

# Form GST F1

## Application For GST Registration

### Explanatory Notes

**Please read the following carefully before completing the GST F1 application form to avoid delay in the processing of your application:**

#### Important Notes

If the value of your taxable supplies in the past 12 months is more than S\$1 million **OR** you are currently making taxable supplies and expect the value of your taxable supplies in the next 12 months to be more than S\$1 million, you are required to apply for GST registration within 30 days from the date your liability arose.

#### 1. Definitions

- 1.1 **"Taxable supplies"** refer to supplies of goods and services (include **standard-rated** and **zero-rated supplies**) made in Singapore other than exempt supplies. Out-of-scope supplies are also excluded.
- 1.2 **"Standard-rated supplies"** refer to taxable supplies of goods or services supplied in Singapore. For example, sale of goods in a supermarket.
- 1.3 **"Zero-rated supplies"** refer to export of goods or international services. For example, provision of international transport.
- 1.4 **"Exempt supplies"** refer to the sale and lease of residential properties and financial services. For example, income from sale of shares and interest.
- 1.5 **"Out-of-scope supplies"** refer to third country sales and goods in transit. For example, sale of goods directly from China to India where the goods do not enter Singapore.
- 1.6 **"Taxable turnover"** refers to the total value of all taxable supplies made in Singapore (excluding GST) in the course or furtherance of business. This includes the value of all standard-rated supplies and zero-rated supplies but it excludes exempt supplies, out-of-scope supplies and sale of capital assets. For the purpose of determining your liability for GST registration, the value of exempt supplies that are international services under Section 21(3) of the GST Act should also be excluded from your total taxable supplies.
- 1.7 **"Accounting period"**, known also as Prescribed Accounting Period, refers to the period covered by the GST return or known alternatively as the prescribed accounting period. The standard period is 3 months, which will coincide with your financial year end. However, you may apply for monthly/six-monthly/special accounting period, which is subject to approval on a case-by-case basis.

#### 2. Taxable Person

##### 2.1 Sole-Proprietorship

A sole-proprietorship is a business firm owned by one person or one company. If you are a sole-proprietor, GST registration will be in your personal/corporate name. Please provide a copy of the latest Accounting and Corporate Regulatory Authority (ACRA) Business Profile for each of your sole-proprietorship businesses. Upon approval of this application, you will be required to charge and account for GST on all the sole-proprietorship businesses owned by you including all your subsequent new sole-proprietorship businesses. If you are an individual sole-proprietor (that is, you are registered for GST in your personal name), you are also required to charge and account for GST on income earned from any trade, profession or vocation (e.g. taxi driver, hawker, insurance agent, multi-level marketing agent, freelance fitness instructor, freelance book-keeper, accountant with your own business practice).

If you are not a Singapore citizen or permanent resident in Singapore, please enclose a duly completed Letter of Authorisation according to our standard format in Appendix 1.

If your sole-proprietorship business was converted from a partnership, please complete Section 3 of the Form GST F1. You should not use the transferor (previous owner)'s GST registration number to charge or claim GST.

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**If you are already registered for GST for your existing sole-proprietorship business, you are not required to submit another Form GST F1 for your new sole-proprietorship business. You should use the same GST registration number to charge GST from the start of your business. You must inform us in writing and provide a copy of the ACRA Business Profile of the new business for our updating within 30 days from the change.**

## **2.2 Partnership and Joint Venture**

For a partnership or joint venture business, GST registration will be in the name of the respective partnership or joint venture business.

You must complete both Form GST F3 and Form GST F1. Please provide a copy of the latest ACRA Business Profile of the partnership.

If all the partners are not Singapore citizens or permanent residents in Singapore, please enclose a duly completed Letter of Authorisation according to our standard format in Appendix 1.

Similarly, if there is a change in the composition of partners [i.e. withdrawal/addition of partner(s)] and the business constitution remains as a partnership, you need to inform us in writing and provide a copy of the latest ACRA Business Profile(s) and the Form GST F3 for our updating within 30 days from the change of business constitution.

If your partnership business was converted from a sole-proprietorship, please complete Section 3 of the Form GST F1. You should not use the transferor (previous owner)'s GST registration number to charge or claim GST.

### **2.2.1 Partnership with the same composition of partners**

For a partnership or joint venture business, the value of taxable supplies is the sum of taxable turnover of all partnerships having the same composition of partners.

