

Annex A - List of FAQs relevant to the Retail industry

	Questions	Answers
1. Price Display		
1.1	<p>Price Display</p> <p>Can my company display GST-exclusive prices on the menu?</p>	<p>No. You are not allowed to display GST-exclusive prices on your menu.</p> <p>You are required to show GST-inclusive prices on all price displays (e.g. price tags, price lists, advertisements, publicity brochure, website). Prices that are quoted, whether written or verbal, must be GST-inclusive as the public needs to know the final price that they have to pay upfront.</p> <p>From 1 Jan 2023, all price displays must be inclusive of GST at 8%. [For example, to display \$108 w/GST].</p>
1.2	<p>Price Display</p> <p>What can I do if I am unable to change my price displays overnight?</p>	<p>If you are unable to switch your price displays overnight, you may display two prices:</p> <ol style="list-style-type: none"> 1. Prices inclusive of GST at 7%, applicable before 1 Jan 2023; <u>and</u> 2. Prices inclusive of GST at 8%, applicable with effect from 1 Jan 2023. <p>[For example, to display both prices of \$107 (amount before GST \$100 + GST at 7%) and \$108 (amount before GST \$100 + GST at 8%)]</p>
1.3	<p>What if I still have collaterals showing the old GST rate?</p> <p>What can I do if I still have marketing brochures showing prices inclusive of 7% GST on 1 Jan 2023 and it is not cost effective to destroy them?</p> <p>What can I do if I am not able to recall back the marketing brochures showing prices inclusive of 7% GST which were distributed before 1 Jan 2023?</p>	<p>You can stamp a statement on all the brochures stating that from 1 Jan 2023, prices will be adjusted to take in GST at 8%.</p> <p>If you are unable to recall back the marketing brochures showing prices inclusive of 7% GST, you can display prominent signs to inform customers that from 1 Jan 2023, prices will be adjusted to take in GST at 8%.</p>
2. Invoicing, credit notes, transitional rules and documentary requirements		
2.1	<p>Businesses that operate on or past midnight on 31 Dec 2022</p> <p>What is the GST rate I should charge if my business operates on or past midnight on 31 Dec 2022?</p>	<p>You can charge GST at 7% on sales made on or past midnight on 31 Dec 2022 up to 7 a.m. of 1 Jan 2023, provided that it is your normal accounting practice to treat sales made after midnight as sales of the preceding day and your cash register and accounting system are programmed in this way.</p>

2.2	<p>Customer paid via credit card where instalment payments to the bank span rate change date</p> <p>My customer bought a massage armchair from our retail shop and pays via credit card for the full sum before 1 Jan 2023. The massage armchair is scheduled to deliver after on/ after 1 Jan 2023 and credit card repayment by the customer to the bank is arranged on a 12-month interest-free instalment basis. What is the amount of GST chargeable on the supply of massage armchair?</p>	<p>The time of supply would be before 1 Jan 2023 when you receive full payment from the customer's bank before 1 Jan 2023. Hence, you should charge 7% GST on the supply. The instalment payment arrangement is between the bank and your customer.</p> <p>As a concession, where the customer has charged the full payment for the massage armchair to the credit card before 1 Jan 2023, even if the payment is received by you from the customer's bank on/ after 1 Jan 2023, you can treat the payment as received before 1 Jan 2023 and charge 7% GST on the supply.</p>
2.3	<p>Replacement of goods under warranty after rate change date</p> <p>My company sells goods to a customer before 1 Jan 2023 and the 3 months warranty straddles 1 Jan 2023. The contract provides for a "one-to-one" replacement on damaged goods during the warranty period. Where the original model for the damaged goods is unavailable, the company will replace with a new model.</p> <p>It is the company's policy to issue a credit note to cancel out the original supply and issue a tax invoice for the new model. In this respect, what GST rate should the company charge when the replacement occurs on/ after 1 Jan 2023?</p>	<p>Since the contract has a specific provision for a "one-to-one" replacement and the replacement model relates to an original sale that took place before 1 Jan 2023, the company should charge 7% GST.</p>
2.4	<p>Credit notes on goods returned after rate change</p> <p>For goods supplied and delivered before rate change, and returned after the rate change, how should the GST adjustments be made?</p>	<p>Company should issue credit note to adjust the GST at the rate that was originally charged and accounted for.</p>
2.5	<p>Can I issue tax invoice now at GST of 8% for goods delivered after rate change date?</p> <p>Can my company issue a tax invoice at 8% GST before 1 Jan 2023 but with the knowledge that the payment and delivery of goods will be made after the rate change?</p>	<p>No. You are not allowed to issue a tax invoice with GST at 8% before 1 Jan 2023. You should reflect GST at 7% on the tax invoice if it is issued before 1 Jan 2023.</p> <p>If you issue a tax invoice before 1 Jan 2023 and:</p> <ul style="list-style-type: none"> (a) receive payment before 1 Jan 2023; or (b) deliver all the goods/ perform all the services before 1 Jan 2023, <p>the full value of your supply is subject to GST at 7% and no adjustment is required.</p> <p>If you issue a tax invoice before 1 Jan 2023 and:</p> <ul style="list-style-type: none"> (a) receive payment on/after 1 Jan 2023; and (b) deliver all the goods/ perform all the services on/after 1 Jan 2023,

