

IRAS e-Tax Guide

GST: Assisted Self-Help Kit (ASK) Annual Review Guide

(Fifth edition)



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GST: Assisted Self-Help Kit (ASK) Annual Review Guide

1 Aim

- 1.1 The GST “Assisted Self-help Kit” (ASK) is a self-assessment package designed to facilitate voluntary compliance of GST-registered businesses.
- 1.2 You should read this guide if you are a GST-registered business who is undertaking the ASK review on a voluntary basis or as a requirement for specific purposes e.g. in the course of audit or application for or renewal of GST schemes.

2 At a glance

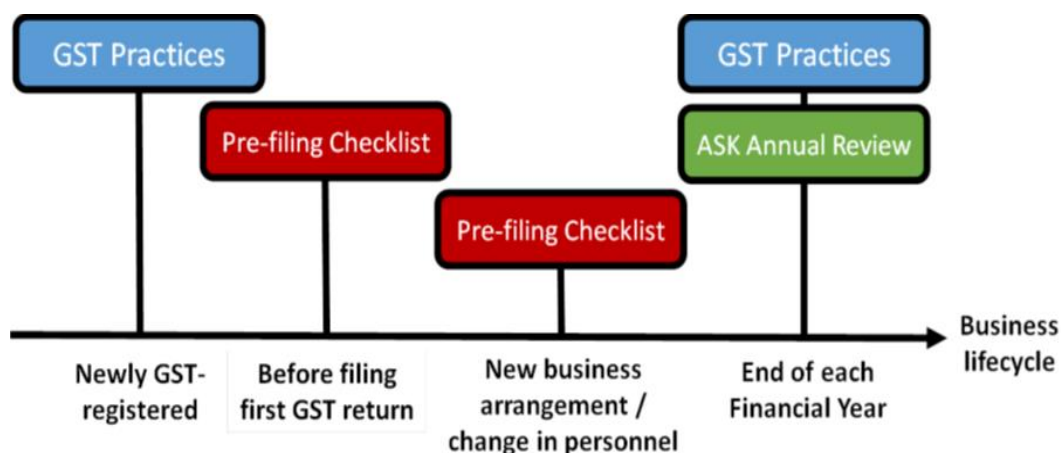
- 2.1 ASK comprises 3 key aspects:



<i>How it works</i>		
GST Practices helps you to put in place internal processes covering People , Record-Keeping , Systems and Internal Controls to ensure overall GST compliance	Pre-Filing Checklist helps you to perform quality check on your GST returns before submission	ASK Annual Review helps you to perform regular review of past GST returns for early detection of errors
<i>Recommended for</i>		
<ul style="list-style-type: none"> • Businesses planning to register for GST • Businesses that are newly registered for GST 	<ul style="list-style-type: none"> • Businesses filing their first GST return • GST-registered businesses with new business arrangement or change in GST personnel 	<ul style="list-style-type: none"> • All GST-registered businesses

2.1.1 When to adopt ASK

Businesses may implement each section individually or put all 3 sections in place.



For more information on GST Practices and Pre-Filing Checklist, please visit our website www.iras.gov.sg/irashome/ASK.

2.2 With effect from 1 Jan 2013, for the purpose of applying for or renewing GST schemes¹ where ASK review is a pre-requisite, the ASK Annual Review must be:

- a) Performed by an individual accredited with Singapore Institute of Accredited Tax Professionals² ("SIATP") as Accredited Tax Advisor (GST) [hereafter termed as ATA (GST)] or Accredited Tax Practitioner (GST) [hereafter termed as ATP (GST)]; or
- b) Performed by the GST-registered business and certified by an individual accredited with SIATP as ATA (GST) or ATP (GST), adhering to the certification procedures set out in paragraph 10.

2.3 The ATA (GST) or ATP (GST) may either be an in-house staff or external party.

2.4 Please refer to paragraph 6 for the various arrangements to conduct ASK Annual Review.

¹ ASK Annual Review is required when applying for Import GST Deferment Scheme (IGDS), Approved Marine Customer Scheme (AMCS), Approved Contract Manufacturer and Trader (ACMT) Scheme, Approved Refiner and Consolidator Scheme (ARCS), Major Exporter Scheme (MES) or Approved Import GST Suspension Scheme (AISS). ASK Annual Review is required for renewal of ACMT, MES and IGDS. Please refer to the respective e-Tax Guide of the GST schemes for details.

² For more information on accreditation with Singapore Institute of Accredited Tax Professionals (SIATP), please visit www.siatp.org.sg

3 Benefits of adopting ASK

3.1 GST-registered businesses which adopt ASK will enjoy the following benefits:

- a) Understand GST requirements on filing and record-keeping;
- b) Ensure accuracy of GST submissions;
- c) Reduce risks of incurring penalties on errors made;
- d) Discover past GST errors early for timely disclosure to IRAS, and enjoy zero or reduced penalties under IRAS' Voluntary Disclosure Programme (VDP);
- e) Enjoy administrative concessions for common errors disclosed through the course of ASK Annual Review; and
- f) Fulfil requirement for application or renewal of specific GST schemes.

4 Errors discovered in the course of ASK Annual Review

4.1 IRAS will waive the 5% late payment penalty if businesses undertake the ASK Annual Review to voluntarily disclose past error(s) within one year from the statutory filing date of their last GST return in respect of the financial year reviewed. For businesses which do not adopt ASK, the penalty will be waived only if the voluntary disclosure was made within one year from the statutory filing deadline of each GST return. This means that businesses adopting ASK Annual Review may enjoy a longer grace period for disclosure of errors. This is provided that all the qualifying conditions under the Voluntary Disclosure Programme (VDP) are met and the situation does not fall within the specific exclusions from the programme.

4.2 For voluntary disclosures made after the one-year grace period, IRAS will impose a reduced penalty of 5% of tax undercharged if the conditions under the VDP are met.

4.3 For more information, please refer to e-Tax Guide "IRAS' Voluntary Disclosure Programme".

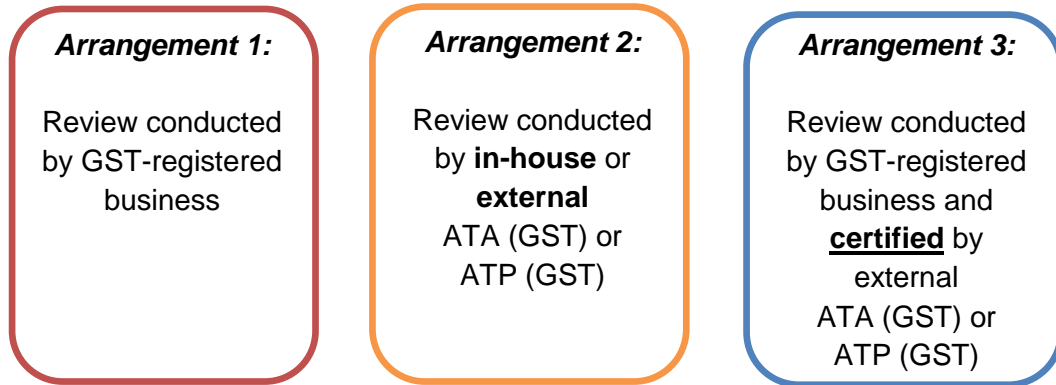
5 Administrative Concessions for common errors disclosed through the ASK Annual Review

5.1 To provide greater transparency and certainty to businesses, a list of administrative concessions for common errors disclosed through the ASK reviews is published in this guide. There is no need to seek the Comptroller's approval to enjoy any of these administrative concessions. Instead, businesses are to self-assess if their errors fall within the scenarios described and that the conditions (if any) specified are satisfied before adopting the administrative

concessions. For more details, please refer to Para 5.2 of the section “Step 5 - Quantify your Errors (if any) and Submit your Findings to IRAS for Review”.

6 Various arrangements to perform ASK Annual Review

6.1 ASK Annual Review may be conducted under any of the 3 arrangements:



6.2 Businesses which adopt ASK voluntarily

6.2.1 GST-registered businesses which adopt ASK voluntarily (for purposes of enjoying the VDP relief, etc.) can choose to conduct the ASK Annual Review under any of the arrangements, based on the needs of their business.

6.2.2 For record purposes, a business which performs ASK Annual Review voluntarily under ‘Arrangement 2 or 3’ should provide the details of the ATA (GST) or ATP (GST) in the completed ASK Declaration Form submitted to IRAS. The ATA (GST) or ATP (GST) may either be an in-house staff or external party.

6.3 Businesses applying for or renewing GST schemes where ASK is specified as a pre-requisite

For the purpose of applying for or renewing GST schemes, ‘Arrangement 2 or 3’ has to be adopted for the ASK Annual Review. In instances where the review or certification is outsourced to an external ATA (GST) or ATP (GST), the GST-registered business is still responsible for the completeness and accuracy of the ASK Declaration.

6.3.1 Review conducted by in-house or external ATA (GST) or ATP (GST) under Arrangement 2

Both the GST-registered business and the in-house/external ATA (GST) or ATP (GST) must complete the ASK Declaration Form.

6.3.2 Review conducted by GST-registered business and certified by external ATA (GST) or ATP (GST) under Arrangement 3

6.3.2.1 Where the GST-registered business does not have any in-house staff who is an ATA (GST) or ATP (GST) and does not wish to outsource the review to an external party with the relevant accreditations, the GST-registered business may perform the ASK Annual Review under 'Arrangement 3'.

6.3.2.2 Under Arrangement 3, the GST-registered business performs ASK Annual Review in-house, but engages an external ATA (GST) or ATP (GST) to verify if the ASK Annual Review performed in-house adheres to the audit methodology prescribed in the ASK Annual Review Guide. The external ATA (GST) or ATP (GST) will verify this by performing the certification procedures set out in paragraph 10.

6.3.2.3 The GST-registered business will need to complete the ASK Declaration Form. The external ATA (GST) or ATP (GST) will need to complete the "Report - Certification of ASK Annual Review" and enclose findings if there were exceptions.

7 Getting ready for the ASK Annual Review

*Who should read this section:
The person undertaking ASK Annual Review*

- 7.1 You should get ready the following:
- a) GST declarations for the financial year under ASK annual review.
 - b) Sales and Purchase listings for the selected period under ASK annual review.
 - c) Accounting records and documents supporting all GST declarations for the period under review. The supporting documents would include:
 - i) Tax Invoices, Simplified Tax Invoices, Receipts
 - ii) Credit Notes, Debit Notes
 - iii) Export Permits, Subsidiary Export Certificate, Note of Shipment, IESGP permits
 - iv) Parcel Despatch Note, Courier Consignment Note
 - v) Import Permits, Subsidiary Import Certificate
 - vi) Inward Summary Report from Air Express Companies (AEC)
 - vii) Other Transport Documents (e.g. Bill of Lading, Air waybill)
 - viii) Documents in relation to Tourist Refund Scheme (TRS)
 - d) Financial Statements or Management Account for the financial year under ASK annual review.
- 7.2 If the GST entities under review are under group registration, the representative member should complete the ASK Annual Review on a group basis. In the selection of samples, the samples should be allocated to the group members (excluding inactive members and members with wholly intra-group supplies) in proportion to their “total supplies and total purchases” for the period under review. For the supplies vs. turnover analysis, the GST group is advised to aggregate the members’ turnover from financial statements or management accounts.
- 7.3 If divisional registration is involved, the parent entity should complete the ASK Annual Review for the entire entity. In terms of the selection of samples, the samples should be allocated to the divisions in proportion to their “total supplies and total purchases” for the selected period under review. For the supplies vs. turnover analysis, the parent entity is advised to aggregate the GST divisions’ turnover from financial statements or management accounts.

8 Guidance on ASK Annual Review

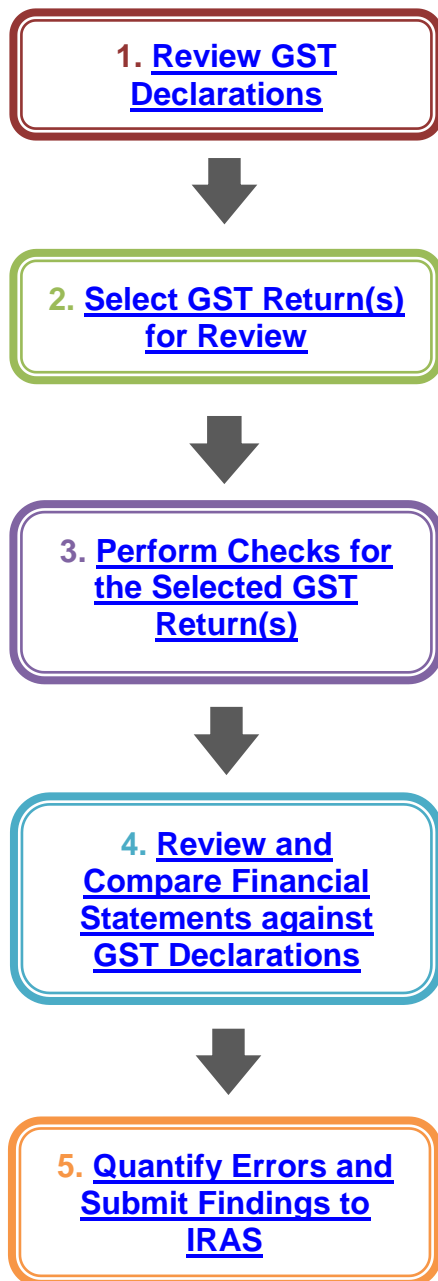
*Who should read this section:
The person undertaking ASK Annual Review*

- 8.1 The specified sample size and methodology of selecting samples are the minimum requirements if this review is requested by IRAS for a specific purpose. Other than that, they serve as suggested guidelines to help businesses determine how much and what to check in conducting an annual review for GST health-check.
- 8.2 IRAS recommends quantitative indicators at various steps in the ASK Annual Review process to help businesses flag out differences that are significant enough to warrant further review/investigation. While the size of differences below the recommended threshold may not be considered as significant under ASK Annual Review, this does not necessarily imply that the GST declarations are error-free.
- 8.3 Businesses may wish to conduct their own checks and ascertain whether the differences can be explained.
- 8.4 IRAS reserves the right to verify and extend the scope of checks beyond the samples selected by businesses which have performed the checks according to this ASK Annual Review Guide. IRAS may also obtain additional information or documents in relation to the errors that have been disclosed. **Should additional errors be detected during the course of IRAS' checks/audits, they will not qualify for VDP.**

9 Overview of the ASK Annual Review Process

*Who should read this section:
The person undertaking ASK Annual Review*

9.1 ASK Annual Review Process is a 5-step process. The subsequent paragraphs give details of the objective and requirements of each step.