The name of all your partnership businesses (with the same composition of partners) should be listed on page 1 and the particulars of all your partners have to be given and signed by every partner on page 2 of the Form GST F3.

Once a partnership is registered for GST, all other partnerships with the same composition of partners will be liable to register for GST. Thus, if you set up a new partnership with the same composition of partners, you are required to submit another Form GST F1, Form GST F3 and a copy of the latest ACRA Business Profile of the new business **before** the commencement of the business. The new partnership will then be assigned a new GST registration number and can start charging GST from their business commencement date.

### **2.2.2 Joint Venture**

If the joint venture is already registered with ACRA as a partnership with Unique Entity Number (UEN), please refer to 2.2.1 above. If the joint venture is registered as a corporate with UEN, please refer to 2.3 below.

For joint ventures not registered with ACRA, please complete both the Form GST F3 and Form GST F1.

The name of the joint venture should be listed on page 1 and the particulars of all your partners have to be given and signed by every partner on page 2 of the Form GST F3.

For registration of joint venture business, documentary evidence (e.g. partnership agreement, JV contracts, deeds, letter of undertaking) supporting the existence of the joint venture is required.

## **2.3 Companies, Limited Liability Partnerships and Unincorporated Bodies**

If your business is a limited liability partnership, corporate or unincorporated body, GST registration will be in the individual name of your limited liability partnership, company, franchisee, branch, representative office, Management Corporation, club, association, statutory board etc. You need to also account for GST on the sole-proprietorship business(es) registered under your corporate company's name.

If you are a company or limited liability partnership, please provide a copy of the latest ACRA Business Profile.

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Each limited liability partnership would be treated as an entity on its own, even though they may consist of the same composition of partners. As such, the limited liability partnership would have to determine its own registration liability separately.

If you are not an organisation registered with ACRA, example, Management Corporation, Professional Body, Club/Association etc, please provide a copy of your Letter of Incorporation issued by the relevant approving authority.

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If you are a company or limited liability partnership incorporated overseas, please provide a copy of your Letter of Incorporation and a Letter of Authorisation according to our standard format in Appendix 1.

If you have taken over the business of a sole-proprietorship or partnership or another company, please complete Section 3 of the Form GST F1. You should not use the transferor (previous owner)'s GST registration number to charge or claim GST.

### 3. How to determine your liability to register for GST

#### 3.1 Compulsory Registration

You are liable to register for GST if the value of your taxable supplies\* is more than S\$1 million in the past 12 months or you are currently making taxable supplies and expect the value of your taxable supplies to be more than S\$1 million in the next 12 months. For a sole-proprietor, the value of taxable supplies is the total taxable turnover of all your sole-proprietorship businesses and other business activities (for example, commission received) conducted by you. For a partnership or joint venture business, the value of taxable supplies is the total taxable turnover of all partnerships having the same composition of partners.

The sale of capital assets should be excluded in determining your liability to register.

\* If your business was transferred to you, you have to include the turnover of your transferor (previous owner) to determine your liability, i.e. you are liable for registration if the previous owner's turnover for the past three quarters and your business turnover for the current quarter is more than \$1 million.

##### (a) Retrospective Basis

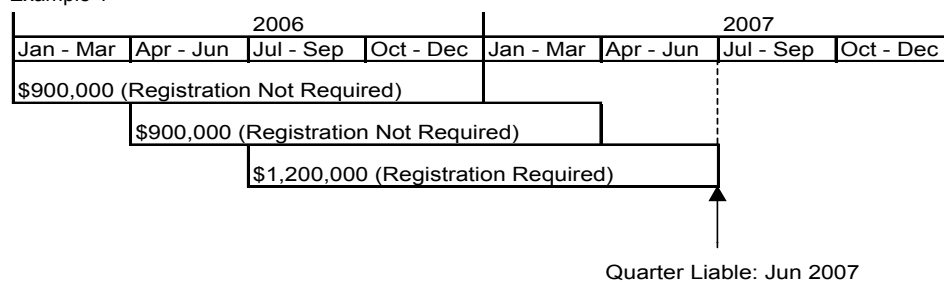
Your liability for GST registration will arise if **at the end of any quarter ending Mar, Jun, Sep or Dec**, the total value of taxable supplies made in Singapore in that quarter and the immediate past 3 quarters (i.e. 12 continuous months) is more than S\$1 million.