		<p>the full value of your supply is subject to GST at 8%. You are required to issue a credit note to cancel the original tax invoice and to issue a new tax invoice, showing 8% as the GST rate.</p> <p>When you issue the tax invoice to your customer before 1 Jan 2023, you are advised to inform your customer on the potential GST adjustment under the rate change transitional rules to avoid dispute on the GST rate and GST amount payable on the supply.</p>
2.6	<p>Can I charge 8% GST on all invoices issued on or after 1 Jan 2023 for administrative ease, regardless of the payment received date?</p>	<p>The factors determining which GST rate is to be applied in your invoicing are:</p> <ul style="list-style-type: none"> a) when payment is received from your customer b) when goods are delivered/ services are performed for your customer. <p>If you have received payment from your customer before 1 Jan 2023, you must charge GST at 7% as the time of supply has been triggered before 1 Jan 2023. You cannot choose to charge 8% GST.</p>
2.7	<p>What should I do if I am absorbing the GST?</p> <p>Prior to 1 Jan 2023, I have issued a tax invoice to my GST-registered customer amounting to \$107 (amount before GST: \$100; GST amount: \$7) for goods delivered after rate change. Payment has not been received before rate change.</p> <p>If I am absorbing the additional GST for my customer, do I need to issue a credit note and new tax invoice to adjust the GST rate to 8%?</p>	<p>You are required to issue a credit note and new tax invoice to your GST-registered customer to reflect the GST rate of 8% for this scenario.</p>
2.8	<p>Adjustment via credit note where election is made under transitional rules</p> <p>My company delivers goods worth S\$1,000 excluding GST to a customer in Dec 2022 and issues a tax invoice on/ after 1 Jan 2023 with GST charged at 8%. Subsequently, under the rate change transitional rules, my company elects to charge GST at 7% on the value of goods, as they were delivered before rate change.</p> <p>How do I make the credit note adjustment for the election?</p>	<p>You may either</p> <ul style="list-style-type: none"> a) issue a credit note for the GST of S\$10 overcharged (\$80-\$70); or <p>issue a credit note to cancel the original invoice and re-issue a new tax invoice to charge GST at 7% (i.e. S\$1,070).</p>