STEP 1

Review your GST Declarations for a Financial Year

STEP 2

Select GST Return(s) for Review

STEP 3

Perform Checks for the Selected GST Return(s)

STEP 3A

Check your Standard-rated Supplies and Output Tax

STEP 3B

Check your Zero-rated Supplies

STEP 3C

Check your Exempt Supplies

STEP 3C-1

If you are ACTIVELY making exempt supplies

STEP 3C-2

If you are in general business

STEP 3D

Check your Input Tax and Refunds Claimed (on Local Purchases, Imports with GST Paid, Tourist Refund Scheme and Bad Debt Relief)

STEP 3E

Check your Imports with GST Suspended (e.g. under MES) or with GST Deferred (under IGDS)

STEP 4

Review your Financial Statements or Management Accounts for the Same Financial Year

STEP 5

Quantify your Errors (if any) and Submit your Findings to IRAS for Review

Step 1 Review your GST Declarations for a Financial Year

Overview

The purpose of this step is to detect possible errors in your GST returns in respect of a financial year. If discrepancies are noted from this analytical review, you have to explain and quantify the errors (if any).

1. Review your GST Declaration

1.1 Retrieve your GST returns filed for the past financial year.

***i** If your financial year ends on 31 Dec 2015, you should retrieve your GST returns filed for the period 1 Jan 2015 to 31 Dec 2015.*

You can do this in a few clicks with the GST e-Service, "**Retrieve Past GST Returns/Assessments for ASK Review**".

1.2 Complete the analytical review by inputting the amounts from your GST returns into Template 1.

Template 1 is formulated to assist you in detecting possible errors in your GST returns. Various analyses are done to test whether your GST declarations are in line with your business environment and financial results. It is also for you to record down the results of your checks conducted in Steps 1 and 4.

Template 1
[\(click to download\)](#)

1.3 Review the results shown in the template and perform the following checks:

Step	Checks	Action
a	Check whether there are any major fluctuations in the standard-rated supplies, zero-rated supplies, exempt supplies and taxable purchases declared during the financial year.	Assess if the fluctuation is in line with your business cycle ³ or due to significant change that has happened to your business. <div style="border: 1px solid gray; border-radius: 15px; padding: 10px; margin-top: 10px;"> <p>i A substantial jump in standard-rated supplies could be due to once-off disposal of commercial property. Assess if you have charged and accounted for GST on the sale of commercial property in your GST returns.</p> </div>
b	Check whether there are significant differences between “Declared output tax” and “Computed output tax”	If the difference is > -\$10,000 (i.e. negative value of \$10,000), explain and reconcile the difference. <div style="border: 1px solid gray; border-radius: 15px; padding: 10px; margin-top: 10px;"> <p>! You may have under-accounted output tax or made a reporting error in the standard-rated supplies figure.</p> </div>
c	Check whether there are significant differences between “Declared input tax” and “Computed input tax”	If the difference is > \$10,000, explain and reconcile the difference. <div style="border: 1px solid gray; border-radius: 15px; padding: 10px; margin-top: 10px;"> <p>! You may have over-claimed input tax or made an error in the taxable purchases figure.</p> </div>
d	Compute the Total Taxable Purchases over Total Supplies (in short, TP/TS) ratio for the year.	If the yearly ratio is > 1.2 (i.e. your purchases are much higher than your sales), evaluate if this trend is reasonable ⁴ and explain reasons for the high TP/TS ratio. <div style="border: 1px solid gray; border-radius: 15px; padding: 10px; margin-top: 10px;"> <p>! You may have under-declared your supplies or over-declared your taxable purchases.</p> </div>

1.4 Record the results of your checks and your explanation for the discrepancies (if any) in Template 1.

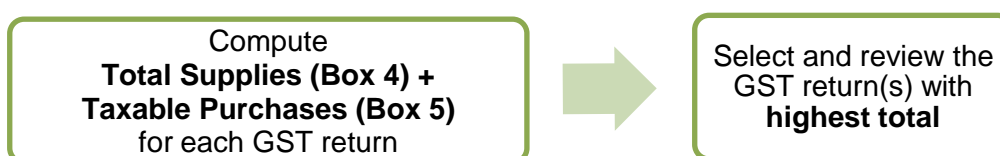
³ It is common for businesses to have cyclical fluctuations in their sales and/or purchases in certain periods of the year. For example, retail businesses generally have higher sales during the Great Singapore Sale in the months of May and June as well as during festive periods e.g. Christmas and Chinese New Year.

⁴ While a TP/TS ratio of >1.2 could be due to valid reasons (e.g. high purchases of machinery or stock made in anticipation of future increase in sales), it may also flag out possible errors made in your GST returns (e.g. omission of supplies made to related company).

Step 2 Select GST Return(s) for Review

1. Determine which GST return(s)

- ★ For each of your GST returns filed for the past financial year, add up the values of your Total Supplies in Box 4 and Taxable Purchases in Box 5.
- ★ Select the GST return(s) with the **highest total** to conduct ASK Annual Review.



2. Determine number of GST return(s)

Filing Frequency	No. of return(s) to select
Monthly	3
Quarterly	1
Six-monthly	1

- ★ For quarterly or six-monthly filing period, select 1 GST return.
- ★ For monthly filing period, select 3 continuous GST returns, ensuring that the GST return with the highest total of Box 4 + Box 5 is included.

E.g. your GST return for the month of Mar 2013 has the highest total of Box 4 + Box 5. Hence, you can choose to conduct ASK Annual Review on your monthly GST returns for:

Option 1	Jan 2015	Feb 2015	Mar 2015
Option 2	Feb 2015	Mar 2015	Apr 2015
Option 3	Mar 2015	Apr 2015	May 2015

Step 3 Perform Checks for the Selected GST Return(s)

Overview

In Step 3, you need to perform specific checks on **each** figure declared in your GST return. The checks are segmented into the following parts of this guide:

Step	GST Transactions
3A	Check your Standard-rated Supplies and Output Tax
3B	Check your Zero-rated Supplies
3C-1	Check your Exempt Supplies (if you are actively making exempt supplies)
3C-2	Check your Exempt Supplies (if you are in general business)
3D	Check your Input Tax and Refunds Claimed (on local purchases, imports with GST paid, Tourist Refund Scheme and Bad Debt Relief)
3E	Check your Imports with GST Suspended (e.g. under MES) or with GST Deferred (under IGDS)

1 Review your listing

a. Retrieve the following:

a. your GST return filed for the accounting period(s) selected in Step 2; and

b. the various listings used when filing the GST return.

i If you are using our recommended Record-Keeping Templates, the figure declared in the respective box of your GST return should be obtained based on the listing(s) as shown below.

Listing	Box (in the GST return)										
	1	2	3	5	6	7	9	10	11	15	17
Standard-rated Supplies	✓				✓						
Zero-rated Supplies		✓									
Exempt Supplies			✓								
Taxable Purchases (Local)				✓		✓					
Taxable Purchases (Imports – GST Paid)				✓		✓					
Tourist Refund Scheme Claims						✓		✓			
Bad Debt Relief Claims						✓			✓		
Taxable Purchases (Imports - GST Suspended)				✓			✓				
Taxable Purchases (Imports - GST Deferred)				✓		✓				✓	✓

For example, to check your figure declared in Box 7 (*i.e.* “*Input tax and refunds claimed*”), you should retrieve the following listings:

- ★ Taxable Purchases (Local)
- ★ Taxable Purchases (Imports - GST Paid)
- ★ Tourist Refund Scheme Claims
- ★ Bad Debt Relief Claims
- ★ Taxable Purchases (Imports - GST Deferred) if you are under Import GST Deferment Scheme (IGDS)

1.2 Refer to paragraph 1 of Steps 3A to 3E on the checks to be performed on each listing.

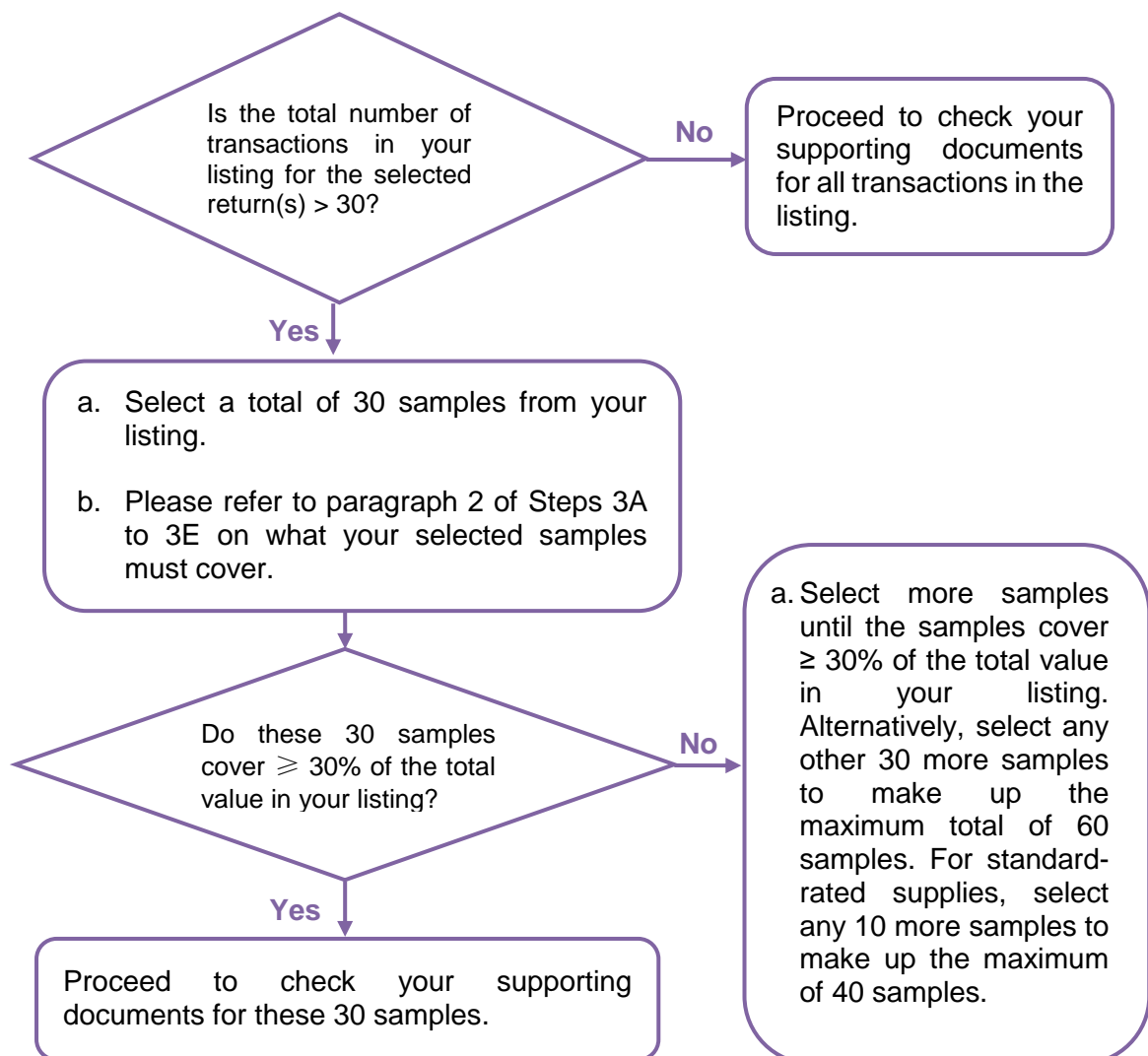
2 Select samples from your listing

For each figure declared in your GST return, you must check the supporting documents of either **all the transactions** reported or a **representative sample** selected from your listing.

Refer to paragraph 2 of Steps 3A to 3E on what your selected samples must cover.

Follow the flowchart below to determine the amount of samples to be selected for each of Steps 3A to 3E.

Flowchart on the Selection of Samples



For monthly filing period, apply the selection process on your listing for the selected 3 continuous returns and ensure that the samples are selected from each return.

See *i* on the next page for illustration.

***i* If you are on monthly filing period**

Assume you have selected your GST returns for Jan, Feb and Mar 2015 to perform ASK Annual Review on your zero-rated supplies.

- If your zero-rated supplies listing for this 3-month period (i.e. Jan, Feb and Mar 2015) have **less** than 30 transactions in total, you will need to perform checks on **ALL** transactions.
- If your total number of transactions for this 3-month period is **more** than 30, you should first select 30 samples in total from the 3-month period and see if these 30 samples cover minimum 30% of the total value of the transactions. If the 30 samples cover less than 30% of the total value of the transactions, you should select more samples to try reaching 30% of the total value, up to a maximum of 60 transactions in total.

E.g. Your listing shows as follows:

Month	No. of transactions	Total value of zero-rated supplies in listing
Jan 2015	49	\$10,563
Feb 2015	66	\$20,572
Mar 2015	85	\$41,742
Total	200	\$72,877

From these 200 transactions, you are to first select transactions from each month to make up a minimum of 30 samples. See if these 30 samples cover at least 30% of the total transactions value for 3-month period (i.e. 30% x \$72,877).

