

# Tax Alert

January 2023

## The Increase in GST rate

In Budget 2022, the Minister for Finance announced that the GST rate will be increased from:

- (i) 7% to 8% with effect from 1 January 2023; and
- (ii) 8% to 9% with effect from 1 January 2024.

However, there are special transitional rules for supplies that span the change of rate. This may affect the GST rate chargeable on the supply. IRAS has published on 6 September 2022 the third edition of the e-tax guide to explain on the above so that GST registered suppliers are prepared for a smooth transition to the new GST rate.

## GST on Imports of Low-Value Goods

In Budget 2021, the Minister for Finance announced that with effect from 1 January 2023, GST will be extended to:

- Goods imported via air or post that are valued up to (and including) the current GST import relief threshold of S\$400; and
- Business-to-consumer<sup>1</sup> (“B2C”) imported non-digital services.

IRAS has published on 30 July 2021 the e-tax guide on the above change.

**This Tax Alert is a quick update on the latest tax developments and changes in laws and regulations for clients' information. It should not be used or relied upon as professional advice or as a basis for business decisions.**

## How Can We Assist?

If you need assistance or advice on the above, we are here to assist you.



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