Notwithstanding the above, if you **are certain** that the turnover for the next 12 months will not be more than \$1 million, you are not required to be GST-registered.

However, you may choose to be GST-registered on voluntary basis where a current effective date of registration will be granted to you. Please complete 7A and 8A of the Application Form.

**Important Note:** Your effective date of registration will be back-dated to the time your liability arose should your turnover be more than \$1 million within the next 12 months.

Example 1



Once you have determined that your liability arose under this section, you are required to apply for GST registration within 30 days of the end of that relevant quarter. From the example above, you are required to submit your application for GST registration by 30 Jul 2007. The Comptroller of Goods and Services Tax (CGST) will then register you by **01 Sep 2007**.

- If your liability arose on **30 Sep 2007**, you are required to notify the CGST by 30 Oct 2007 and you will be registered by **01 Dec 2007**.
- If your liability arose on **31 Dec 2007**, you are required to notify the CGST by 30 Jan 2008 and you will be registered by **01 Mar 2008**.
- If your liability arose on **31 Mar 2008**, you are required to notify the CGST by 30 Apr 2008 and you will be registered by **01 Jun 2008**.

Should your liability to register have arisen earlier, your effective date of GST registration will be back-dated. Please refer to Point 3.2 for late notification of liability for GST registration.

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(b) **Prospective Basis**

Your liability for GST registration will also arise if **at any time, you have reasonable grounds** (e.g. confirmed sales contract) for believing that the total value of your taxable supplies in the next 12 months will be more than S\$1 million.

**Important Note: You must be currently making taxable supplies to come under this basis for compulsory registration.**

Example 2

You have confirmed sales contracts on 1 Apr 2006, 19 Sep 2006 and 31 Dec 2006. Hence, you made a forecast of the value of your taxable supplies as shown in the table.

Determination date/ Date of forecast	Period under review (next 12 months)	Expected Taxable Turnover for the next 12 months	Registration Required?
01 Apr 2006	1 Apr 2006 to 31 Mar 2007	\$901,000	No
19 Sep 2006	19 Sep 2006 to 18 Sep 2007	\$925,000	No
31 Dec 2006	31 Dec 2006 to 30 Dec 2007	\$1,150,000	Yes

The date of forecast refers to the date on which you make the forecast that your taxable turnover for the next 12 months will be more than S\$1 million. It should not be a **date later** than the date of your application.

You will be required to apply for GST registration within 30 days from the date of forecast (i.e. by 30 Jan 2007 in this example) and the Comptroller shall register you by the end of the 30 days from the date that your liability arises (i.e. by 31 Jan 2007 in this example).

Should your liability to register have arisen earlier, your effective date of GST registration will be back-dated. Please refer to Point 3.2 for more details on late notification of liability for GST registration.

**3.2 Late Notification of Liability for GST Registration**

If you fail to apply for GST registration within the required time, you may be liable to a fine up to S\$10,000 and a penalty equal to 10% of the tax due in respect of each year starting from the date on which you are required to make the notification or to apply for GST registration.

Once your effective date of registration is back-dated, you will be required to account for GST to the Comptroller on all standard-rated supplies you have made in the past since your effective date of registration. You are required to account for the output tax you have collected based on the applicable prevailing GST rate.

In the event that you are unable to collect the GST from your customers, we are prepared to grant you an administrative concession to account for output tax based on the tax fraction of 3/103, 4/104, 5/105 or 7/107 (whichever is applicable) of the consideration you received for all standard-rated supplies you made since the effective date of the back-dated registration.

**3.3 Voluntary Registration**

If your taxable supplies :

- (1) is not more than S\$1 million in the past 12 months and is not expected to be more than S\$1 million in the next 12 months; or
- (2) is **expected to be more than S\$1 million** in the next 12 months but you **have not started** making taxable supplies;

you may apply for GST registration under voluntary basis provided:

- (1) you make taxable supplies **or** wholly out-of-scope-supplies **or** exempt supplies of financial services (specified in paragraph 1 of the Fourth Schedule) where such financial services qualify as international services under section 21(3) of the GST Act; OR
- (2) you carry on a business and intend to make such supplies in the course or furtherance of that business.