Value of the 30 samples	Do you need to select more samples?	Your sample size will be:
Equal or more than 30% of the total transactions value	No.	30
Less than 30% of the total transaction value	Yes. E.g. You select another 10 samples and the value of these 40 samples can reach 30% of the total transactions value.	40
	Yes. E.g. You select another 30 samples and the value of these 60 samples still cannot reach 30% of the total transactions value.	60 (i.e. the maximum number of samples required)

3 Check your supporting documents for the samples selected

Refer to paragraph 3 of Steps 3A to 3E on the checks to be performed on your samples selected.

Step 3A Check your Standard-rated Supplies and Output Tax

1 Review your listing

Perform the following checks on your standard-rated supplies and output tax listing.

Check that the total amount of your listing tallies with the value of standard-rated supplies and output tax declared in Boxes 1 and 6 of your GST return.

- a. Check if the transactions in the listing comply with the time of supply rule⁵.
- b. To ensure completeness, run through the invoice numbers in your listing and see if there is any missing invoice number not found in the listing.
- c. Check if there is any transaction that reduces the 'Sales Amount excluding GST' and the 'GST Amount' in your listing. Ensure that the reduction is made on your sales based on either your credit note issued to the customer or debit note received from your customer during the accounting period of your GST return.
- d. Ensure that you have included all your sales in the listing and apply the GST treatment correctly on your transactions.

! Remember to include:

- Cash sales
- Local sales made by your overseas principal for whom you are acting as the local agent under Section 33(2) of GST Act
- Sales made outside your usual course of business (e.g. on used equipment, scrap metal, empty boxes, etc.)
- Recovery of expenses you incurred as a principal from another party
- Goods given free as gifts including those that are not commercial samples, where credit for input tax has been allowed to you and which costs >\$200 (include free gift given as employee benefit) with effect from 1 Oct 2012
- Sale or disposal of your business asset

! As a good practice, use the [Pre-Filing Checklist, "Standard-rated Supplies and Output tax"](#) when filing your GST return.

⁵ Please refer to the e-Tax Guide, "GST: Time of Supply Rules" for more information.

2 Select samples from your listing

Follow the '[Flowchart on the Selection of Samples](#)' in Step 3 - Overview. If your standard-rated supplies listing has more than 30 transactions, you should select:

- at least 30 samples to cover minimum 30% of the total value of standard-rated supplies in your listing, or a maximum of 40 samples; and
- At least 1 sample from each of the category below that applies to your business.

Category
Standard-rated supplies relating to your trade covering: <ul style="list-style-type: none">• Different customers• Tax invoices billed in foreign currency• Credit notes issued to / debit notes received from your customers
Standard-rated supplies not relating to your trade (<i>e.g. reimbursements, deemed supplies, sale or disposal of fixed assets</i>)
Standard-rated supplies made to your related parties and those which you have made as the local agent of your overseas principal under Section 33(2)

3 Check your supporting documents for the samples selected

3.1 Retrieve your source documents for the samples selected in Step 3A.2. The source documents include:

- Tax invoices, simplified tax invoices and receipts issued by you;
- Credit notes issued to your customers; and
- Debit notes received from your customers.

3.2 Perform the following checks on your source documents and listing.

- a. For each of the samples which you have issued a tax invoice, simplified tax invoice or receipt, check that:
 - i. GST is charged at the correct tax rate at the time of your sale.
 - ii. The 'Total Amount Excluding GST' and the 'Total GST Amount' are recorded correctly in your listing based on the source document.

***i** As GST amount may not be shown separately on your simplified tax invoices and receipts, you should account for GST by re-grossing the Total Amount Including GST based on tax fraction (e.g. when GST rate is 7%, the tax fraction will be 7/107).*

- iii. If your tax invoice is issued in foreign currency, it must also show the 'Total GST Amount' in Singapore Dollars. Ensure that you record the Singapore Dollars values in your listing.
- b. For credit notes issued to your customers and/or debit notes received from your customers, ensure that:
- i. The credit note and/or debit note is issued to make a reduction in your standard-rated supply and GST. It must contain the number and date of the tax invoice issued for your original sale. If you are unable to do so (e.g. because returned goods cannot be identified with a particular tax invoice), you must be able to satisfy the Comptroller of GST by other means that you have accounted for GST on the original supply.
 - ii. You have reported the original value of the standard-rated supply and accounted for output tax in your GST return based on your tax invoice.
 - iii. The 'Total Amount Excluding GST' and the 'Total GST Amount' on the credit note or debit note are correctly reduced in your listing.

***i** You should reduce the value of your standard-rated supply and output tax only once in your GST return based on either your credit note or the customer's debit note. Do not make your adjustments more than once.*

4 Record the results of your checks in Template 2

Template 2 – Checklist For Standard-Rated Supplies and Output Tax contains the above checks that you need to perform to ensure that GST is properly charged for your standard-rated supplies. It is also for you to record down results of your checks.

Template 2
[\(click to download\)](#)

Step 3B Check your Zero-rated Supplies

1 Review your listing

Perform the following checks on your zero-rated supplies listing.

- a. Check that the total sales amount of your listing tallies with the value of zero-rated supplies declared in Box 2 of your GST return.
- b. To ensure completeness, run through the invoice numbers in your listing and see if there is any missing invoice number not found in the listing.

2 Select samples from your listing

Follow the '[Flowchart on the Selection of Samples](#)' in Step 3 - Overview. If your zero-rated supplies listing has more than 30 transactions, you should select:

- at least 30 samples to cover minimum 30% of the total value of zero-rated supplies in your listing, or a maximum of 60 samples; and
- At least 1 sample from each of the category below that applies to your business.

Category	Samples selected should cover:
Exports of Goods	<ol style="list-style-type: none">i. Different customers, especially your local customersii. Direct export scenarios where you arrange for the export of your goods (<i>e.g. through your own freight forwarder</i>)iii. Indirect export scenarios where you are not the one arranging for the export of your goodsiv. Different modes of export (<i>e.g. via air, sea, land, hand-carry, courier, etc.</i>)
International Services	<ol style="list-style-type: none">i. Different customers, especially your related parties and local customersii. Different types of services provided by you

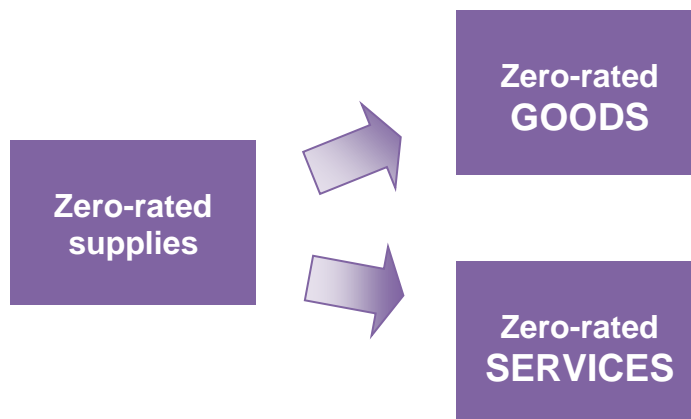
3 Check your supporting documents for the samples selected

3.1 Retrieve your invoices issued for the samples selected in Step 3B.2. Perform the following checks on each invoice and your zero-rated supplies listing.

- a. There is no GST amount on your invoice or GST amount is recorded as zero.
- b. The total sales amount is recorded correctly in your listing based on your invoice. If your invoice is issued in foreign currency, ensure that you convert your total sales amount into Singapore Dollars and record it in your listing.
- c. From the description of sale that is stated on your invoice, determine whether you have made a supply of goods and/or services. Check whether you have correctly zero-rated your supply.

! As a good practice, use the [Pre-Filing Checklist, "Zero-rated Supplies"](#) when filing your GST return.

3.2 Separate checks for zero-rated goods and services



3.2.1 Checks on zero-rated supplies of **goods** (as determined in Step 3B.3.1c)

Under the GST law, you can zero-rate your supply of goods only when your goods are exported out of Singapore. To prove that your goods are exported, you are required to maintain export evidence (i.e. both transaction documents and transport documents) specified in our e-Tax Guide, "**GST: A Guide on Exports**".

However, for the purpose of this annual review, we will only require you to check the transport document(s) for your samples. While you need not verify the transaction documents (*e.g. your delivery note or packing list, evidence of payment received from customer, etc.*) for the samples, please make sure that you have maintained them to support your sales.

- a. For each relevant sample, check whether you have maintained the transport document(s). The type of transport document(s) required will depend on how your goods are exported out of Singapore. Retrieve your transport document(s).

Common Export Scenarios ⁶	Transport Document(s) Required
Exports via sea	Bill of lading
Exports via air	Air waybill
Exports via land	Export permit
When your goods are consolidated with other local exporters' goods before export via sea, air or land	Subsidiary Export Certificate or Note of Shipment issued by a freight forwarder or handling agent
When your goods are delivered to another freight forwarder for co-loading before export via sea, air or land	
Exports via post or courier	Parcel despatch note or courier consignment note
Hand-carried exports via Changi International Airport on or after 1 Apr 2009 ⁷	Export permit endorsed by Singapore Customs
Hand-carried exports via <ul style="list-style-type: none"> • Changi International Airport before 1 Apr 2009; • Seletar Airport, Sea or Land 	All documents listed in Scenario 8.1B of e-Tax Guide, "GST: A Guide on Exports"

⁶ Please refer to e-Tax Guide, "GST: A Guide on Exports", for more information and for industry-specific export scenarios (*e.g. supply of bunker fuel, goods to be used as stores on vessels, etc.*).

⁷ With effect from 1 Apr 2009, supplies of goods that are hand-carried out of Singapore via Changi International Airport can be zero-rated only if all conditions of the Hand-Carried Exports Scheme are met. Please refer to e-Tax Guide, "GST: Guide on Hand-Carried Exports Scheme", for more details of this scheme.

- b. Perform the following checks on the transport document(s) for each sample. Ensure that:
- i. The transport document(s) shows your business name as the exporter.
 - ii. The transport document(s) indicate that the goods are to be exported from Singapore to an overseas country.
 - iii. The transport document(s) contains sufficient information to support that the goods exported are identical to the goods you sold.

i Your invoice number is stated on the transport document. The details (e.g. description, quantity and value) of goods on the transport document can match with the details on your invoice or other documents (such as delivery note, packing list, etc).

3.2.2 Checks on zero-rated supplies of **services** (as determined in Step 3B.3.1c)

You can zero-rate your supply of services only if it falls within the description of international services under Section 21(3) of the GST Act.

The following are simple indicators to guide you on whether you have provided international services that can qualify for zero-rating. For more information and examples on international services, please refer to IRAS website.

- a. Retrieve your invoice, contract and/or correspondences with the customer.
- b. Examine the nature of your services. Determine whether you have provided international services that fall within **one** of the following broad categories:
 - i. International transport of passengers and/or goods
 - ii. Services supplied directly in connection⁸ with:
 - Land or buildings located outside Singapore
 - Goods located outside Singapore when your services are performed
 - Goods to be exported out of Singapore and are supplied to an overseas customer at the time when you perform the services
 - iii. Specific services performed wholly outside Singapore:
 - Cultural, artistic, sporting, educational or entertainment services
 - Exhibition or convention services
 - Other services that are supplementary to the above, including organising the performance outside Singapore

⁸ Please refer to e-Tax Guide, "GST: Clarification on "Directly in Connection With" and "Directly Benefit" for more information.

- iv. Services supplied to and directly benefiting⁹ a person belonging outside Singapore at the time when you perform the services
 - v. Prescribed services supplied to and directly benefiting⁹ an overseas person belonging outside Singapore in his business capacity (and not in his private or personal capacity)
 - vi. Prescribed services comprising international telecommunication transmission
- c. If your services do not fall within any of the categories in Step 3B.3.3b, please refer to IRAS' website for the complete list of international services and determine if you have correctly zero-rated your supplies of services.

4 Record the results of your checks in Template 3

Template 3 – *Checklist For Zero-Rated Supplies* contains the above checks that you need to perform to ensure that supplies qualify for zero-rating and export documents are maintained for goods that are zero-rated. It is also for you to record the results of your checks.

Template 3
[\(click to download\)](#)

Step 3C Check your Exempt Supplies

- Step 3C-1: If you are actively making exempt supplies
- Step 3C-2: If you are in general business

Instructions

You only need to perform **either** Step 3C-1 or Step 3C-2 on your exempt supplies.

Perform Step 3C-1 if:

Perform Step 3C-1 if your core business falls into one of the following categories:

- Developing or investing in residential properties (i.e. you generate income from your sale and/or lease of residential properties)
- Providing financial services (e.g. as a financial institution)
- Importing and supplying investment precious metals (IPM) locally with effect from 1 Oct 2012.

Perform Step 3C-2 if:

If your core business does not fall into any of the above categories but you have made exempt supplies in the ordinary course of your business, you do not need to perform Step 3C-1. Proceed to Step 3C-2 for general business instead.

Step 3C-1

Check your Exempt Supplies if you are actively making exempt supplies

1 Review your listing

Perform the following checks on your exempt supplies listing.

Check that the total amount of your listing tallies with the value of exempt supplies declared in Box 3 of your GST return.

- a. Run through the invoice numbers in your listing and see if there is any missing invoice number not found in the listing.
- b. Check if there is any transaction that reduces the 'Sales Amount' in your listing. Ensure that the reduction is made on your sales based on your credit note issued to the customer during the accounting period of your GST return. Your listing should record down the reference number of your credit note.
- c. Ensure that the value of exempt supplies is reported correctly in your listing. Please refer to our e-Tax Guide, "**GST: How Do I Prepare My GST Return**" on how to fill in Box 3.

