

Indirect tax alert

This alert provides a summary of the recent GST updates.

Recent GST updates

Clarification on goods and services tax (GST) treatment on accounting for output tax on gifts

The Inland Revenue Authority of Singapore (IRAS) has clarified the GST treatment on accounting for output tax on gifts given to the same recipient for the same occasion. If gifts exceeding S\$200 in total are given to the same recipient for the same occasion, GST-registered businesses are required to account for output tax for the gifts notwithstanding that the gifts given out straddle different accounting periods.

The IRAS has also clarified that businesses should use the open market value (OMV) instead of the cost of goods to account for the output tax at the time goods were given for free.

Updates to the e-Tax guide *GST: Assisted Compliance Assurance Programme (ACAP)*

The aforementioned e-Tax guide has been updated to enhance post-review monitoring requirements and clarify renewal obligations.

The key changes are as follows:

(a) Declaration on completion of post-ACAP review (PAR)

From 1 February 2026, businesses are required to submit a FormSG declaration “Declaration on Completion of Post ACAP Review” to the IRAS for all post-ACAP reviews performed, confirming the completion of each PAR.

ACAP businesses are no longer required to submit the “GST F28 - Post ACAP Review Report” or “GST F28 - Certified Post ACAP Review Report” unless:

- The ACAP business is informed by the IRAS to perform additional review following the accord of ACAP status.

Or

- The ACAP business’s business models, business activities, operating processes or financial processes (e.g., system overhaul or enhancements and outsourcing of business functions including overseas shared service centres) have changed since its ACAP review.



- The ACAP business is using the PAR instead of the Assisted Self-help Kit (ASK) to support GST scheme application (e.g., Major Exporter Scheme (MES) and Import GST Deferment Scheme (IGDS)).

Or

- The ACAP business is not renewing its ACAP status and hence is required to perform the Final PAR.

Notwithstanding the above, all ACAP businesses must maintain a copy of the GST F28 and the relevant appendices for their records. The IRAS may request for the documents for review, if necessary.

ACAP businesses should also rectify the errors identified by submitting the GST amended return (GST F7) or in the next GST return (GST F5) if they qualify for the "Administrative Concession for Correcting Errors".

(b) ACAP renewal PAR

From 1 February 2026, ACAP businesses with ACAP renewal status approved on or after 1 January 2025 are no longer required to perform the renewal PAR, unless:

- They are informed by the IRAS to perform additional review as part of renewal PAR following the accord of ACAP renewal status.

Or

- They are using PAR instead of Assisted Self-help Kit (ASK) to support GST scheme application.

Or

- The ACAP business is not renewing its ACAP status.

Automatic appointment of air express companies (AECs)

AECs, including Fedex, UPS and DHL, are permitted to act as declaring agents on behalf of MES-approved businesses without the need for prior authorisation. AECs will issue monthly inward summary reports or subsidiary import certificates, which should be used by MES-approved businesses to declare their MES imports in their GST returns.

Where a business does not intend for AECs to use its MES status to import goods, it must notify the AECs in writing, after which, the AECs will declare GST payment permits.

The IRAS has also emphasised that MES-approved businesses remain fully accountable for all permits declared using their MES status and are required to implement appropriate controls to prevent misuse of the MES.

New e-Tax guide on conditions for GST voluntary registration

A new e-Tax guide *Conditions for GST Voluntary Registration (First Edition)* was issued by the IRAS to clarify the conditions for voluntary GST registration, as well as the ongoing obligations applicable both before and after a business is registered for GST.

Updates on the e-Tax guide for retailers

The IRAS has updated the e-Tax guide *GST: Guide for Retailers (Sixth Edition)* to clarify the circumstances in which rebates received by retailers are regarded as a separate supply of services, rather than as adjustments to the value of past purchases.

Volume rebates that reduce the value of past purchases continue to be treated as adjustments to the value of original supply.

In contrast, rebates received in exchange for separate services provided to suppliers (such as shelf space commitments or marketing activities beyond general terms of trade, are treated as consideration for a separate taxable supply of services. In such cases, retailers are required to issue a tax invoice to the supplier and account for GST on the rebates received, with GST computed using the prevailing tax fraction.

Updates on the scope and application of administrative concession for trade-in of old gold jewellery

IRAS has updated the e-Tax guide *GST: GST and the Gold Jewellery Industry (Seventh Edition)* to clarify the GST treatment of trade-in arrangements involving old gold jewellery, with effect from 1 January 2025.

Under the administrative concession, jewellers may charge GST on the difference between the value of the new gold jewellery and the value of the old gold jewellery, regardless whether the customer is registered for GST. With effect from 1 January 2025, the administrative concession does not apply where the customer is registered for GST.

The revised guide further clarifies that the concession applies only where customers trade in old gold jewellery for new gold jewellery. The concession does not apply where other items are traded in, including new gold jewellery, gold bar (regardless of whether they qualify as investment precious metals (IPM)), loose or scrap gold or other materials such as silver or platinum.

The updated e-Tax guide also provides examples of commercial arrangements that do not constitute a trade-in arrangement involving refabrication work on customer's gold.

Updates on GST InvoiceNow Requirement

The e-Tax guide *Adopting GST InvoiceNow Requirement for GST-Registered Businesses (Second Edition)* has been updated to include the phases for mandatory participation in GST InvoiceNow.

Implementation date	Who it applies to
1 November 2025	Companies that register for GST voluntarily within six months of incorporation date
1 April 2026	All new voluntary GST registrants regardless of incorporation date or business structure.
1 April 2028	<ul style="list-style-type: none">▪ All new compulsory GST registrants▪ Existing GST-registered businesses with total annual supplies less than or equal to S\$200,000
1 April 2029	Existing GST-registered businesses with total annual supplies less than or equal to S\$1 million
1 April 2030	Existing GST-registered businesses with total annual supplies of less than or equal to S\$4 million
1 April 2031	Existing GST-registered businesses with total annual supplies of more than S\$4 million

*Total annual supplies refer to the total value of standard-rated, zero-rated and exempt supplies made in all the prescribed accounting periods ending in calendar year 2025.

The implementation date for all members of new and existing GST groups or divisions will be communicated at a later date. Businesses falling under this category should expect a notification from the IRAS of their implementation date. The IRAS has assured businesses that sufficient preparation time will be given.

Click [here](#) for our past alert on InvoiceNow.

Contact us

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