



30 December 2022

Dear Valued Customers,

SINGAPORE'S GOODS & SERVICES TAX (GST) UPDATES FOR 2023: RATE CHANGE AND OVERSEAS VENDOR REGISTRATION (OVR) REGIME

The Singapore government has recently made changes to the GST regime. Suppliers that export goods to Singapore should take note of the following updates in 2023.

1. GST Rate Changes

In February 2022, the Singapore government announced that the GST rate will be raised from 7% to 9% by 2024. This will occur in two stages: the **GST rate will be 8% from 1 January 2023 to 31 December 2023**; and 9% from 1 January 2024 onwards. Both domestic purchases and imported goods are subjected to this tax. For more details, please visit [https://www.iras.gov.sg/taxes/goods-services-tax-\(gst\)/gst-rate-change/gst-rate-change-for-business/overview-of-gst-rate-change](https://www.iras.gov.sg/taxes/goods-services-tax-(gst)/gst-rate-change/gst-rate-change-for-business/overview-of-gst-rate-change)

2. Overseas Vendor Registration (OVR) Regime

Effective 1 January 2023, overseas vendors (business or marketplace equivalent) exporting goods to customers in Singapore will be required by Inland Revenue Authority of Singapore (IRAS) to **register for GST**, based on the following criteria:

- Annual turnover exceeds **SS1 million**; and
- Business-to-Consumer supplies of Low Value Goods and remote services to Singapore exceed **SS100,000**

If you are a supplier under the new OVR regime, please inform our Customer Service or Sales Representatives. This is to ensure that all requirements and necessary documentations are fulfilled.

Commercial invoices must include:

- GST registration number issued by IRAS after application of the OVR scheme
- Indication of GST payment or non-payment for each item, accompanied by their values at the point of sale

For more details, please visit [https://www.iras.gov.sg/taxes/goods-services-tax-\(gst\)/gst-and-digital-economy/gst-on-imported-services](https://www.iras.gov.sg/taxes/goods-services-tax-(gst)/gst-and-digital-economy/gst-on-imported-services)

Thank you.

The Management