***i** The value of exempt supply to be reported in Box 3 of the GST return depends on the type of your exempt transaction. E.g. the value of exempt supply for sale of shares is the gross sales proceeds from the sale, while the value of exempt supply for hedging activities (such as swap transactions, futures contracts, etc.) should be the net realised gain or loss arising from the transaction.*

If your exempt transaction results in a net realised loss, you should include the absolute value (i.e. drop the negative sign) in Box 3 of your GST return.

- d. Ensure that you have correctly applied the GST treatment in exempting the supplies and reported all exempt supplies made.

***!** Remember to include:*

- *Sale or lease of residential properties*
- *Income like bank interest, foreign exchange rate gain or loss relating to financial services provided in addition to your core business. For instance, if you are in the life insurance business, you are also required to report other sources of exempt supplies like interest income from bank deposit, etc.*

***!** As a good practice, use the [Pre-Filing Checklist, "Exempt Supplies- Properties, Financial Services or Investment Precious Metals"](#) when filing your GST return.*

2 Select samples from your listing

Follow the '[Flowchart on the Selection of Samples](#)' in Step 3 - Overview. If your exempt supplies listing has more than 30 transactions, you should select:

- at least 30 samples to cover minimum 30% of the total value of exempt supplies in your listing, or a maximum of 60 samples; and
- At least 1 sample from each of the category below that applies to your business.

Category

Exempt supplies relating to your trade covering:

- Different categories or types of transactions
- Different customers

Exempt supplies not relating to your trade (*e.g. interest income from bank deposit, rental income from lease of residential properties, etc.*)

3 Check your supporting documents for the samples selected

- 3.1 Retrieve your invoices and receipts issued for the samples selected in Step 3C-1.2.
- 3.2 Perform the following checks on each invoice or receipt and your exempt supplies listing.
 - a. The total sales amount is recorded correctly in your listing based on your invoice or receipt. If your invoice is issued in foreign currency, ensure that you convert your total sales amount into Singapore Dollars and record it in your listing.
 - b. The nature of your transaction qualifies as an exempt supply.

4 Record the results of your checks in Template 4

Template 4 – *Checklist For Exempt Supplies – Pty & FS* contains the above checks that you need to perform to ensure that supplies qualify for GST exemption. It is also for you to record down results of your checks.

Template 4
[\(click to download\)](#)

Step 3C-2 Check your Exempt Supplies if you are in general business

1 Review your listing

Perform the following checks on your exempt supplies listing.

- a. Check that the total amount of your listing tallies with the value of exempt supplies declared in Box 3 of your GST return.
- b. Ensure that the value of exempt supplies is reported correctly in your listing. Please refer to our e-Tax Guide, “**GST: How Do I Prepare My GST Return**” on how to fill in Box 3.

***i** The value of exempt supply to be reported in Box 3 of the GST return depends on the type of your exempt transaction. E.g. the value of exempt supply for sale of shares is the gross sales proceeds from the sale, while the value of exempt supply for hedging activities (such as swap transactions, futures contracts, etc.) should be the net realised gain or loss arising from the transaction.*

If your exempt transaction results in a net realised loss, you should include the absolute value (i.e. drop the negative sign) in Box 3 of your GST return.

- c. Ensure that you have correctly applied the GST treatment in exempting your supplies and reported all exempt supplies made.

! Remember to include:

- Sale or lease of residential properties
- Income from financial services like bank interest, foreign exchange rate gain or loss, interest earned from loan to related company, etc.

! As a good practice, use the [Pre-Filing Checklist, "Exempt Supplies – General Business"](#) when filing your GST return.

2 Record the results of your checks in Template 5

Template 5 – *Checklist For Exempt Supplies – General Business* contains the above checks that you need to perform to ensure that supplies qualify for GST exemption. It is also for you to record down results of your checks.

Template 5
[\(click to download\)](#)

Step 3D Check your Input Tax and Refunds Claimed

(on Local Purchases, Imports with GST Paid, Tourist Refund Scheme and Bad Debt Relief)

1 Review your listing(s)

1.1 Perform the following checks on the listing(s) for your input tax and refunds claimed.

- a. Check that the total amount of your respective listing(s) tallies with the value declared in Box 5, Box 7, Box 10 and Box 11 of your GST return (please refer to paragraph 1.1 of Step 3 - Overview).

If you have been approved to import goods with GST suspended (e.g. under the Major Exporter Scheme (MES), etc.), the value of such imports should also be included in Box 5 of your GST return.

Similarly, if you have been approved to import goods with GST deferred (under the Import GST Deferment Scheme (IGDS)), the value of such imports and the corresponding import GST deferred that are attributable to your taxable supplies should be included in Box 5 and Box 7 of your GST return. Please refer to Step 3E on how to check your imports with GST suspended or deferred.

- b. If you are not approved under the MES, IGDS or any other GST scheme to import goods with GST suspended or deferred, run through your listing(s) and see if there is any import permit number that begins with 'ME' or 'MC'. This is to check whether you have wrongly imported goods with GST suspended or deferred by using another business' MES or IGDS status.

***i** If yes, you should exclude such imports from your GST return and write to the Comptroller of GST for rectification of the error.*

- c. Look through the dates of transaction, invoice or import permit recorded in your listing(s). For transactions with dates falling before the accounting period of the selected GST return, ensure that you did not claim the input tax again in your GST returns for other accounting periods.

***i** You must hold the supporting tax invoice or import permit when you make the input tax claim in your GST return. Hence, the dates recorded in your listing(s) should generally fall within or before the accounting period of your GST return.*

With effect from 1 Jan 2015

- d. If you have claimed import GST in full on re-imported goods belonging to your local customers or GST-registered overseas customers, which you previously sent overseas for value-added activities (e.g. testing, repair or assembly), please ensure that you satisfy all the conditions and requirements listed in the e-Tax Guide “GST: Claiming of GST on re-import of value-added goods”.
- e. Check that you do not make input tax claims on the same transaction more than once.

i The possibility of you making duplicate input tax claims can be reduced if you generate your listing(s) using accounting software which has in-built functions or controls that can prohibit or highlight duplicate entries.

- f. Retrieve all credit notes received from your suppliers or debit notes issued to your suppliers during the accounting period of your GST return. Ensure that the ‘Purchase Amount Excluding GST’ and the ‘GST Amount’ have been reduced correctly in your listing(s) based on these credit notes or debit notes.
- g. Run through your listing(s) and pick out transactions with description or of nature such as *entertainment, phone charges, transport claims, miscellaneous expenses, medical expenses⁹, etc.* Not all these claims are claimable, even if they were incurred for your business purposes.
- h. Ensure that you do not claim any input tax that is not allowable.

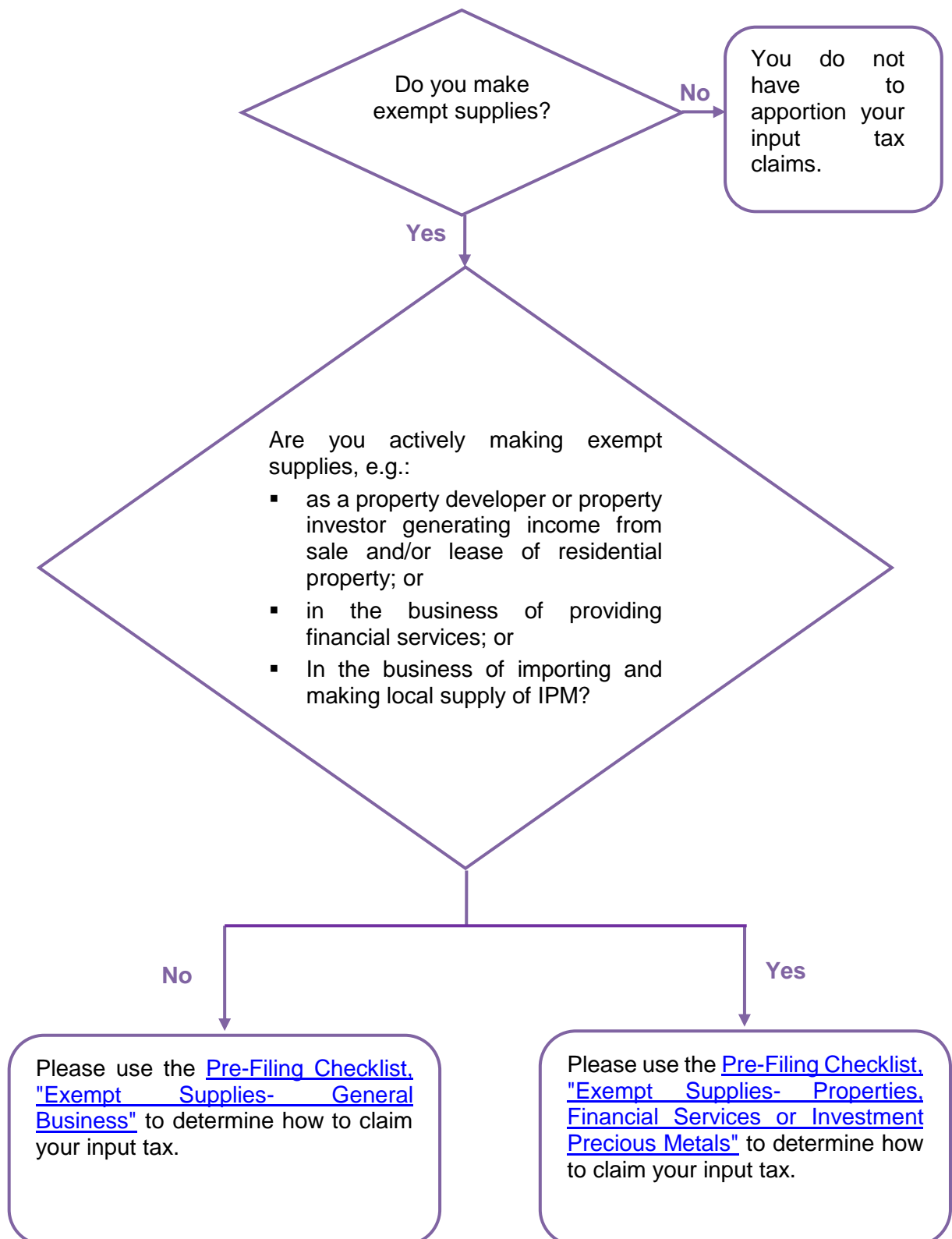
! You should not claim input tax on the following:

- Purchases from non-GST registered suppliers
- Purchases where input tax is specifically not allowed:
 - ★ Club subscription fee charged by sporting and recreational clubs
 - ★ Medical expenses, medical and accident insurance premium incurred by your staff (excluding those covered under the Work Injury Compensation Act or under any collective agreement under the Industrial Relations Act)
 - ★ Benefits provided to the family members or relatives of your staff
 - ★ Costs and running expenses (e.g. on petrol, parking, repair & maintenance, insurance of motor cars (except for Q-plated cars)

! As a good practice, use the [Pre-Filing Checklist, "Taxable Purchases and Input Tax & Refunds Claimed"](#) when filing your GST return.

⁹ Medical expenses are not claimable unless they are obligatory under the Work Injury Compensation Act or under any collective agreement within the meaning of the Industrial Relations Act.

1.2 Follow the flowchart below to determine if you are required to apportion your input tax claims. If yes, ensure that you have apportioned and claimed your input tax correctly.



2 Select samples from your listing

Follow the '[Flowchart on the Selection of Samples](#)' in Step 3 - Overview. If the total number of transactions in your various listing(s) for input tax and refund claims adds up to more than 30, you should select:

- at least 30 samples to cover minimum 30% of the total value of input tax and refund claims in your listing(s), or a maximum of 60 samples;
- sample from each of the category below that applies to your business; and

Category	Samples selected should include:
Local Purchases	<u>Trade Purchases and Expenses covering:</u> i. Different nature of goods or services purchased ii. Tax invoices billed in foreign currency
Imports with GST paid	
Tourist Refund Scheme (“TRS”) Claims	
Bad Debt Relief (“BDR”) Claims	

- In instances you have made Tourist Refund Scheme Claims and/or Bad Debt Relief Claims, please select **5 more samples** from each of the categories.

3 Check your supporting documents for the samples selected

3.1 Checks on your input tax claims on **Local Purchases**

Retrieve the source documents (i.e. tax invoices, simplified tax invoices and/or receipts received by you) for the samples selected in Step 3D.2.

Perform the following checks on your source documents and listing:

- a. The tax invoice is addressed to your business name and shows the amount of GST charged on your purchase.
- b. The 'Purchase Amount Excluding GST' and the 'Total GST Amount' are recorded correctly in your listing based on the source document.

i As GST amount may not be shown separately on simplified tax invoices and receipts, you should claim for GST by re-grossing the Total Amount Including GST based on tax fraction¹¹.

- c. If the source document (tax invoice) is issued in foreign currency, you should claim input tax based on the 'Total GST Amount' shown in Singapore Dollars or by using the exchange rate stated by the supplier on the tax invoice. You should not use your own exchange rate to claim input tax on your purchase.
- d. The purchase is incurred wholly for your business purposes and is allowable. Check that you do not claim input tax on those purchases listed in Step 3D.1.1g.

3.2 Checks on your input tax claims on **Imports (with GST paid)**

Ensure that you have the supporting import permits or subsidiary import certificates for the samples selected in Step 3D.2.

Perform the following checks on your import permit or subsidiary import certificate and listing for each sample. Check that:

- a. The import permit or subsidiary import certificate shows your business name as the importer.
- b. The 'Total Amount Excluding GST' and the 'Total GST Amount' are recorded correctly in your listing based on the CIF amount and GST amount stated on the import permit or subsidiary import certificate.
- c. The goods are imported for your business purposes.

¹⁰ E.g. When GST rate is 7%, the tax fraction will be 7/107.

3.3 Checks on your refunds claimed on **Tourist Refund Scheme**

If you are operating the Tourist Refund Scheme as an independent retailer, you would give the GST refunds to your customers (who are eligible tourists) through Central Refund Counter (CRC) operator and then recover the tax from the Comptroller of GST in your GST returns.

