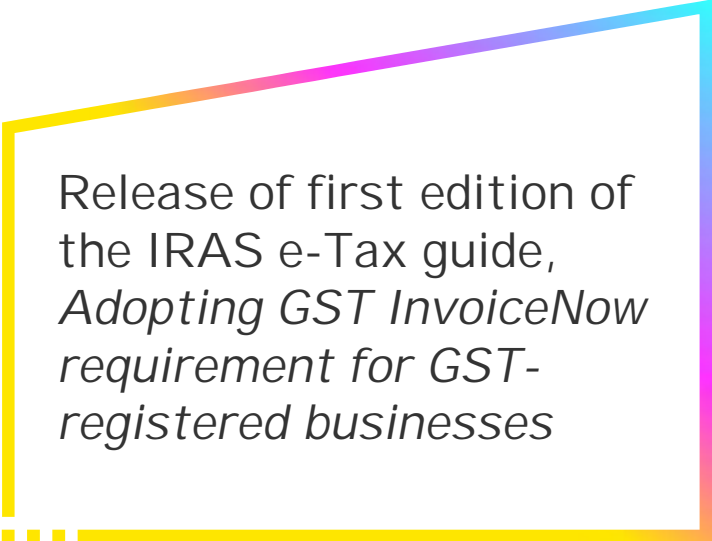


Indirect tax alert

This alert provides a summary of the first edition of the IRAS e-Tax guide in connection with the GST InvoiceNow requirement announced in April 2024.



Release of first edition of the IRAS e-Tax guide, *Adopting GST InvoiceNow requirement for GST-registered businesses*

The Inland Revenue Authority of Singapore (IRAS) first announced on 15 April 2024 that it would be implementing a phased adoption of GST InvoiceNow requirement for GST-registered businesses, starting with newly incorporated businesses that voluntarily register for GST. This would require GST-registered businesses to use GST InvoiceNow solutions to transmit invoice data to the IRAS for tax administration purposes. InvoiceNow is Singapore's nationwide e-invoicing network that operates on the open standard Peppol framework.

The IRAS subsequently released a draft e-tax guide, *IRAS e-Tax guide (Draft): Adopting InvoiceNow requirement for GST-registered businesses*, on 12 June 2024 for the purpose of seeking public consultation. Based on the feedback garnered, the IRAS made relevant amendments and published the *IRAS e-Tax guide: Adopting GST InvoiceNow requirement for GST-registered businesses (First Edition)*, dated 7 March 2025.

This first edition of the e-Tax guide is much more comprehensive compared to the draft version. Editorial changes aside, numerous examples have been added so that businesses will have better clarity on pertinent aspects of the GST InvoiceNow requirement.

There is no change to the phased adoption of GST InvoiceNow requirement that the IRAS had previously announced, covering from 1 November 2025 for the newly incorporated companies that register for GST on a voluntarily basis and from 1 April 2026 for all new voluntary GST registrants. This will be implemented as an additional condition for voluntary GST registration, with a need for such businesses to obtain a Peppol ID before they apply to IRAS for voluntary GST registration.



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The IRAS emphasized that there are plans to progressively extend mandatory participation to new compulsory GST registrants and remaining GST-registered businesses.

Clarity on the excluded businesses

Certain businesses are excluded from the GST InvoiceNow requirement, which has been clarified to be as follows:

- Overseas entities including those that are required to appoint local agents (i.e., section 33(1) agents) to handle their GST matters and those that are registered for GST under the Overseas Vendor Registration (OVR) pay-only regime and OVR full regime.
- Businesses that are liable to register for GST solely by virtue of the imported services that they are making and/or importation of low-value goods (LVG) due to Reverse Charge (RC) rules.

Key changes in the first edition of the e-Tax guide

The following are the key changes made:

- Clarification on the differences between InvoiceNow-Ready Solution Provider (IRSP) and IMDA-accredited Access Point Provider (AP).

Essentially, their roles are as follows:

- IRSPs are providers offering accounting or finance solutions, which are connected to the InvoiceNow network via IMDA-accredited APs. The IRSPs build the software features to support the GST InvoiceNow requirement and connectivity to the access points.
- APs create and maintain the connectivity gateways (i.e., the access points) that function as access nodes to the InvoiceNow network. They connect IRSPs and businesses with in-house enterprise solutions to the InvoiceNow network.
- Expansion of the scope of invoice data to be transmitted to the IRAS.

GST-registered businesses will need to transmit invoice data of all transactions that are reported in the GST return, other than specific excluded transactions.

A brief summary is provided in the table below:

Types of supplies or purchases	Mandatory data to be transmitted to the IRAS	Excluded transactions
Standard-rated supplies	Local sales of goods and services, including those under certain GST schemes	<ul style="list-style-type: none"> ■ Deemed supplies ■ RC supplies
Zero-rated supplies	Export sales of goods and provision of international services	<ul style="list-style-type: none"> ■ Non-sales export of goods ■ All exempt financial services and digital payment tokens (DPT) that qualify for zero-rating
Exempt supplies	Sale or lease of residential properties and local sale of investment precious metals	<ul style="list-style-type: none"> ■ All exempt financial services and DPTs
Standard-rated purchases	Purchases with input tax claims or under certain GST schemes	<ul style="list-style-type: none"> ■ Import permits for importation of goods ■ RC purchases ■ Goods or services purchased from overseas headquarters (or overseas branches) of a Singapore branch
Zero-rated purchases	Purchase of goods that are exported or international services	

Out-of-scope supplies and purchases that are not reported in the GST return are excluded from the scope of the invoice data to be transmitted to the IRAS.

- Specifying certain scenarios that deviate from the general due date for transmitting invoice data to the IRAS (being the earlier of the date on which the relevant GST return is filed or the filing due date of the relevant GST return). The specific scenarios include those relating to advance payments, pre-registration input tax claims and submission of invoice data after the business has ceased to be GST-registered.

- Acceptance of invoices issued for supply transactions made within the InvoiceNow network (i.e., Peppol invoices) for the customer's input tax claim purposes.

Although the Peppol invoices issued by the supplier and received by the customer through the InvoiceNow network do not contain the words "tax invoice", the IRAS is prepared to accept these invoices as valid tax invoices for the customer's input tax claim purposes (on the premise that all the other contents of a valid tax invoice are present and the other input tax claim conditions are met).

Point of view

Given the substantive changes made, the IRAS has indeed considered the various comments provided and incorporated amendments in this first edition of the e-tax guide.

This guide serves as a useful reference for new voluntary GST registrants that are required to comply with the GST InvoiceNow requirement or those who would like to take up an InvoiceNow-Ready Solution to transmit invoice data to the IRAS as an early adopter.

The remaining GST-registered businesses are also encouraged to plan ahead and commence the preparation work early, considering the GST InvoiceNow requirement is here to stay.

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