

GST Payable on Overseas Digital Services from 1 January 2020

To achieve a level playing field in GST treatment for services, whether produced locally or overseas, as announced in 2018 Budget Statement, the Overseas Vendor Registration (OVR) regime will be introduced.

Overseas digital services providers must register for GST and charge GST from 1 January 2020 if they meet the following criteria:

- Yearly global turnover exceeding \$1 million
- Sell more than \$100,000 worth of digital services to customers in Singapore in a 12-month period

From January 2020

Prices paid by consumers to GST-registered overseas service providers for the purchase of digital services will be inclusive of GST from 1 January 2020. Overseas service providers will declare and pay the GST collected to IRAS. Consumers refer to individuals and non-GST registered businesses.

GST-registered businesses that make similar purchases may have to account for GST via reverse charge instead. They should provide their GST registration number to the overseas service providers so that GST will not be charged.

NB: Reverse Charge is a GST collection mechanism where the local business customer pays GST to the tax authority directly, on the services it imports. This is in contrast to the OVR regime where the overseas supplier collects GST from the local customer and pays GST to the tax authority. Together with the OVR regime, reverse charge will be introduced on 1 January 2020 to tax imported services.

Compulsory e-Filing for Form C-S/ C from Year of Assessment (YA) 2020

In line with Government's direction for more cost-effective delivery of public services and the Smart Nation vision to harness technology to enhance productivity, e-Filing of Corporate Income Tax returns (including Estimated Chargeable Income [ECI], Form C and Form C-S) will be made compulsory for all companies from YA 2020.

In other words, there will be no more paper filing for corporate tax returns from YA 2020.

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How we can assist

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

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