Below are simple checks to help you in ensuring that your refunds claimed on Tourist Refund Scheme are correct. Ensure that you have these supporting documents for the samples selected in Step 3D.2. The source documents include:

- Separate account to record sales and refunds made under the scheme
- Tax invoices, simplified tax invoices and/or receipts issued by you for the goods sold
- The digitally signed refund transaction (XML file) provided by Central Clearing House (CCH) upon your request, showing the customs processed eTRS transactions that have been electronically stamped at the airports or cruise terminals¹¹
- Refunded transaction details files downloaded from CRC's interface as evidence of your GST refund made to tourists through CRC

Perform the following checks on your source documents and listing for each sample. Check that:

- a. Trace all the tax invoices / receipts of your original sales linked to the eTRS tickets:
 - You are able to trace all the tax invoices / receipts stated in the eTRS tickets.
 - eTRS ticket was issued for each tax invoice / receipt.
 - You have reported the original value of the standard-rated supply and accounted for output tax in your GST return based on your tax invoice or receipt.
 - The GST value reflected in CCH's file is not higher than the GST amount reflected in tax invoice/receipt.
- b. Check from CCH's file that the eTRS ticket was endorsed by Singapore Customs within 2 months from the date of tax invoice / receipt.

Check the transaction details files downloaded from CRC's interface

¹¹ Applicable to eTRS transactions approved and refunded at the cruise terminals prior to 1 Sep 2017 in relation to purchases made prior to 1 Jul 2017.

- c. The tourist had claimed the eTRS refund from CRC within 2 months from the date of approval of the tourist's application for refund.
- d. The refund was made to the tourist within 3 months after the date of approval of the tourist's application for refund.

3.4 Checks on your refunds claimed for **Bad Debt Relief**

Ensure that you have completed the checklist “**Self-review of Eligibility to Claim Bad Debt Relief**” and satisfied all the conditions listed in that checklist.

4 **Record the results of your checks in Template 6**

Template 6 – *Checklist For Input Tax and Refunds Claimed* contains the above checks that you need to perform to ensure that GST is properly claimed. It is also for you to record down results of your checks.

Template 6
[\(click to download\)](#)

Step 3E Check your Imports with GST Suspended (e.g. under MES) or with GST Deferred (under IGDS)

Overview

GST is chargeable upon importation of goods in Singapore. However, GST on imports may be suspended under certain GST schemes e.g. Major Exporter Scheme (MES), Approved Third Party Logistics Company Scheme (A3PL), Approved Import GST Suspension Scheme (AISS), Approved Contract Manufacturer and Trader Scheme (ACMT) applicable to approved contract manufacturers.

Unless specified by the GST schemes, if you have imported goods with GST suspended under such scheme(s), you need to declare the total value of goods imported under such scheme(s) in Box 9 and include this amount in Box 5 (i.e. “Total value of taxable purchases”) of your GST return.

In addition, GST on imports may also be deferred under the Import GST Deferment Scheme (IGDS). If you have imported goods with GST deferred under IGDS, you need to declare the value of such imports in Box 17 (“Total value of goods imported under this scheme”) and the corresponding import GST in Box 15 (“Deferred import GST payable”) of your GST return. After which, you can then include the import amount in Box 5 (“Total value of taxable purchases”) and your GST claim in Box 7 (“Input tax and refunds claimed”) of your GST return provided that such imports under IGDS are attributable to the making of your taxable supplies.

The following steps are tailored specifically for GST-registered businesses under MES or IGDS. If you are under MES or IGDS, you would need to complete the steps below to verify the accuracy of your Box 9 figure or Box 15 and Box 17 figures respectively.

The pre-filing checklists and ASK Annual review are meant for all businesses and do not cover specific GST treatment or requirements under these special schemes. If you are under other GST scheme(s) (e.g. AISS, Approved Third Party Logistics Company (3PL) Scheme, Approved Contract Manufacturer and Trader (ACMT) Scheme), and some questions or steps in ASK do not address the particular GST treatment for the scheme, you may use the steps below as a guide to verify the accuracy of your Box 9 figure, and include checks to ensure that all conditions of the scheme(s) are complied with.

1 Review your listing

1.1 For imports with GST suspended (e.g. under MES)

Perform the following checks on your taxable purchases (imports - GST suspended) listing.

- a. Check that the total amount of your listing tallies with the value declared in Box 9 and is included in Box 5 of your GST return.
- b. Review if the import permits taken up under your name, through Singapore Customs or your authorised declaring agents, tallies with your internal records. This is to ensure that there is no unauthorised usage of your MES status.
- c. Ensure that the dates of your import permit fall within or before the accounting period of the selected GST return. If the date of your import permit did not fall within the accounting period of your GST return, ensure that you did not include the same transaction in your GST returns for other accounting periods.

With effect from 1 Jan 2015

- d. If you have made use of the import suspension privileges of MES, ACMT scheme as an ACMT Contract Manufacturer or Approved Refiner and Consolidator Scheme (ARCS) as an Approved Refiner to re-import goods belonging to your local customers or GST-registered overseas customers, which you previously sent abroad for value-added activities (e.g. testing, repair or assembly), please ensure that you satisfy all the conditions and requirements listed in the e-Tax Guide “GST: Claiming of GST on re-import of value-added goods”.

1.2 For imports with GST deferred (under IGDS)

Perform the following checks on your taxable purchases (imports - GST deferred) listing.

- a. Check that the total amount of your listing tallies with the values reported in Box 15 (“Deferred import GST payable”) and Box 17 (“Total value of goods imported under this scheme”).
- b. Review if the import permits taken up under your name, through Singapore Customs or your authorised declaring agents, tallies with your internal

records. This is to ensure that there is no unauthorised usage of your IGDS status.

- c. Look at the approval date of your import permit, which is the start date of the validity period as stated on the permit. Ensure that the approval dates of your import permits (including supplementary IGDS permits) fall within the accounting period of your GST return.

With effect from 1 Jan 2015

- d. If you have made use of the import suspension privileges of Import GST Deferment Scheme to re-import goods belonging to your local customers or GST-registered overseas customers, which you previously sent abroad for value-added activities (e.g. testing, repair or assembly), please ensure that you satisfy all the conditions and requirements listed in the e-Tax Guide “GST: Claiming of GST on re-import of value-added goods”.
- e. For GST deferred on imports that are wholly attributable to your taxable supplies, check that you have included the GST amount in Box 7 (“Input tax and refunds claimed”) and the corresponding import value in Box 5 (“Total value of taxable purchases”) of your GST return. For GST deferred on imports that are partly attributable to your taxable supplies, check that the GST claimed in Box 7 has already been apportioned to claim the portion relating to your taxable supplies.

2. Select samples from your listing

2.1. Follow the '[Flowchart on the Selection of Samples](#)' in Step 3 - Overview. If your taxable purchases (imports - GST suspended) or taxable purchases (imports - GST deferred) listing has more than 30 transactions, you should select:

- at least 30 samples to cover minimum 30% of the total value of taxable purchases (imports - GST suspended) or taxable purchases (imports - GST deferred) in your listing, or a maximum of 60 samples; and
- At least 1 sample from each of the sub-category below that applies to your business.

Main Category	Samples selected should cover the following sub-categories:
<p>Your own imports</p>	<ul style="list-style-type: none"> i. Different overseas suppliers ii. Different local suppliers iii. Different types of goods purchased iv. Different declaring agents
<p>Goods which you have imported on behalf of your overseas principals under Section 33(2) or Section 33A of GST Act¹²</p>	<ul style="list-style-type: none"> i. Different major overseas principals ii. Goods that are subsequently sold to local or overseas customers (<i>i.e. where you are acting as Section 33(2) agent</i>) iii. Goods that are re-exported back to the same overseas principal (<i>i.e. where you are acting as Section 33A agent</i>)

¹² For information and conditions on sections 33(2) and 33A agents, please refer to the e-Tax Guide "GST: Guide on Imports".

3 Check your supporting documents for the samples selected

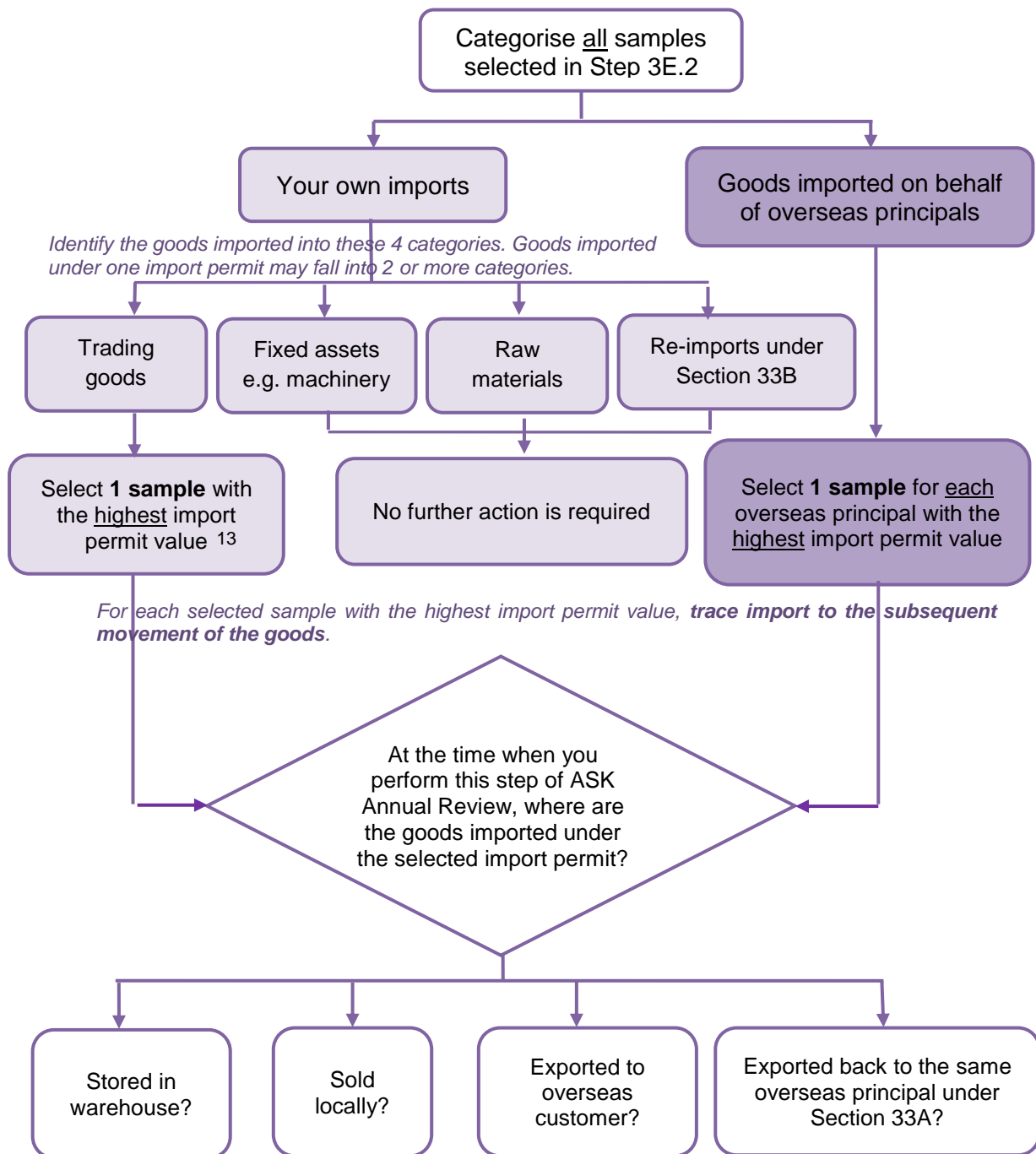
Step	For all imports
3.1	<p>Ensure you have these supporting documents for the samples selected in Step 3E.2 which include:</p> <ul style="list-style-type: none"> • Import permits and/or Inward Summary Report from the Air Express Companies (AEC) • Transport documents (<i>e.g. Bill of lading, Air waybill, etc.</i>) • Overseas suppliers' invoices • Local suppliers' invoices (<i>for goods imported from overseas, but ownership of the goods were transferred before importation</i>)
3.2	<p>Perform the following checks on your supporting documents and listing.</p> <p>For import permits and transport documents, check that:</p> <ol style="list-style-type: none"> i. Import permit shows your business name as the importer. If not, find out why the permits were taken up by another person for these goods belonging to you. If this is a genuine mistake on the importer's name, please ensure that you are able to support your imports with alternative documents such as invoices and shipping documents (<i>e.g. Bill of Lading etc</i>). Please also ensure that similar error does not occur again. ii. Transport document(s) show your business name as the consignee. iii. Purchase of goods is incurred for your business purposes. iv. 'Total Amount Excluding GST' is recorded correctly in your listing based on the CIF amount on the import permit.

Step	For your own imports	For goods imported on behalf of overseas principals as Section 33(2) or Section 33A agent, only if the overseas principals are not GST-registered
3.3	<p><u>For overseas suppliers' invoices issued to you, ensure that:</u></p> <ul style="list-style-type: none"> i. Overseas supplier's invoice is addressed to your business name. ii. Details on the overseas supplier's invoice match to the transport document(s) and import permit. <p><u>For purchases from local suppliers but goods are imported from overseas, ensure that:</u></p> <ul style="list-style-type: none"> i. Ownership of the goods is transferred to you before the goods are imported into Singapore. ii. Local supplier has invoiced you before the goods are imported and cleared under your business name. iii. Details on the local supplier's invoice match to the transport document(s) and import permit. <p><u>For re-imports under Section 33B, ensure that:</u></p> <ul style="list-style-type: none"> i. You satisfy all the conditions and requirements listed in the e-Tax Guide "GST: Claiming of GST on re-import of value-added goods" 	<p>Ensure that:</p> <ul style="list-style-type: none"> i. You are able to differentiate import permits taken up for your own goods from those belonging to overseas principals, who must not be GST-registered. ii. You have a system in place to trace the subsequent sales made or movement of the goods imported on behalf of your overseas principals. <ul style="list-style-type: none"> • For goods which you have imported as Section 33(2) agent, ensure that the subsequent sales are reported as your standard-rated supply if sold locally or as zero-rated supply if exported. • For goods which you have imported on behalf of your overseas principal under Section 33A, ensure that they are subsequently exported out of Singapore back to the same overseas principal and the export is reported as zero-rated supply in your GST return.

