

Singapore Alert - Update on GST Rate and Transitional rules

As you must be aware, Singapore currently has a 8% Single rate of GST for all taxable supplies. However, **effective from 01 January 2024**, the goods and services tax (GST) rate in Singapore **will increase from 8% to 9%**, respectively.

The Inland Revenue Authority of Singapore (IRAS) has published a guide ([2024 GST Rate Change: A Guide for GST-registered Businesses](#)) that provides detailed guidance on the transitional rules for normal and reverse charge supplies, imported digital services under the Overseas Vendor Registration (OVR) regime, price displays, methods of apportionment, adjustments to contracts on changes to GST and the adjustment of tax previously charged that will take effect from 01 January 2024.

In anticipating the GST rate changes, businesses should consider taking the following actions (as may be applicable):

- Review contracts/agreements for the GST rate to be charged or borne by each party;
- Inform customers of the GST rate increase.
- Update the accounting and invoicing system to incorporate the new GST rate;
- Update the cash register & receipt system to incorporate the new GST rate for point-of-sales billing;
- Change the price display to reflect the new GST rate;
- Train staff on the transitional rules for the rate change and applying the correct GST rate for sales transactions and reverse charge supplies spanning the date of the rate change;



Please feel free to reach out to us at compliance@m2kadvisors.com for any clarification that you might need for the implementation of this change