
- b) Payment vouchers for payments made for services received⁹ and the relevant contracts/agreements signed with the service providers;
- c) Payment vouchers for staff remuneration;
- d) Evidence of CPF contributions made as an employer;
- e) Rental agreements signed with landlords as proof of rental expenses;

⁸ If the total amount stated in the tax invoice plus GST do not exceed \$1,000, you can issue a simplified tax invoice.

⁹ With acknowledgement of receipt by the recipient

- f) Evidence of payments made (e.g. bank statements); and
- g) Minutes of Annual General Meeting (“AGM”)/Extraordinary General Meeting (“EGM”) reflecting the approval of directors’ fees.

4.3. Purchase Records

4.3.1. You **must** retain records (including source documents) for and be able to explain ALL transactions relating to your purchases. The records required include:

- a) Sales invoices/tax invoices/customer accounting tax invoices/simplified tax invoices, receipts or credit notes received from suppliers, and debit notes issued to suppliers as proof of business purchases;
- b) Import documents e.g. bills of lading, air waybills, import permits, subsidiary import certificates, inward summary reports from Air Express Companies (“AEC”);
- c) Evidence of payments made (e.g. bank statements); and
- d) Contracts/agreements signed with suppliers.

4.3.2. Record your purchases on a daily basis. Please refer to [Appendix 3](#) for a sample of a “Purchase Record”.

4.4. Other Records

4.4.1. You **must** retain records (including source documents) for and be able to explain all other business transactions which affect the amount of GST chargeable or GST claimable. These include transactions relating to:

- a) Business goods which are put to non-business use (e.g. office equipment/furniture or company van used by employees for personal reasons);
- b) Disposal of business goods, regardless of whether consideration was received (e.g. trading stock given away free to employees/customers);
- c) Removal of stock/inventory from warehouses licensed by the Singapore Customs for storing imported goods with GST suspended.

4.4.2. You **must** also retain records of the steps taken to ascertain whether the supply made to you or by you was part of a Missing Trader Fraud arrangement, including:

- (a) the risks assessed;
- (b) the due diligence checks performed, including any checks designed to address the specific risks; and
- (c) the actions taken by you in response to the results from the checks

4.4.3. IRAS has also published record keeping guidelines and templates for businesses in specific industries¹⁰. If you fall within any of these specific sectors, you should refer to the industry guide for more information on the record keeping requirements (e.g. for record keeping requirements specific to redeliverers of low-value goods, you may refer to IRAS e-Tax Guide GST: Taxing imported low-value goods by way of the overseas vendor registration regime). There are also specific record keeping requirements for GST schemes. For more information on scheme-specific record keeping requirements, you may refer to IRAS website at www.iras.gov.sg (Home > Schemes > GST).

4.5. Accounting Records and Schedules

4.5.1. You **must** keep accounting records and schedules which summarise their business transactions in a systematic order. These include:

- a) Stock/inventory lists as proof of stock/inventory on hand at the end of each accounting period;
- b) Sales listings as proof of income transactions;
- c) Purchase listings as proof of purchase transactions;
- d) General ledgers to record assets and liabilities as well as income and expenses;
- e) GST account summaries of the total input tax and output tax relating to each accounting period;
- f) Detailed schedules of public transport expenses, overseas travelling expenses and entertainment expenses; and
- g) Fixed asset schedules.

4.5.2. Accounting records and schedules for a financial year can be used to prepare a business' Profit and Loss Statement and Balance Sheet – please refer to [Appendix 1A](#) for a sample of a “Profit and Loss Statement” and [Appendix 1B](#) for a sample of a “Balance Sheet”.

4.5.3. You **must** keep the source documents (e.g. receipts, tax invoices, vouchers, other relevant documents) used to prepare these accounting records and schedules as IRAS may request for an explanation on how the records/schedules were arrived at. Failure to keep the source documents may result in IRAS exercising its best judgement to estimate revenue earned, disallowing claims for expenses, capital allowances and GST input tax, and imposing penalties.

4.6. File Format for Tax Audit Purposes

¹⁰ To see the list of the specific industries, please refer to the IRAS website at www.iras.gov.sg (Home > Taxes > Goods & Services Tax (GST) > Specific Business Sectors).