Step	For all imports
3.4	You need to identify all the imports selected in Step 3E.2 into the following categories and trace the subsequent sale or movement of <u>some</u> of the imports selected. Follow the flowchart below to determine the samples to be selected.

! As a good practice, use the [Pre-Filing Checklist, "Goods Imported under Major Exporter Scheme / Approved 3rd Party Logistics Company / Other Approved Schemes and Taxable Purchases"](#) or ["Goods Imported under Import GST Deferment Scheme and Taxable Purchases"](#) (whichever is applicable), when filing your GST return.

Flowchart for Step 3.4 Process



¹³ If the goods imported under this sample have no unique identifier or consists of voluminous subsequent movement of goods, you may provide a documentation of the inventory processes and controls in place (performed by ATA (GST) / ATP (GST)) instead of performing the next step in the flowchart. Please refer to paragraph 4.3 for details.

4. If you import goods belonging to others or unable to trace import to the subsequent movement of the goods

- 4.1. If you have imported goods that belong to others or are not for your business use, refer to [Pre-Filing Checklist, "Goods Imported under Major Exporter Scheme / Approved 3rd Party Logistics Company / Other Approved Schemes and Taxable Purchases"](#) or ["Goods Imported under Import GST Deferment Scheme and Taxable Purchases"](#) (whichever is applicable) and take the necessary actions.
- 4.2. If you are unable to trace the subsequent sale or movement of the goods, provide explanation as to why you are unable to do so and report the total import value of the affected goods in "[Disclosure of Errors](#)" template" (refer to Step 5).
- 4.3. The goods you import may have no 'unique identifier' (such as a unique serial number) or have voluminous movements from the point of receipt to eventual sales, therefore making it difficult for you to trace the movements of the goods. As an administrative concession for MES and IGDS imports, you may instead provide a documentation of your inventory processes and the controls you have in place to track the movement of your imported goods at various stages (i.e. from the point of receipt to eventual supply). A walk-through of the documented processes¹⁴ and testing of controls¹⁵ must also be performed by the ATA (GST) / ATP (GST) to assure the Comptroller that there is:
- No misuse of the benefits of the scheme;
 - All goods imported are properly accounted for; and
 - Tax on any subsequent supply has been correctly charged and accounted for in the GST returns.
- 4.4. The concession does not apply to all other types of goods and goods imported on behalf of others (e.g. where you are acting as agents under sections 33(2), 33A and 33B of the GST Act). A business importing goods on behalf of other parties would have the required tracking system to account to the latter on the goods imported. Step 3.4 therefore remains compulsory.

5 Record the results of your checks in Template 7

Template 7 – Checklist For Taxable Purchases (Imports – GST Suspended or Deferred) contains the above checks that you need to perform to ensure that GST is properly suspended or deferred according to conditions of the scheme. It is also for you to record down results of your checks.

Template 7
[\(click to download\)](#)

¹⁴ Please include a brief background of your business' inventory model to provide context to the walkthrough.

¹⁵ Testing of controls is an audit procedure to test whether the controls in place are operating effectively. Your ATA (GST) / ATP (GST) must validate that the controls you have put in place for inbound goods, storage of goods and outbound goods are working effectively and assess whether GST risks are mitigated. Your ATA (GST) / ATP (GST) is required to test the controls of a minimum of 5 transactions per goods movement leg (i.e. inbound leg, storage leg, outbound leg) for the review period.

Step 4 Review your Financial Statements or Management Accounts for the Same Financial Year

Overview

In Step 1, you have already reviewed your GST returns filed for the past financial year. Now in Step 4, you are to review and compare your financial statements¹⁶ against your GST declarations for the same financial year. The checks performed in Step 4 below provide another level of assurance that your GST declarations are complete and accurate. If discrepancies are noted, you need to explain and quantify the errors (if any).

4.1 Compare Sales or Turnover (in financial statements) to annual Total Supplies (in GST returns)

Compare the Sales or Turnover reported in your financial statements to the annual Total Supplies reported in your GST returns, and compute the difference.

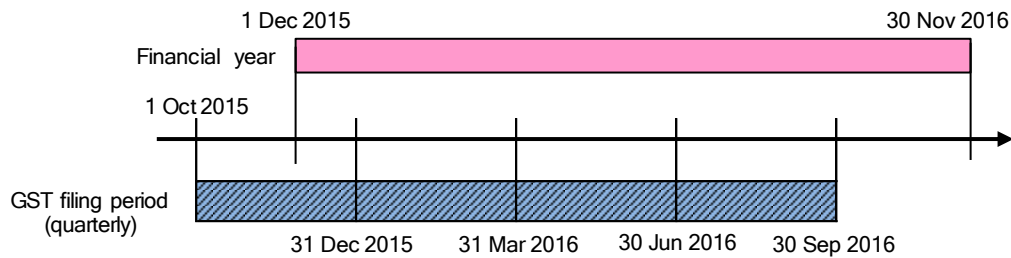
When your annual Total Supplies in GST returns are significantly lower than your Sales in the financial statements¹⁷, this could indicate that you have substantially under-declared the supplies figure in your GST reporting. You should quantify the errors (if any), unless you are able to explain for the difference and be satisfied that they are in order.

4.1.1 If your **financial year end does not coincide with your GST filing cycle**, you may determine the Sales figure (in financial statements) to compare against your annual Total Supplies (in GST returns) in Step 4 of ASK Annual Review as illustrated in the following example:

¹⁶ If your audited financial statements are not ready when you perform this step, you may use your unaudited financial statements or your management accounts.

¹⁷ Sales or Turnover in the financial statements should not deviate much from the annual Total Supplies in GST returns. Some common reasons for the difference are categorised as follows:

- *Out-of-scope supplies which are not required to be reported in GST returns, but are included in the financial statements.*
- *Different basis on when sales are recognised in GST returns and financial statements.*
- *Different basis in the valuation of transactions for GST reporting and accounting.*



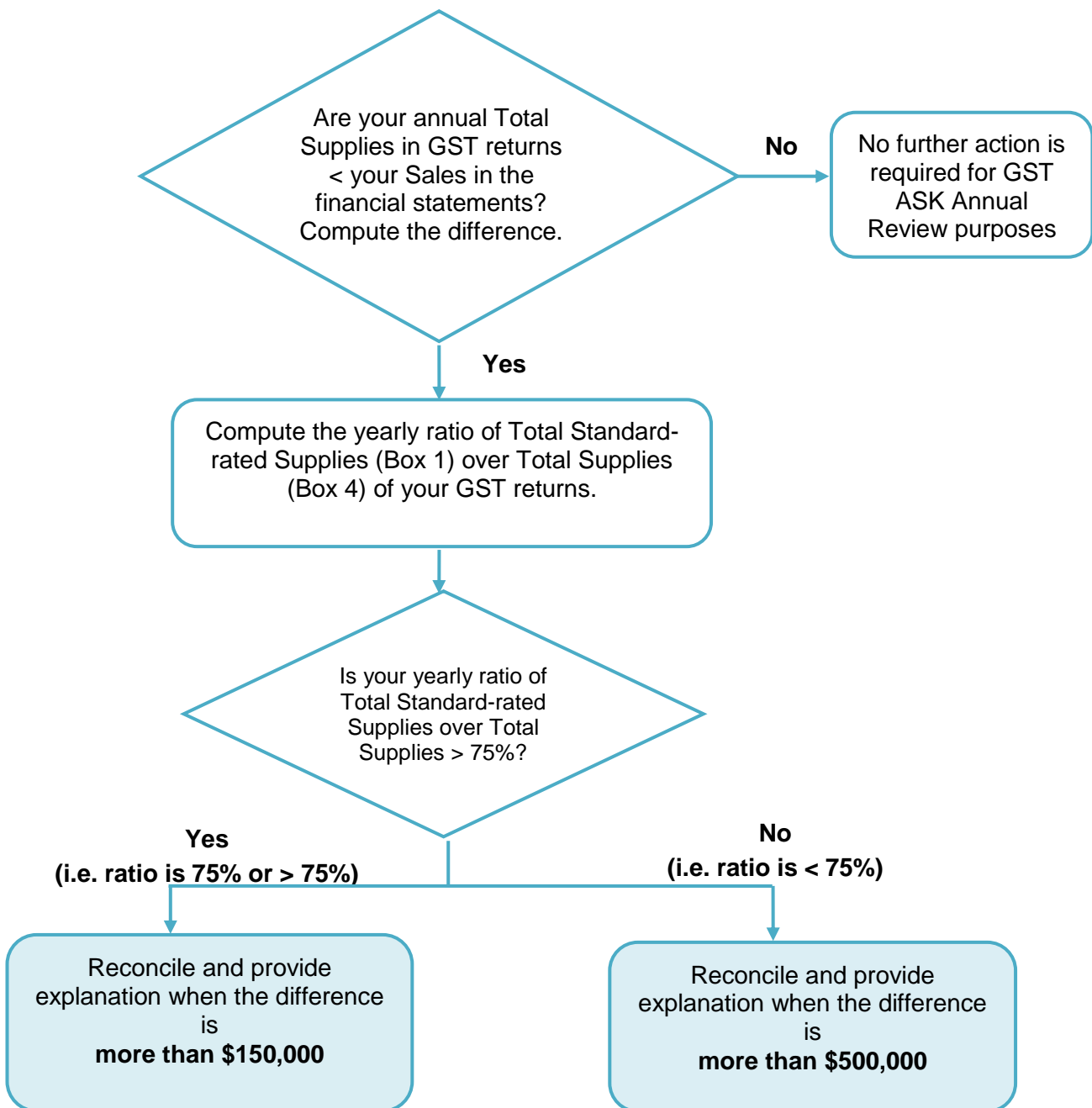
4.1.2 You have selected the financial year from 1 Dec 2015 to 30 Nov 2016 to conduct ASK Annual Review on your quarterly GST returns from 1 Oct 2015 to 30 Sep 2016.

4.1.3 As your financial year does not coincide with your GST accounting periods, you have to compute a “comparable” sales figure for the period of 1 Oct 2015 to 30 Sep 2016 and compare it against your annual Total Supplies in Step 4 of ASK Annual Review.

4.1.4 You may choose any of the following methods that best reflects the “comparable” sales figure:

- a) Actual sales from 1 Oct 2015 to 30 Sep 2016 based on management accounts, including audit adjustments (if any);
- b) Pro-rate 2 months of your audited sales from 1 Dec 2014 to 30 Nov 2015 to obtain sales for 1 Oct 2015 to 30 Nov 2015 and pro-rate 10 months of your audited sales from 1 Dec 2015 to 30 Nov 2016 to obtain sales for 1 Dec 2015 to 30 Sep 2016. Add both pro-rated sales to obtain audited sales figure for 1 Oct 2015 to 30 Sep 2016; or
- c) Audited sales from 1 Dec 2015 to 30 Nov 2016 if your sales are generally consistent throughout the years.

Follow the flowchart below to determine when you need to reconcile and explain for the difference between your Sales and annual Total Supplies.



4.2 Review for transactions with related parties and non-trade transactions

- a. Review your financial statements (including the supporting schedules and notes to financial statements, etc.) for the following transactions:

Nature of transactions	Examples of such transactions	Examples of what to look for in your financial statements
i. With your related parties (e.g. holding company, subsidiary company, etc.)	<ul style="list-style-type: none">▪ Sales made to related company▪ Interest income from loan to related company	<ul style="list-style-type: none">▪ Amount due from/to related companies or related parties▪ Significant related party transactions
ii. For non-trade purposes	<ul style="list-style-type: none">▪ Sale or disposal of fixed asset▪ Sale or rental of commercial property	<ul style="list-style-type: none">▪ Fixed assets▪ Other income

- b. Check whether these transactions were reported in your GST returns. **If these transactions were not reported, you have to quantify and account for the omitted transactions.**

4.3 Review for outstanding payments not made to your suppliers

- a. Review for purchases which you have not paid the supplier within 12 months from the due date for payment (e.g. based on your supplier ageing report or by matching your supplier's tax invoices against your payment records).
- b. Check whether you had accounted back the GST previously claimed on these purchases in your GST returns. **If no, you have to quantify the amount of input tax to be accounted back.**
- 4.4 Record the results of your checks and your explanation for the discrepancy (if any) in Template 1 (same template used in Step 1).

Step 5 Quantify your Errors (if any) and Submit your Findings to IRAS for Review

The GST-registered business is responsible for the completeness and accuracy of the ASK Declaration even if the review is outsourced to an external ATA (GST) or ATP (GST).

5.1 If errors are discovered during ASK Annual Review

5.1.1 Submit your findings to IRAS using “**ASK: Declaration Form on Completing Annual Review & Voluntary Disclosure of Errors**”. In addition, you must complete and submit the “**Disclosure of Errors**” template. You can find a list of the errors in **Appendix 1**.

5.1.2 You do not need to submit to IRAS the checklists and templates recorded for Steps 1 to 4 but they must be made available to us upon our request.

5.1.3 For ASK reviews submitted as a requirement for GST schemes applications or renewals, if the error impacts the qualifying threshold set for the scheme, the business must re-assess whether it still meets the qualifying threshold based on the corrected values. For example, applications for the MES requires that the applicant’s zero-rated supplies must account for more than 50% of the total supplies or the value of zero-rated supplies is more than S\$10 million for a 12-month period. Therefore, where the error affects the value of zero-rated supplies, the applicant must re-compute the value of zero-rated supplies to determine if the qualifying condition is met.