Once your application is approved, you have the same obligations as any other taxable person and you must remain registered for **at least two years**. However, the Comptroller can cancel your registration if you do not make taxable supplies by the date you expect to make your first taxable supply as specified in your Form GST F1.

These obligations will be covered under Point 5 of the Explanatory Notes.

### 3.3.1 Out-of-Scope Supplies

You may apply for voluntary registration if you make **wholly** out-of-scope supplies provided:

- (1) you have a business establishment in Singapore or if your usual place of residence is in Singapore; and
- (2) you are carrying on a business and make or intend to make:
  - (i) supplies outside Singapore which would be taxable supplies if made in Singapore; or
  - (ii) supplies within Zero GST Warehouse Scheme.

Each application will be reviewed on a case-by-case basis.

After your application has been approved, if you:

- (1) cease to make or cease to have the intention of making :
  - (i) supplies outside Singapore which would be taxable supplies if made in Singapore or
  - (ii) supplies within a Zero GST Warehouse Scheme; or
- (2) make or have the intention to make taxable supplies in Singapore;

you must inform the Comptroller within **30 days** from the date of change.

### 3.3.2 Exempt supplies of financial services

You may apply for voluntary registration if you make exempt supplies of financial services specified in paragraph 1 of the Fourth Schedule, where the financial services are also international services under section 21(3) of the GST Act. This is provided that:

- (1) you are a corporate body<sup>1</sup>; and
- (2) you make or have the intention to make the abovementioned exempt supplies of financial services.

Each application will be reviewed on a case-by-case basis.

After your application has been approved, if you cease to make or cease to have the intention of making exempt supplies of financial services that are international services, you must inform the Comptroller within 30 days from the date of change.

## 4. Security Deposit

You may be required to provide a security deposit if:

- (1) You have outstanding income tax/penalties, and/or
- (2) You have been/are a director/partner/sole-proprietor of another business, and the business has outstanding tax/penalties/returns, and/or
- (3) Any other reasons that the Comptroller deems fit.

Upon receipt of your application for GST, we will inform you on the amount of security deposit required. The security deposit must be in the form of a banker's guarantee/ insurance guarantee.

If you are applying for voluntary registration and did not provide the security deposit when required, we will reject your application for the GST registration.

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<sup>1</sup> If you are not a corporate body, you can also apply for registration provided you are carrying on a business that is licensed by a regulatory authority such as the Monetary Authority of Singapore ("MAS").

## 5. Obligations of a GST-registered Person

Some of these obligations include:

- (1) Collecting and accounting for GST on the supplies of goods and services made in Singapore;
- (2) Displaying, advertising, publishing or quoting GST-inclusive prices for any supply of goods or services to the public;
- (3) Keeping business and accounting records for at least five years<sup>2</sup>;
- (4) e-Filing GST returns and submitting payment of the tax due (if any) not later than one month after the end of the accounting period, failing which the Comptroller may make an estimated assessment of the tax due. Penalties can be imposed if you fail to e-File your GST returns and/or make payments by the due date. If there is no transaction done, you are still required to submit a "NIL" GST F5.

The penalty for late submission of the return is S\$200 per month for each month that the return remains outstanding (subject to a maximum of S\$10,000 for each return outstanding). In addition, 5% penalty will be levied on the amount of tax unpaid by the due date and an additional penalty of 2% per month on tax remaining unpaid after 60 days from the due date of the prescribed accounting period (subject to a maximum of 50% of the outstanding tax) may also be imposed.

In the case of failure to e-File your GST Returns, upon conviction, you can be liable to a fine up to \$5,000 and in default of payment, an imprisonment term up to six months;