4.6.1. Upon request by IRAS, you should have the facilities to produce your records in the file formats specified below:

- a) File Format Options (for data listings)
 - i. Microsoft Excel spreadsheet; or
 - ii. Microsoft Access file; or
 - iii. Delimited text files (e.g. comma-separated values file, “.csv”) ;
- b) File Format Options (for non-data listings)
 - i. Microsoft Word document; or
 - ii. Adobe Acrobat document.

5. Details on different types of records

5.1. Sales Invoices/Tax Invoices/Customer Accounting Tax Invoices/Simplified Tax Invoices

5.1.1. As a GST-registered business, you must issue tax invoices unless you fall within the scenarios in Paragraphs 5.1.2, 5.1.3 and 5.1.4. Please refer to [Appendix 4A](#) for a sample of a “Tax Invoice”. A tax invoice must include the following details:

- a) The words “tax invoice” in a prominent place;
- b) An identifying number (e.g. invoice number);
- c) Date of issue of the invoice;
- d) Your business name, address and GST registration number;
- e) Your customer’s name and address;
- f) A description sufficient to identify the goods or services supplied and the type of supply;
- g) For each description of goods or services supplied, the quantity of goods or the extent of services, and the amount payable, excluding GST;
- h) Any cash discount offered;
- i) The total amount payable (excluding GST), the GST rate and the total amount of GST chargeable (shown as a separate amount);
- j) The total amount payable (including the total amount of GST chargeable); and
- k) A breakdown of exempt, zero-rated or other supplies, stating separately the gross total amount payable in respect of each type of supply.

5.1.2. If you make local sales of mobile phones, memory cards or off-the-shelf software (‘prescribed goods’) exceeding \$10,000 in value (i.e. a relevant supply) to a GST-registered customer for his business purpose, you must

issue a customer tax invoice instead. For information on customer accounting tax invoices, please refer to the GST e-Tax Guide 'GST: Customer Accounting for Prescribed Goods'¹¹.

5.1.3. For zero-rated supplies, you may choose to issue a sales invoice or a tax invoice. If you choose to issue a sales invoice, it should include the following information:

- a) An identifying number (e.g. invoice number);
- b) Date of issue of the invoice;
- c) Your business name, address and GST registration number;
- d) Your customer's name and address;
- e) A description sufficient to identify the goods or services supplied;
- f) For each description of goods or services supplied, details on the quantity of goods or the extent of services, and the amount payable;
- g) Any cash discount offered; and
- h) The gross total amount payable.

5.1.4. If the total amount payable (including GST) for your supply does not exceed \$1,000, you may issue a simplified tax invoice containing the following information:

- a) An identifying number (e.g. invoice number);
- b) Date of issue of the invoice;
- c) Your business name, address and GST registration number;
- d) A description sufficient to identify the goods or services supplied;
- e) The total amount payable (including the total amount of GST chargeable); and
- f) A statement such as "Price Payable includes GST".

Please refer to [Appendix 4B](#) for a sample of a "Simplified Tax Invoice". However, simplified tax invoices should not be issued for zero-rated or exempt supplies. You should issue either a sales invoice or tax invoice for these supplies.

5.1.5. You may design and print your own invoices or buy pre-printed invoices.

5.1.6. If you wish to issue electronic tax invoices, you are required to comply with the following:

- a) Establish internal controls to ensure that electronic tax invoices issued and transmitted to customers are complete and accurate;

¹¹ www.iras.gov.sg (e-Tax Guides > GST: Customer Accounting for Prescribed Goods)

- b) Ensure that the electronic tax invoices¹² issued and transmitted to customers contain all the details required under Regulation 11 or Regulation 13 of the Goods & Services Tax (General) Regulations, where applicable;
 - c) Establish internal controls to ensure that electronic tax invoices cannot be manipulated before and during transmission;
 - d) Establish internal controls to ensure that all output tax relating to these electronic transmissions will be fully accounted to IRAS in your GST returns;
 - e) Ensure that the electronic tax invoices are stored and made available in human readable format for verification and record keeping purposes.
 - f) Do not issue tax invoices in paper form to customers that you have already issued electronic tax invoices. In the event that you need to issue tax invoices in paper form, you must take the necessary measures to prevent double claiming of input tax by your customers (e.g. invalidate either the paper form or electronic form of the tax invoices issued);
- 5.1.7 If your customer pays in cash, you must show clearly in the tax invoice that payment has been received and the date of receipt of the payment.
- 5.1.8 Tax invoices must be issued within 30 days from the time of supply. You need not issue tax invoices for supplies to customers that are not GST-registered. However, as you may not know whether a customer is GST-registered, to ease business compliance, you may issue tax invoices to all your customers.
- 5.1.9 If you issue a tax invoice in a foreign currency, the following items in the tax invoice must be converted to Singapore dollar at the selling rate of exchange prevailing in Singapore at the time of supply:
- a) The total amount payable (excluding GST);
 - b) The total amount of GST chargeable; and
 - c) The total amount payable (including the total amount of GST chargeable).
- Please refer to IRAS e-Tax Guide, “Exchange Rates for GST Purpose” for the approved exchange rates to be used.
- 5.1.10 When a tax invoice contains several line items of standard-rated supplies, the total amount of GST chargeable in your tax invoice may be computed based on:

¹² An exception is granted to e-invoices sent through InvoiceNow. IRAS is prepared to accept the invoices as valid tax invoices which businesses may use to support their GST input tax claims, even though it does not contain the words “Tax Invoice”. This is on the condition that all the other contents required on a tax invoice, as specified under Regulation 11 of the GST (General) Regulations are present.

- a) Summing up the GST amount for each line item; or
- b) Multiplying the total amount payable (excluding GST) for all line items by the prevailing GST rate.

The total amount of GST chargeable computed may differ due to the method used. Both methods are acceptable so long as the chosen method is applied consistently.

5.1.11 You may round off the total GST amount to be shown on a tax invoice to the nearest whole cent (i.e. two decimal places). With the discontinuation of the issuing of one cent coins, you may also choose to round off your total bill to the nearest five cents to facilitate cash payment by your customers. Whether a bill should be rounded up or rounded down to the nearest five cents is your business decision. However, the decision to round up or down the amount must be applied consistently.

5.1.12 There are instances where your customer may request you to enter invoicing details into their platform, henceforth referred to as the customer's electronic system ("CES")¹³ in lieu of receiving tax invoices¹⁴ generated by you. In such instances, for both you and your customer to rely on the invoicing details in the CES for GST reporting purposes, the following conditions are to be met.

- a) You must agree with your customer in writing that the invoicing details captured in the CES will serve as the invoice details to be used for both party's GST reporting purposes and no separate tax invoices will be issued to your customer. This means that:
 - i) the issuance date of the tax invoice will be the invoice date provided as part of the invoice details in the CES.
 - ii) the value of the supplies and output tax to be accounted by you, and the value of the taxable purchases and input tax to be claimed by your customer should be based on the Singapore dollar equivalent of the amounts in the CES.
- b) There are proper controls and measures in place to ensure that only authorised personnel can access the CES. For example, you are given a unique authentication access to the CES and only your authorised personnel are given access to the CES to submit the invoicing details.
- c) There are security measures and safeguards put in place to ensure that the invoicing details cannot be manipulated during transmission. There

¹³ There should only be a single source of invoice data for GST reporting purposes. As such, you and your customer must come to an agreement on the specific source of data to use for GST reporting purpose. In instances where you continue to generate tax invoices for uploading into your customer's CES, in lieu of entering invoicing details in the CES, both you and your customer should rely on the invoices generated by you for GST reporting purposes.

¹⁴ The use of the CES is applicable for sales invoices, simplified tax invoices and customer accounting tax invoices as well.

should also be internal controls established to ensure that the invoicing details transmitted are complete and accurate.

- d) The CES must capture and store invoicing details that comply with all the requirements of Regulation 11 or Regulation 13 of the Goods & Services Tax (General) Regulations. Prior approval must be obtained from the Comptroller of GST for any deviation.
 - e) The invoicing details captured in the CES are available in human readable format and can be extracted or printed for verification and record keeping purposes. The invoicing details must also be provided to the Comptroller of GST for verification when required.
 - f) If an internal invoice is generated for your accounting and record keeping purposes, it must agree to the data captured in CES (such as the invoice number, date of invoice, the value of supply and GST amount denominated in Singapore Dollars equivalent if the invoice is denominated in foreign currency).
 - g) You will notify your customer immediately if:
 - (i) your GST registration status is cancelled; or
 - (ii) you are issued with a new GST registration number.
 - h) If there are errors noted in the invoicing details, both you and your customer must follow up with each other immediately to perform any adjustments.
 - i) You and your customer must maintain a master list of customers/suppliers and invoices issued under the CES or be able to generate such a list for purposes of creating audit trails and responding to IRAS' requests for information during audits.
- 5.1.13 If you outsource the function of issuing/receiving of tax invoices to a third party, you are still legally obliged to comply with all the requirements with regard to the contents, storage and generation of the invoices issued/received. For example, if you agree with your customer/supplier to use the CES in lieu of invoices generated/received by you, you will need to consider the implications of the requirements on your outsourcing arrangement and discuss with the outsourcing third party to ensure that they form part of your outsourcing agreement.