“ASK: Declaration Form on Completing Annual Review & Voluntary Disclosure of Errors” is a form for you to declare the results of your findings and errors discovered (if any) to IRAS after completion of ASK Annual Review.

Declaration & Disclosure of Errors Form
[\(click to download\)](#)

5.2 If errors fall within the list of administrative concessions for common errors

5.2.1 A list of administrative concessions for common errors discovered in the course of ASK Annual Review can be found in the “**ASK: Declaration Form on ASK Administrative Concessions**”. You may enjoy these administrative concessions if your errors fall within the scenarios described and that the conditions (if any) specified are satisfied. There is no need to seek the Comptroller’s approval to enjoy any of these administrative concessions. Unless otherwise stated, the administrative concessions will only apply to past

errors and businesses are required to take remedial actions to prevent recurrence of the errors.

- 5.2.2 Businesses that adopt any of the administrative concessions are required to complete the “**ASK: Declaration Form on ASK Administrative Concessions**” and submit it to IRAS. No approval will be separately issued for the administrative concessions. Businesses are required to retain the declaration for at least 5 years.
- 5.2.3 In the event that IRAS discovers that a business has either wrongly applied, abused any concession, made a false or incorrect declaration or failed to take remedial actions, enforcement actions (such as the recovery of tax and the imposition of penalties) may be taken against the business.
- 5.2.4 The scenarios cited in the administrative concessions list are not exhaustive. For scenarios not covered in the guide or other publications issued by IRAS (e.g. other GST guides or Practice Notes), businesses are advised to write to IRAS, providing full details of the errors. It is not necessary to write in for situations already covered in IRAS’ publications.

“ASK: Declaration Form on ASK Administrative Concessions” is a form for you to declare the administrative concessions applied (if any) to IRAS after completion of ASK Annual Review.

Declaration
Form on ASK
Administrative
Concessions
([click to
download](#))

5.3 **If errors are recurring in nature**

- 5.3.1 If your error is recurring in nature, it is likely that you have also made the same mistake in your other GST returns. For the purpose of this Annual Review, we require you to review your past GST returns **only** when your error discovered in Step 3 is **recurring** in nature and **GST is involved** (i.e. it affects your output tax and/or input tax).
- 5.3.2 You can consolidate and quantify the yearly amount of your recurring error for each of the affected past financial year(s), instead of for each GST accounting period.

5.4 If you have difficulties reviewing your past GST returns

5.4.1 If you have difficulties reviewing your past GST returns for the actual error amount, you may use a proxy¹⁸ to compute an estimated error amount for the purpose of this annual review. As this is an estimated error amount, you need to state your basis or method of estimation in the **“Disclosure of Errors” template** for IRAS’ consideration and approval.

5.5 After submitting Declaration Form and “Disclosure of Errors” template

5.5.1 Upon receipt of your Declaration Form and “Disclosure of Errors” template (if applicable), IRAS may contact you for further clarification and request for your supporting documents.

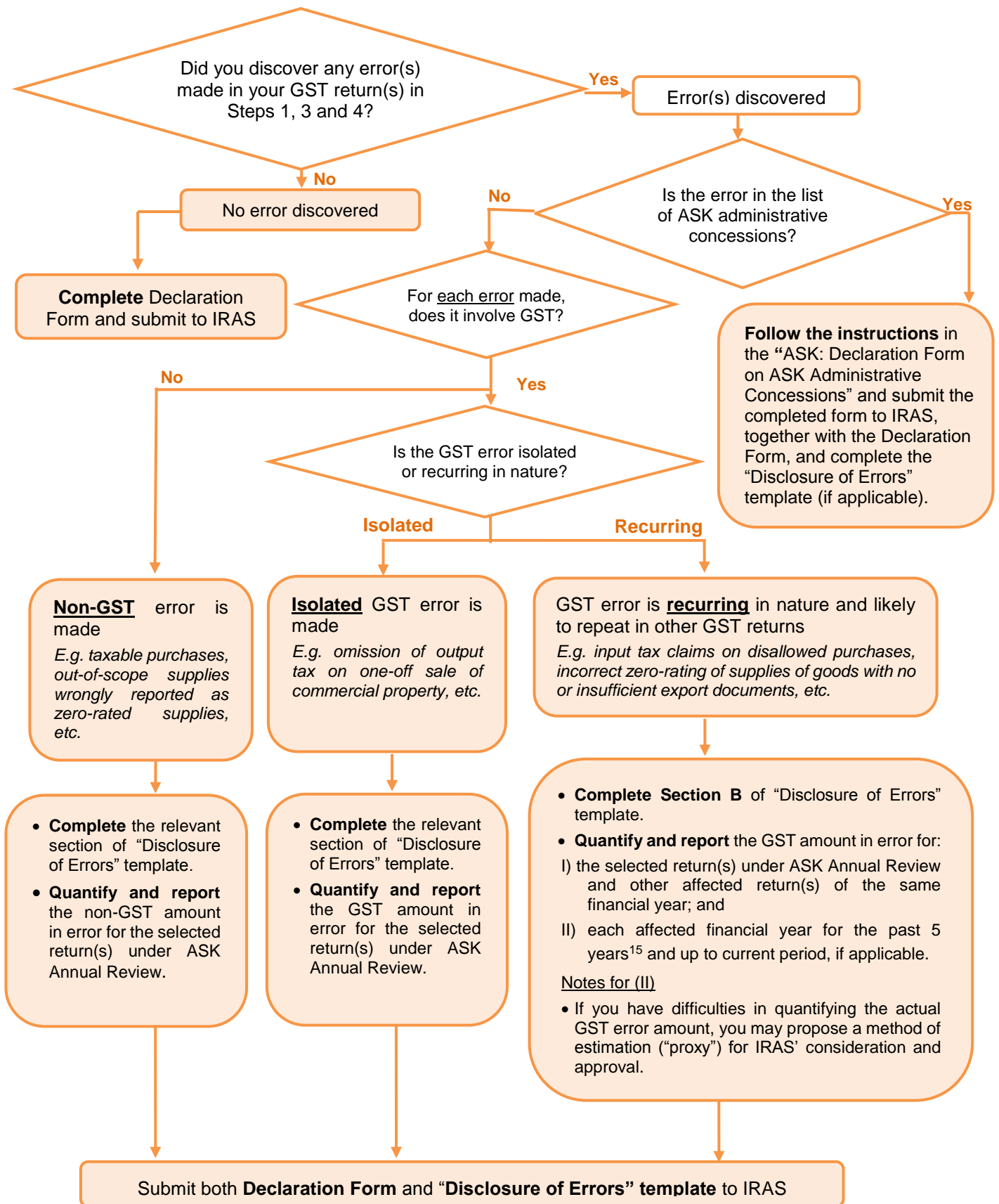
5.5.2 We will also follow up with you on your ASK Annual Review and raise GST assessment(s) for your error(s) or advise you on how to correct the error(s). Hence, please do not correct your error(s) immediately upon the completion of this annual review in GST F7 “Disclosure of Errors on GST Return” for the affected accounting period(s) or your current GST F5 return.

5.6 If no error is discovered during ASK Annual Review

5.6.1 You should submit the Declaration Form to IRAS to demonstrate your commitment to be GST-compliant.

¹⁸ If the trend of your supplies/ purchases is consistent, you can consider using a fixed quantum. If the trend tends to fluctuate, a percentage or proportion may be more suitable.

Flowchart for Step 5 Process



¹⁹ For accounting period ending on or after 1 Jan 2007.

10 Certification of ASK Annual Review

***Who should read this section:
The Accredited Tax Advisor or Accredited Tax Practitioner (GST)***

10.1 The ATA (GST) or ATP (GST) needs to perform the following procedures to certify the ASK Annual Review:

- a) Identify outlying trends in the GST trend analysis and review if reasonable explanations are provided.
- b) Review that the correct GST return was selected by the GST-registered business to perform the checks in ASK Annual Review Step 3.
- c) Perform analytical review of GST Supplies Listings of the Selected Period to identify indications of gaps. Examples of such indications include:
 - i. Invoices not in running sequences
 - ii. Unexplained missing transactions
 - iii. Transactions with GST amounts different from computed GST amounts based on value of supplies
 - iv. Transactions that are tax coded as zero-rated, exempt or out-of-scope but reflect GST amounts
 - v. Transactions that are tax coded as standard-rated but do not reflect GST amounts
- d) Perform analytical review of GST Purchases Listings of the Selected Period to identify indications of gaps. Examples of such indications include:
 - i. Processing the same invoice more than once
 - ii. Claiming input tax specifically disallowed under the GST Act or not incurred for business purpose
 - iii. Transactions with GST amounts different from computed GST amounts based on purchases' value²⁰
 - iv. Transactions that are tax coded as zero-rated, exempt or out-of-scope but reflect GST amounts.
- e) Review that the samples selected by the GST-registered business for substantive testing cover the various supplies and purchases categories applicable to the business.

²⁰ Input tax claimed is not reflective of the corresponding value of purchase captured. E.g. not equivalent to the value of purchase charged at the prevailing rate, other than rounding differences.

- f) Perform verification on the supplies sampled by the GST-registered business for substantive testing using the sample size set out in (h) as follows:
 - i. Verification of values
 - ii. Adherence to proper cut-off
 - iii. Correct tax classification
 - iv. For export of goods, the transport document contains sufficient information to support that the goods exported are identical to the goods sold.

- g) Perform verification on the purchases and input tax claims sampled by the GST-registered business for substantive testing using the sample size set out in (h) as follows:
 - i. Input tax claimed on purchase from GST-registered supplier is supported by valid tax invoice addressed to the GST-registered business undertaking ASK Annual Review
 - ii. Input tax claimed on imports is supported by payment permits or subsidiary import certificate addressed to the GST-registered business undertaking ASK Annual Review
 - iii. Input tax claim is for business purposes and attributable to the making of taxable supplies
 - iv. Purchases or claims are classified correctly
 - v. The Singapore dollar value of GST is shown in the tax invoice/ payment permit agreed to GST listing and accounts
 - vi. Taxable Purchases / imports and input tax, where applicable is captured in the correct accounting period.
 - vii. For imports, shipping documents reflect company as the consignee.

- h) The minimum sample size for verification is prescribed in Table 1 and Table 2.

- i) Indicate the samples selected for (f) and (g) within the provided columns in the ASK Working Templates.

10.2 If there is any exception(s) discovered, the ATA (GST) or ATP (GST) has to document his findings.

- 10.3 In the event that the ATA (GST) or ATP (GST) observes a high possibility of GST errors²¹ in the course of review, he should increase the sample size and include transactions not sampled by the GST-registered business to a level that he deems fit to make a factual finding.
- 10.4 A summary of the certification procedures can be found in Appendix 2 for reference purpose.
- 10.5 If the ASK Annual Review is performed on a voluntary basis, the ASK Annual Review may be performed by the GST-registered business, performed or certified by an ATA (GST), ATP (GST) or ATP (GST) (Provisional). For application for or renewal of GST schemes where ASK is specified as pre-requisite, the ASK Annual Review must be performed or certified by an ATP (GST) who has met both the practical and examination requirements, as set out in the admission requirements by Singapore Institute of Accredited Tax Professionals (SIATP).

²¹ An example is non-issuance of invoices due to systemic errors.

Table 1 - Minimum sample size for each category of **SUPPLIES Transactions** for certification purpose

Minimum sample size for each category of Supplies for <u>certification</u> purpose	Where the GST-registered business	
	is in general business	is actively making exempt supplies
Standard-rated Supplies	<p style="text-align: center;">10 per category <i>(if sample size is ≤ 30 in ASK Annual Review)</i></p> <p style="text-align: center;">15 per category <i>(if sample size is > 30 in ASK Annual Review)</i></p>	
Zero-rated Supplies	<p style="text-align: center;">10 per category <i>(if sample size is ≤ 30 in ASK Annual Review)</i></p> <p style="text-align: center;">20 per category <i>(if sample size is > 30 in ASK Annual Review)</i></p>	
Exempt Supplies (non-regulation 33)	Not Applicable	20 <i>(regardless of sample size used in ASK Annual Review)</i>
If the total number of transactions per category is less than the minimum sample size listed above, certify all the transactions.		

Table 2 - Minimum sample size for each category of **PURCHASE Transactions/CLAIMS** for certification purpose

Minimum sample size for each category of Purchase Transactions/Claims for <u>certification</u> purpose, <i>regardless of sample size used in ASK Annual Review</i>	
Taxable Purchases (Local)	20
Taxable Purchases (Imports – GST Paid)	10 per category
Taxable Purchases (Imports – GST Suspended)	
Taxable Purchases (Imports – GST Deferred)	
Tourist Refund Scheme Claims	5 per category
Bad Debt Relief Claims	
If the total number of transactions/claims per category is less than the minimum sample size listed above, certify all the transactions.	

11 Frequently Asked Questions

11.1 I am under GST group registration. For ASK Annual Review, should I select samples from only one company in the GST group (e.g. representative member)?

If you are under GST group registration, your selection of samples during ASK Annual Review should cover all members within the GST group (not just the representative member of the group who files the GST returns) in proportion to their “total supplies and total purchases” for the selected period under review. For the whole GST group, the sample size for each figure declared in the GST return will still remain at minimum 30 samples to cover at least 30% of the listing value, or a maximum of 60 samples (up to 40 samples for standard-rated supplies).

For divisional registration, the selection of samples should cover all GST divisions in proportion to their “total supplies and total purchases” for the selected period under review. The sample size for each figure declared in the GST returns (consolidated on per entity basis) will still remain at minimum 30 samples to cover at least 30% of the listing value, or a maximum of 60 samples (up to 40 samples for standard-rated supplies).