- (5) Reflecting your GST registration number on all tax invoices, simplified tax invoices and receipts;
- (6) Informing the Comptroller in writing of your intention to transfer your business 30 days before the date of transfer;
- (7) Informing the Comptroller in writing and applying for cancellation of GST registration if your business ceases to make taxable supplies;
- (8) If you cancel your GST registration, you have to account for GST on the open market value of all taxable business assets held where the total value is more than S\$10,000 on the last day of your GST registration and input tax has been allowed on these assets previously. These assets include goods that are imported into Singapore under the Approved Schemes such as Major Exporter Scheme/ Approved Third Party Logistics Company Scheme/ Approved Import GST Suspension Scheme/ Approved Contract Manufacturer And Trader Scheme, stocks, fixed assets and non-residential properties owned by you; and
- (9) If you are under voluntary registration (e.g. your annual taxable turnover is not / not expected to be more than \$1 million or you have not started making taxable supplies at the point of application), you have to remain registered for at least two years. In addition, you are required to comply with the following conditions:
  - (a) The director of the company/ sole-proprietor/ partner/ trustee of the business is required to complete the e-Learning course "GST-Before I Register" and its quiz **before** applying for registration;
  - (b) attend the compulsory course "Introduction to GST" by IRAS within three months from the effective date of GST registration;
  - (c) make taxable supplies within two years<sup>3</sup>; and
  - (d) be on GIRO payment plan for GST payment and/or refund.

The Comptroller may also impose other conditions on your GST registration and may cancel your GST registration if you fail to comply with any of the conditions.

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<sup>2</sup> This is applicable to records pertaining to prescribed accounting periods ending on or after 1 Jan 2007. For records pertaining to prescribed accounting periods ending before 1 Jan 2007, you are required to keep them for seven years.

<sup>3</sup> This is applicable to a voluntarily registered person who has not started making taxable supplies at the point of application.

**APPOINTMENT OF LOCAL AGENT:**

Under Section 33(1) of the Goods and Services Tax Act, an agent resident in Singapore must be appointed as the substituted person of the overseas person (who is applying for GST Registration) to be accountable for any tax or any duties accountable by the overseas person. As such, please give us a Letter of Authorisation from the applicant (i.e. the overseas trader).

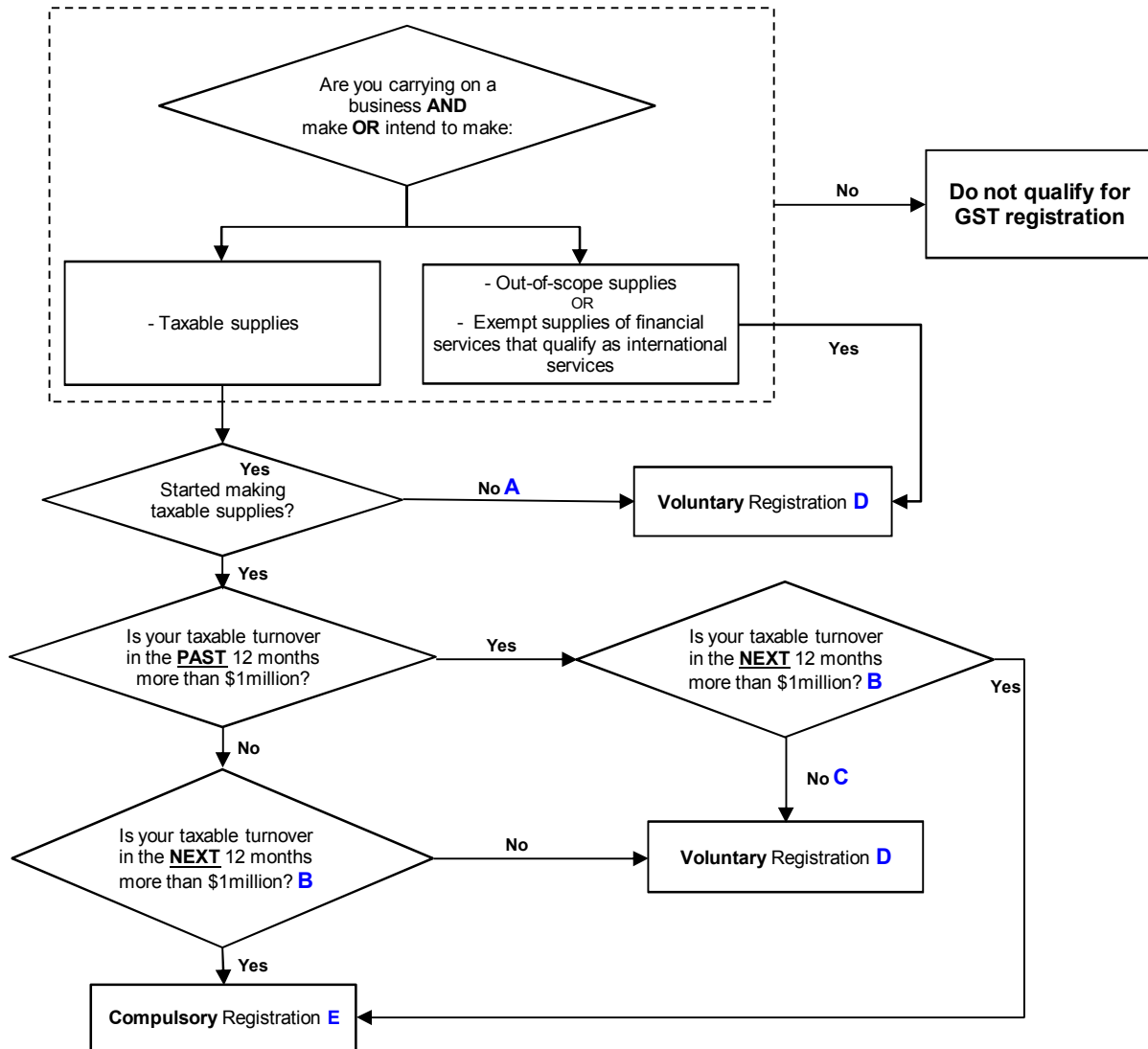
**Do not fax or email the letter.** Please send the letter by post or submit it at IRAS Taxpayer Services centre. Please prepare the letter using **your company letterhead** based on the following format:

Overseas Trader (Name) hereby appoints Singapore Employee or agent (Name, NRIC/UEN & Address) as *his/her/its/their agent for the purpose of complying with *his/her/its/their legal obligations in connection with GST and authorises *him/her/them for this purpose to sign GST Returns and all other documents.	
Name of Overseas Trader:	_____
Full Name of Signatory & Designation:	_____
Signature & Date:	_____
Agreed and accepted as of DD/MM/YY.	
Name of Local Agent:	_____
Full Name of Signatory & Designation:	_____
Signature & Date:	_____
* <i>Delete as appropriate</i>	

If you are a foreign company **not registered** with the Accounting And Corporate Regulatory Authority (ACRA), you are also required to provide us with the following information:-

- a. Detailed description of your business activity (including how the transactions are carried out in Singapore).
- b. Whether you will be setting up a branch in Singapore. If yes, please provide a copy of the certificate of registration. If no, please give us the reasons.
- c. Nature of business carried on by your local agent.
- d. Detailed description of duties and responsibilities of your local agent.
- e. Certificate of incorporation of overseas company.

## How to determine if you should register under compulsory or voluntary basis.



**A** - In the event that the intention to make taxable supplies did not materialise, input tax claimed previously will be withdrawn if the Comptrollers is not satisfied that you have firm intention to make taxable supplies from the start.

When your GST registration is cancelled, you are required to account for deemed output tax if the value of your taxable assets on hand including stock and non-residential properties (*for which input tax has been allowed previously*) is more than **S\$10,000**. The deemed output tax is also applicable to goods imported under Approved Schemes such as Major Exporter Scheme (MES), Approved Third Party Logistics Company Scheme (A3PL), Approved Import GST Suspension Scheme (AISS), Approved Contract Manufacturer And Trader (ACMT) Scheme.

**C** - You must be certain that the turnover for the next 12 months will not be more than \$1 million. If so, you are not required to be GST-registered. You can choose to be GST-registered on voluntary basis, in which case, you will be GST-registered with effect from a current effective date. Please complete 7A **and** 8A of the Application Form.

**IMPT NOTE:** Your effective date of registration will be backdated to the time your liability arose should your turnover be more than \$1 million within the next 12 months.

**B** - You must have a sound basis in forecasting turnover and support it with documentary evidence (e.g. confirmed contracts, agreements).

**D** - Please attach documentary evidence that you are in business and have the intention to make the said supplies with the GST F1 application.

You will also need to be on GIRO payment plan for GST payment and/or refund. Your application for GST registration will be **rejected** without the supporting documents & GIRO Application form.

Refer to "Documentation Checklist" for the list of required supporting documents.

**E** - Please attach documentary evidence such as financial statements, finalised accounts, confirmed contracts, agreements etc with the GST F1 application. Your application for GST registration cannot be processed without the supporting documents.

**IMPT NOTE:** Your effective date of registration will be backdated to the time your liability arose.

Refer to "Documentation Checklist" for the list of required supporting documents.