5.2 Receipts

- 5.2.1 You may choose to issue a receipt instead of a tax invoice to your non-GST registered customer. Receipts can be used as proof of your income transactions and must be serially numbered, with duplicate copies to be retained.
- 5.2.2 You are not required to seek approval from IRAS not to issue receipts for tax purposes. You must however ensure complete and accurate recording of all income transactions. There must be a well-documented audit trail to show that all income transactions are correctly recorded and declared for tax purposes. Practices such as using a cash register or accounting software should be

maintained to help ensure the proper recording of all income transactions. In addition, you must issue receipts upon customers' requests.

5.2.3 GST-registered businesses must continue to issue tax invoices as required under the GST legislation, as the waiver of issuance of receipts is not the same as the waiver of issuance of tax invoices.

5.2.4 When making purchases for business purposes, you should ask for a receipt regardless of the payment mode (e.g. cash or cheque) and amount. Receipts serve as proof of payments made.

5.2.5 The details that should be shown in a receipt include:

- a) Date of issue of the receipt;
- b) The supplier's business name and GST registration number;
- c) The total amount payable (including the total amount of GST chargeable); and
- d) The words "Price Payable includes GST".

A receipt from a cash register would suffice provided that it contains a description of the goods or services supplied.

5.3 Cash Register Tapes

5.3.1 A cash register with an internal tape can be used to record all cash sales. When using a cash register, you must ensure that all cash sales are recorded in the cash register and the internal tape is retained. As a good practice, you should record the total amount of cash receipts manually or electronically at the end of each day.

5.4 Books to Record Stock/Inventory Taken for Private Consumption

5.4.1 If you remove goods from your stock/inventory for your private consumption, you should include the value of the goods in your standard-rated supplies and account for output tax if you have claimed input tax on the purchase of the goods.

5.5 Credit Notes

5.5.1 Credit notes may be issued for goods returned, credit/discount given for a past sale transaction or to correct a mistake (e.g. export of goods invoiced as standard-rated which should have been zero-rated). Credit notes need to be recorded because they reduce the sales figures.

5.5.2 A credit note must include the following details:

- a) An identifying number (e.g. a serial number);
- b) Date of issue;
- c) Your business name, address and GST registration number;
- d) Your customer's name and address;

- e) The identifying number and date of issue of the original tax invoice;
- f) A description sufficient to identify the goods or services for which the credit is given;
- g) Reason for the credit given e.g. "returned goods";
- h) Quantity and amount credited for each item;
- i) Total amount credited, excluding GST;
- j) Rate and amount of GST credited; and
- k) Total amount credited, including GST.

Please refer to [Appendix 5](#) for a sample of a "Credit Note".

5.5.3 For credit notes issued, you can choose not to adjust the GST amount charged in the original invoice if the following conditions are satisfied:

- a) You have agreed with your customer in writing¹⁵ not to adjust the original GST amount;
- b) Your customer is a fully taxable person (i.e. your customer does not make any exempt supplies); and
- c) The credit note¹⁶ should contain the statement, "This is not a credit note for GST purposes".

5.5.4 For credit notes issued in respect of customer accounting supplies, the e-Tax Guide GST: Customer Accounting for Prescribed Goods explains how the adjustments should be made.

5.6 Documents Relating to Imports and Exports

5.6.1 If you import and export goods in the course of your business, you are required to keep the import and export permits, subsidiary import certificates and subsidiary export certificates, notes of shipment, parcel despatch notes, courier consignment notes, inward summary reports from AEC, bills of lading, air waybills, IESGP permits, invoices, purchase orders, packing lists, delivery notes, insurance documents and evidence of payments made. For more details, you may refer to the GST e-Tax Guide, "A Guide on Exports".