11.2 I am under GST group registration. I have discovered errors made by the GST group while conducting the ASK Annual Review and similar errors were made before I became a member of the GST group. Should I include the errors made by me prior to GST group registration in the GST Group’s disclosure of errors?

Separate disclosures should be made for the GST group and those made by any member before GST group registration.

11.3 For GST group registration, should I select only active group members in the GST group for the ASK Annual Review?

While your review would cover all active members at the time of review, however, should errors be discovered, you are to quantify the errors for all members including ex-members under the same GST group in the past 5 years.

11.4 I am under Approved Import GST Suspension Scheme (AISS). I noticed that some of the questions or steps in ASK do not address GST treatment for AISS scheme. What should I do?

The pre-filing checklists and ASK Annual review are meant for all businesses and do not cover specific GST treatment or requirements under these special

schemes. If you are under any GST scheme (e.g. AISS, Approved Third Party Logistics Company (3PL) Scheme, Approved Contract Manufacturer and Trader (ACMT) Scheme), you need to ensure that your GST treatment and reporting are done correctly in accordance to the requirements of the specific scheme.

11.5 Must I use the checklists and templates provided in Step 3 of ASK Annual Review Guide? Can I instead use my own checklists or record the results of my findings on my own documents?

The checklists and templates provided at Step 3 are recommended but if you do not wish to use these checklists and templates provided, you may record the results of your findings on your own checklists or other documents. However, should IRAS request for your working papers, you must be able to show that you have performed all the required checks under ASK Annual Review Guide.

11.6 I had made errors after submitting my GST return. Do I wait until I commence and complete the ASK annual review before disclosing the errors to IRAS?

No. If you discover errors in your past GST return(s) **before** commencement of ASK Annual Review, you should correct the errors by either:

- a) Submitting a “Disclosure of Errors on GST Return” (i.e. GST F7 return) for the affected prescribed accounting period(s); or
- b) Adjusting the errors in your current GST F5 return if:
 - i. the net GST amount in error for all the prescribed accounting periods affected is not more than \$1,500; and
 - ii. the summation of non-GST amounts in error for each of the prescribed accounting period(s) affected is not more than 5% of the total supplies. Where there were no supplies made in the prescribed accounting period, the 5% rule will be applied to the total taxable purchases.

11.7 What happens if I do not find any errors in the ASK Annual Review?

You should complete the Declaration Form and submit it to IRAS to demonstrate your commitment to be GST-compliant. However, you do not have to complete the template on disclosure of errors.

You need not submit your working papers (e.g. the checklist for the samples) to IRAS but do keep them in accordance with the record-keeping requirements as IRAS may request you to submit them for review.

- 11.8 I submit my GST returns for quarterly accounting periods ended 31 Mar, 30 Jun, 30 Sep and 31 Dec. I wish to conduct an ASK Annual Review for the financial year ended 31 Dec 2015. Please advise on when I should complete ASK Annual Review to take advantage of IRAS Voluntary Disclosure Programme?**

IRAS will waive the 5% late payment penalty if you complete the ASK Annual Review and disclose your GST error(s) for the financial year ended 31 Dec 2015 by 31 Jan 2017 (i.e. 1 year from the statutory filing date of your GST return for the period ended 31 Dec 2015). This is provided that you meet all the qualifying conditions and your situation does not fall within the specific exclusions from the programme. Please refer to e-Tax Guide "IRAS' Voluntary Disclosure Programme" for more details.

- 11.9 I submit my quarterly GST returns based on accounting periods ended 31 Mar, 30 Jun, 30 Sep and 31 Dec. However, my financial year ends on 30 Nov which does not coincide with my GST filing cycle. How should I proceed with ASK Annual Review for the financial year of 1 Dec 2015 to 30 Nov 2016?**

To conduct ASK Annual Review for this financial year, you should review your GST returns for the accounting periods ended 31 Dec 2015, 31 Mar 2016, 30 Jun 2016 and 30 Sep 2016 (as they fall within the financial year).

Your last return for this financial year is for the accounting period ended 30 Sep 2016 and the statutory filing date of this return is 31 Oct 2016. If you complete the ASK Annual Review and disclose your GST error(s) for this financial year by 31 Oct 2017, the 5% late payment penalty may be waived.

(Note: The filing cycle of your GST returns is assigned according to your financial year-end and so a situation like yours should not arise. If you had changed your financial year-end, you should consider changing your GST accounting periods to fit your new financial year-end. Please therefore write in to IRAS by letter or email.)

- 11.10 Do you accept ASK Annual Review performed or certified by an Accredited Tax Practitioner (GST) (Provisional)?**

Yes if the ASK Annual Review is performed on a voluntary basis. For application for or renewal of GST schemes where ASK is specified as prerequisite, the ASK Annual Review must be performed or certified by an ATP (GST) who has met both the practical and examination requirements, as set out

in the admission requirements by Singapore Institute of Accredited Tax Professionals (SIATP).

11.11 Am I correct to say that I do not need to review my out-of-scope supplies since the ASK Annual Review does not cover this supply?

GST-registered business has to maintain documents to support that the supply is out-of-scope. The following are suggested documents to maintain:

- a) Purchase Order indicating the delivery terms, collection details and shipping location
- b) Delivery Order, endorsed by the person collecting/receiving the goods, where applicable
- c) Invoice issued to the buyer
- d) Evidence of payment received from the buyer
- e) Shipping documents e.g. bill of lading, airway bill and transshipment permits (where applicable)
- f) Copy of the Warehouse Receipt Note / Goods Received Note issued and endorsed by warehouse operator in Free Trade Zone (FTZ), where applicable.

Although there is no direct step for GST-registered businesses to review their out-of-scope supplies, they may have to do so at the following steps:

“[Step 3B](#): Check your Zero-rated Supplies”. Businesses may have incorrectly classified out-of-scope supplies as zero-rated supplies.

“[Step 4.1](#): Compare Sales or Turnover (in financial statements) to annual Total Supplies (in GST returns)”. Businesses may need to review and sum their out-of-scope supplies to reconcile for the differences.

11.12 I am a foreign company and my financial statements will include revenue from both my overseas and local operations but the total supplies reported in my GST returns are only for my local operations. This will result in a difference when I perform Step 4.1. Can I skip Step 4.1?

GST-registered foreign companies are still required to perform Step 4.1. You may use the management accounts for Singapore instead of financial statements (which includes both overseas and Singapore sales) to perform this comparison.

12 Contact information

12.1 For enquiries on this guide, please contact:

Goods & Services Tax Division
Inland Revenue Authority of Singapore
55 Newton Road
Singapore 307987

Tel: 1800 356 8633

Email: gst@iras.gov.sg

13 Updates and Amendments

	Date of amendment	Amendments made
1	24 Nov 2014	(i) Revised paragraphs 2.1 and 2.1.1. (ii) Inserted Footnote 11, 14 and FAQ 10.10.
2	21 Jul 2015	(i) Revised Step 3D and 3E of paragraph 8 “Overview of the ASK Annual Review Process”, Appendix 1 in line with Section 33B of the GST Act. (ii) Amendments to paragraphs 5, 9.5, Step 3D 3.3, Step 3E 3.3 of paragraph 8 “Overview of the ASK Annual Review Process”.
3	30 Oct 2015	Amendments to Step 3 and Step 3A of paragraph 8 “Overview of the ASK Annual Review Process”, Table 1- minimum sample size for each category of supplies transactions” of paragraph 9 “Certification of ASK Annual Review” and FAQ 10.1 due to revision of maximum sample size for standard-rated supplies.
4	5 Sep 2017	Inserted paragraph 5 to introduce administrative concessions for common errors disclosed through the ASK Annual Review. Amendments to Step 3E, 1.1b, 1.2b, 4.3, 4.4 and Step 5, 5.2 of paragraph 9 “Overview of the ASK Annual Review Process”. Amendments to flowcharts for Step 3E, Step 3.4 process and Step 5 process. Inserted Footnote 12, FAQ 11.2 and 11.3 Editorial amendments made to the following paragraphs 2.2, 4.1, 4.2, 6, 7.2, 7.3, 8.2, 8.3, 8.4

Appendix 1 - List of Errors and Areas where Error may Occur

General
Over- / Under-reporting of value in GST return <i>(e.g. due to calculation error, omission of transactions, etc.)</i>
Incorrect recording of value(s) from source document to listing and/or from listing to GST return <i>(e.g. due to the use of different exchange rates for tax invoices issued in foreign currency and in the listing)</i>
Wrong classification of supplies made

Standard-rated Supplies and Output Tax
Trading sales
Non-trading sales <i>(e.g. reimbursements / re-billings made for purchases paid on behalf, deemed supplies on goods given away free as gifts, etc.)</i>
Sale / Disposal of assets <i>(excluding properties)</i>
Sale / Rental of commercial property and/or furniture & fittings in furnished residential property
Trade-in transactions <i>(Did not treat as 2 separate supplies for GST purposes)</i>
Supplies made to related parties <i>(e.g. related company, etc.)</i>
Supplies made as local agent for overseas principal under Section 33(2) of GST Act
Credit note issued to customer / Debit note received from customer for reduction in sales and/or GST
Repayment of GST previously suspended on imports <i>(e.g. due to misuse or abuse of Major Exporter Scheme status, etc.)</i>
Repayment of GST previously claimed or suspended/deferred on the re-import of value-added goods under section 33B from failure to satisfy qualifying conditions

Zero-rated Supplies
Supplies previously treated as zero-rated supplies but cannot qualify for zero-rating <i>(e.g. do not qualify as international services or due to insufficient export documents for goods, etc.)</i>
Out-of-scope supplies <i>(e.g. third country shipments, transshipments, etc.)</i> wrongly included in Box 2 of GST return

Exempt Supplies
Supplies previously treated as exempt supplies but cannot qualify for exemption <i>(i.e. not relating to financial services and sale/ rental of residential properties)</i>

Incorrect value of exempt supplies reported in GST return (e.g. wrongly included the value of unrealised gain or loss, etc.)

Taxable Purchases and Input Tax & Refunds Claimed

Input tax to be disallowed - No supporting source document (i.e. tax invoice / simplified tax invoice / receipt for local purchases or import permit / subsidiary import certificate for imports)

Input tax to be disallowed - Tax invoice not addressed to my business name or import permit / subsidiary import certificate did not show my business name as the importer

Input tax to be disallowed - Duplicate input tax claims made

Input tax to be disallowed - Not for business purposes and/or specific expenses disallowed under GST Regulation 26 and 27 (e.g. medical expenses or insurance premium incurred by staff but not covered under Work Injury Compensation Act, running expenses for private motor cars, etc.)

Input tax to be disallowed - Incurred directly for exempt supplies made and/or relating to apportionment of input tax

Input tax to be disallowed - Purchases from non GST-registered suppliers and/or non-taxable purchases (e.g. purchase or lease of residential properties, etc.) which do not attract GST

Repayment of GST previously claimed on purchases where payment was not made to suppliers within 12 months from the due date for payment

Tax invoices in foreign currency - Input tax claim in GST return was not made based on the SGD amounts or the supplier's exchange rate shown on tax invoice

Credit note received from supplier / Debit note issued to supplier for reduction in purchases and/or GST

GST refunds claimed under Tourist Refund Scheme and/or for Bad Debt Relief - conditions not satisfied

For imports with GST deferred under Import GST Deferment Scheme - Over- /Under-reporting of taxable purchases value and input tax claim

Imports with GST Suspended (e.g. under Major Exporter Scheme) or with GST Deferred (under Import GST Deferment Scheme)

Import permit did not show my business name as the importer

Goods imported are not for my business purposes or not for my overseas principal under Section 33(2) or Section 33A of GST Act

Unable to trace the subsequent sales or movement of the goods imported

Failed to account for deferred import GST payable in Box 15 of GST return

Appendix 2 – Summary of Certification Procedures (For Reference only)

Name of GST-Registered Business: _____
 UEN/ GST Registration Number: _____
 Financial Year in Review: _____
 GST Accounting Period(s) Selected for Review: _____

Prepared By : _____
 Signoff : _____

S/N	Procedures to Certify ASK Annual Review	To tick if no discrepancy noted and cross (x) if gap/error noted.	Elaboration on the Gap/Error
1	Outlying trends in the GST trend analysis are identified and explanations provided are reasonable.		
2	The correct GST return was selected by the GST-registered business to perform the checks in ASK Annual Review Step 3.		
3	Analytical review of GST Supplies Listings of the Selected Period to identify indication of gaps. Examples of such indications include: <ul style="list-style-type: none"> a. Invoices not in running sequences b. Unexplained missing transactions c. Transactions with GST amounts different from computed GST amounts based on value of supplies d. Transactions that are tax coded as zero-rated, exempt or out-of-scope but reflects GST amounts e. Transactions that are tax coded as standard-rated but do not reflect GST amounts 		

4	Analytical review of GST Purchases Listings of the Selected Period to identify indication of gaps. Examples of such indications include: <ul style="list-style-type: none"> a. Processing the same invoice more than once b. Claiming input tax specifically disallowed under the GST Act or not incurred for business purpose c. Transactions with GST amounts different from computed GST amounts based on purchases value ¹ d. Transactions that are tax coded as zero-rated, exempt or out-of-scope but reflects GST amounts. 		
5	The minimum sample size and samples selected cover the various supplies and purchases categories applicable to the business are used for substantive testing.		

¹ Input tax claimed is not reflective of the corresponding value of purchase captured. E.g. not equivalent to the value of purchase charged at the prevailing rate,

Verification of Substantive Test on Supplies

Information on samples selected for verification.

	No. of sample size in Annual Review	No. of samples verified
Standard-rated supplies		
Zero-rated supplies		
Exempt supplies		

Exception(s)

Exception No.	Description of exception	Transaction reference, if any	Impact on GST revenue

(Add more rows if required)