2.9	<p>Is the election to charge GST at old GST rate (i.e. 7%) mandatory?</p> <p>Under the rate change transitional rules, my company may elect to charge GST at 7% if the delivery of goods occurs before 1 Jan 2023 even though the invoice is issued and payment is received on or after 1 Jan 2023.</p> <p>Does my company have to elect to charge GST at 7% for all transactions where the delivery of goods occurs before 1 Jan 2023?</p>	<p>For invoice issued and payment received on or after 1 Jan 2023, the time of supply would be triggered after the rate change. Hence, the supply should be subject to 8% GST. However, where the goods are fully delivered or services performed before 1 Jan 2023, the transitional rules allow suppliers to elect to charge 7% GST.</p> <p>You may choose to charge 7% on all or any transaction that qualifies for the election, so long as you maintain sufficient documentary evidence to prove that the delivery of goods/ services are completed before 1 Jan 2023.</p>
2.10	<p>What kind of documentary evidence should I keep in order to support that the delivery of goods/ services are completed before 1 Jan 2023?</p>	<p>Example of documentary evidence for goods is delivery order with receipt endorsement from customer.</p> <p>Example of documentary evidence for services are acceptance or confirmation of services received by customers.</p>
2.11	<p>Goods sold on consignment terms</p> <p>My company sells goods on consignment basis to my customer. The goods are placed at my customer's warehouse and my customer will provide me at the beginning of the month with a consumption report of the goods drawn down for consumption in the preceding month. Based on the Dec 2022 consumption report provided to my company on 1 Jan 2023, the customer has drawn down and consumed X quantities of goods in Dec 2022. Subsequently, I issue an invoice and collect payment from my customer for the consigned goods sold. What GST rate is applicable on the supply of the consigned goods drawn down in Dec 2022?</p>	<p>As you would only issue the invoice and collect the payment from the customer on/ after 1 Jan 2023 for the X quantities of consigned goods sold, the time of supply would be on/ after 1 Jan 2023. Hence, the supply of the consigned goods sold would be subject to 8% GST.</p> <p>However, you can choose to charge GST at 7% on the consigned goods sold as the goods are removed for consumption by your customer before 1 Jan 2023.</p>
2.12	<p>Can I reflect the new and old GST rates in the same tax invoice for billing made on/ after rate change?</p> <p>Part of my supply is subject to 7% GST and the remaining supply is subject to 8% GST. When my company bills my customer on/ after 1 Jan 2023, can my company reflect both 7% and 8% GST on the same tax invoice?</p>	<p>Yes. You can reflect the new and old GST rates in the same tax invoice issued on/ after 1 Jan 2023.</p>

2.13	<p>I elect to charge GST at the old GST rate. Can I issue tax invoice reflecting the old GST rate after 15 Jan 2023?</p> <p>My company elects to charge 7% GST for goods delivered before 1 Jan 2023. My company would only issue the invoice and collect payment from customer on/ after 1 Jan 2023. Instead of issuing invoice at 8% GST and a credit note to adjust for the 1% difference by 15 Jan 2023, can I issue an invoice directly at 7% GST even after 15 Jan 2023?</p>	<p>Yes, you can still issue the invoice at 7% GST even after 15 Jan 2023.</p>
2.14	<p>Can I indicate 8% GST on my purchase order/ proforma invoice issued before rate change date?</p> <p>My company issues a purchase order/ proforma invoice to customer before 1 Jan 2023 for goods that will be delivered on/ after 1 Jan 2023. Can I reflect GST rate of 8% on the purchase order/ proforma invoice?</p>	<p>Instead of reflecting only 8% GST on the purchase order/ proforma invoice issued before 1 Jan 2023, you should reflect either of the following on your purchase order/ proforma invoice:</p> <ul style="list-style-type: none"> i. State prices inclusive of 7% GST before 1 Jan 2023 with a statement which informs customers that prices may be revised on/ after 1 Jan 2023 due to the increase in GST rate; or ii. State two GST-inclusive prices, one at 7% and another at 8%. You should clearly state that the prices at 8% GST would only take effect on/ after 1 Jan 2023.
2.15	<p>Volume rebates for supplies made before rate change</p> <p>My company offers volume rebate to customers for purchases made exceeding a certain amount. For volume rebates given in respect of purchases made before 1 Jan 2023, what is the GST rate applicable on the credit note issued on/ after 1 Jan 2023 for the volume rebates?</p>	<p>The GST rate on the credit note to adjust for the volume rebate should be based on the rate that was originally charged on the goods purchased by customer. Hence, although the credit note is issued on/ after 1 Jan 2023, you should reduce the selling price of the goods and GST amount based on the GST rate of 7%.</p>
3. Others		
3.1	<p>Goods imported after rate change date</p> <p>My company receives an invoice before 1 Jan 2023 for imported goods that is due to reach Singapore on/ after 1 Jan 2023. What is the GST rate payable on the import?</p>	<p>The Singapore Customs collects the GST for imports. For imports after on/ after 1 Jan 2023, the GST rate of 8% would be imposed.</p>