5.7 Bank Statements

5.7.1 Bank statements are vital to your business' record keeping and should be filed in chronological order. Businesses must retain all business-related bank statements. In addition, there should be separate bank accounts for personal and business purposes. In the absence of separate bank accounts, personal and business transactions should be differentiable.

¹⁵ The written agreement may be in the form of letter or email correspondences between the supplier and the customer, instead of a formal contract. Both the supplier and the customer should keep the written agreement as part of their GST records. It need not be submitted to IRAS, unless requested.

¹⁶ If such credit notes are issued by the supplier, both the supplier and customer need not adjust the value of their taxable supplies / taxable purchases and corresponding output / input tax.

- 5.7.2 Regular depositing of all business receipts into the business bank account enables easier tracking of business income. All purchases and expenses should be paid by cheque or other digital modes (e.g. interbank transfers) so that they would be reflected in the bank statements.
- 5.7.3 Bank statement details may differ from your records as direct debits, bank charges and interest may be deducted from your bank account. You will not know the amount of these deductions until you receive the bank statements. You are advised to do regular bank reconciliation to update your records with the deductions stated in your bank statements.
- 5.8 Records Relating to Staff Remuneration and Employer's CPF Contributions
- 5.8.1 Staff remuneration includes wages, salaries, bonuses, commission income and allowances. You need to keep the following records:
- a) Details of employees, including full name, identification number and designation;
 - b) Payment vouchers or remuneration schedules; and
 - c) CPF statements for your claims of employer's CPF contributions.
- 5.8.2 You may use these records to prepare the Return of Employee's Remuneration (Form IR8A). Please refer to [Appendix 6](#) for a sample of a "Staff Remuneration Record".
- 5.9 Payment Vouchers for Payments Made to Individuals for Services Rendered
- 5.9.1 You can issue payment vouchers instead of paying cash to individuals for services rendered (e.g. cleaning services, freelance book keeping). You are required to include the following details in the payment vouchers:
- a) Full name, identification number and address of the recipient;
 - b) Date of payment and nature of services rendered;
 - c) Basis of arriving at the quantum paid; and
 - d) Acknowledgement of receipt by the recipient.
- 5.10 Stock/Inventory Lists
- 5.10.1 Preparing a stock/inventory list will help you keep track of the stock/inventory on hand at the end of each accounting period.
- 5.10.2 Stock/inventory includes anything produced, manufactured, acquired or purchased for the purpose of manufacture or sale. To determine the closing stock/inventory value, a physical stock count should be carried out at the end of each accounting period. Please refer to [Appendix 7](#) for a sample of a "Stock/Inventory List".
- 5.11 Sales Listings

- 5.11.1 You are required to maintain a sales listing in the format shown in the table below. The gross sales from your standard-rated supplies and/or zero-rated supplies made are to be reported in your GST returns:

Invoice date	Invoice number	Name of customer	Description	Invoice amount excluding GST (\$)	GST (\$), if applicable	Destination of goods (for exports)
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5.12 Purchase Listings

- 5.12.1 You are required to maintain a purchase listing in the format shown in the table below:

Invoice date	Invoice number	Name of supplier	Supplier's GST registration number	Description	Invoice amount excluding GST (\$)	GST (\$)
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5.13 Expense Schedules

- 5.13.1 Expenses incurred for business purposes qualify for tax deduction subject to the relevant provisions of the Income Tax Act. You should keep the following expense schedules for claiming of tax deductions:

- a) Public Transport Expenses, with the following details recorded for each travel:
 - i. Date and destination;
 - ii. Mode of transport;
 - iii. Name and designation of person incurring it;
 - iv. Purpose of travel; and
 - v. Amount incurred.

- b) Overseas Travelling Expenses, with the following details recorded for each travel:
 - vi. Date and destination;
 - vii. Mode of transport;
 - viii. Name and designation of person incurring it;
 - ix. Purpose and duration of overseas travel; and
 - x. Amount incurred.

- c) Entertainment Expenses, with the following details recorded for each activity:
 - xi. Date and place of entertainment;
 - xii. Name and designation of person incurring it;
 - xiii. Purpose of entertainment;

- xiv. Name and designation of person(s) entertained; and
- xv. Amount incurred.

5.13.2 You should keep source documents such as taxi receipts and travel documents to substantiate your public transport expense, overseas travelling expense, and entertainment expense claims. Credit card slips or monthly credit card statements alone are not sufficient to substantiate your claims. Please refer to [Appendices 8, 9 and 10](#) for samples of a “Public Transport Expenses Record”, “Record of Expenses Incurred during Overseas Business Trips”, and “Entertainment Expenses Record”.