3.2	<p>Import permit taken up at 7% GST before 1 Jan 2023 but goods cleared and imported into Singapore on/ after 1 Jan 2023</p> <p>My company has taken up a GST payment import permit at the GST rate of 7% in Dec 2022 as my company plans to import the goods into Singapore before 1 Jan 2023. Subsequently, due to some delays, we can only clear and import the goods into Singapore on/ after 1 Jan 2023. What should my company do?</p>	<p>If the permit is still within the permit validity period, your company, as the importer, would be able to clear the goods using the GST payment permit at GST rate of 7% after 31 Dec 2022. However your company will have to take up a short payment permit to account for the GST short paid of 1%. Singapore Customs will be releasing more details on the procedures in relation to GST rate change by Nov 2022.</p>
3.3	<p>What are the implications if I continue to charge GST at 7% on or after 1 Jan 2023?</p>	<p>This is not compliant with the prevailing rules on price display and regulations on the contents of a tax invoice. The business would also need to absorb the additional GST and ensure they account for GST based on the prevailing tax fraction of the price of the sale. For example, if the sale price inclusive of GST is \$107 on a sale taking place on 1 Jan 2023, the GST to be accounted in your GST return will be \$7.93 (i.e. 8/108 of \$107).</p> <p>Under-accounting of tax is a serious offence and offenders would be subject to a fine.</p>
3.4	<p>Accounting for GST adjustments</p> <p>My company issues a credit note and a new tax invoice on 12 Jan 2023 based on the rate change transitional rules for an invoice which is originally issued on 1 Nov 2022. Should I include the GST adjustments for the credit note and new tax invoice in the GST return covering the prescribed accounting period 1 Oct 2022 to 31 Dec 2022 or in the prescribed accounting period 1 Jan 2023 to 31 Mar 2023?</p>	<p>You should declare the adjustments in your GST F5 return covering the prescribed accounting period in which the credit note and new tax invoice are issued. In this case, as the credit note and new tax invoice are issued on 12 Jan 2023, you should include the GST adjustments in the GST return covering the prescribed accounting period 1 Jan 2023 to 31 Mar 2023.</p>

3.5	<p>Filing of GST returns for transactions subject to different GST rates</p> <p>Can I report my sales and purchase transactions which are subject to different GST rates of 7% and 8% in the same GST return or is there a separate GST return to be submitted?</p>	<p>There is no separate GST return to be completed for transactions subject to different GST rates.</p> <p>For example, you may have the following transactions to report for your GST return for the prescribed accounting period 1 Jan 2022 to 31 Mar 2022:</p> <ul style="list-style-type: none"> • Taxable purchases and corresponding input tax at 7% and 8% GST • Standard-rated supplies and corresponding output tax at 7% and 8% GST • Credit note adjustments due to application of rate change transitional rules <p>You should sum up the value of the supplies, purchases and GST amounts at different GST rates and include them in the relevant boxes of the GST return for GST reporting purposes. To support the figures reported in your GST return, you should maintain transaction listings and the relevant supporting documents.</p> <p>For more information on the details required in your transaction listings, please refer to paragraphs 5.11 and 5.12 of the e-Tax Guide: Record-Keeping Guide for GST-Registered Businesses.</p> <p>For more guidance on filing of GST returns during rate change, you may also refer to paragraphs 12.7 and 12.8 of the e-Tax Guide: 2023 GST Rate Change: A Guide for GST-registered Businesses.</p>
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