5.14 Fixed Asset Schedules

5.14.1 A fixed asset schedule should detail all the expenditure relating to your business’ fixed assets (such as plant and equipment, motor vehicles). You are advised to prepare a fixed asset schedule at the time you start your business to record the assets purchased. The following details should be recorded for each asset purchased:

- a) Date of purchase and cost; and
- b) Date of sale and sale price (if applicable).

Documents such as contracts of purchase or sale (e.g. hire purchase agreements), and invoices should be kept. Please refer to [Appendix 11](#) for a sample of a “Fixed Asset Schedule”.

5.15 Records of Capital Allowances Claimed

5.15.1 The amounts incurred in the purchase of fixed assets are capital in nature and are not deductible for tax purposes. However, you can claim capital allowances. For more information on capital allowances, please refer to IRAS website¹⁷. You should record capital allowances that you have already claimed as tax deductions so that you can calculate your entitlement to capital allowances in subsequent years.

6 Tips for record keeping

6.1 You should keep records once you start business operations. These are some tips for record keeping:

- a) Set up a record keeping system which can be understood by any person familiar with the business operations and not only the accounts personnel. The system should also alert you when it is time to follow up on debt owed to your business or to take action when payments are due. You will also be able to better manage your cash flow as well as reconcile your business transactions;
- b) Record transactions daily to keep records up-to-date;

¹⁷ www.iras.gov.sg (Businesses > For companies > Preparing tax computation > Capital allowances)

- c) Obtain the necessary source document(s) at the time of a transaction. Do not delay until you need these source documents to support your expense and GST input tax claims;
- d) Cross reference your records e.g. when you make a payment by cheque, indicate the cheque number in the invoice;
- e) Check that all transactions are entered accurately; and
- f) Set up a bank account for the business to allow clearer management of business funds.

7 Contact Information

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

8 Updates and amendments

	Date of amendment	Amendments made
1	08 Apr 2015	<ul style="list-style-type: none"> a) Para 3.3.3 has been amended to remove references to the IDA iSPRINT (Packaged Solutions) which ceased with effect from 1 Apr 2015. b) Updated Appendices in Para 9
2	16 Jan 2017	<ul style="list-style-type: none"> a) Amended Para 3.3 to provide greater clarity on the record keeping requirements for "Electronic Records"
3	24 Jul 2017	<ul style="list-style-type: none"> a) Amended Para 3.4 to provide clarity on the record keeping period for businesses that have ceased their business operations
4	3 Jan 2019	<ul style="list-style-type: none"> a) Amended paragraphs 4.1.1, 4.2.1, 4.3.1, 5.1, 5.1.1 and inserted new paragraphs 5.1.2 and 5.5.4 on customer accounting record keeping requirements.
5	12 Oct 2020	<ul style="list-style-type: none"> a) Added Para 5.1.12 and 5.1.13 on the usage of customer electronic system to enter invoicing details, in lieu of generating tax invoices.
6	10 Feb 2021	<ul style="list-style-type: none"> a) Inserted paragraph 4.4.2 on the record keeping requirements to ascertain whether

		<p>the supply was part of a Missing Trader Fraud arrangement.</p> <p>b) Revised paragraph 7 to update contact information</p> <p>c) Editorial changes</p>
7	1 Jan 2023	<p>a) Amended Para 5.1.10 and the appendices to update the 7% GST rate reference to the prevailing rate.</p> <p>b) Added Footnote 14 on the exception granted to e-invoices sent through InvoiceNow.</p> <p>c) Editorial changes</p>

9. Appendices

9.1. The following appendices can be found [here](#):

Appendix 1A:	Profit and Loss Statement
Appendix 1B:	Balance Sheet
Appendix 2:	Daily Revenue Record
Appendix 3:	Daily Purchase Record
Appendix 4A:	Tax Invoice
Appendix 4B:	Simplified Tax Invoice
Appendix 5:	Credit Note
Appendix 6:	Staff Remuneration Record
Appendix 7:	Stock / Inventory List
Appendix 8:	Public Transport Expenses Record
Appendix 9:	Record of Expenses Incurred during Overseas Business Trips
Appendix 10:	Entertainment Expenses Record
Appendix 11:	Fixed Asset Schedule