

Moore Stephens LLP

ASK MOORE:

SINGAPORE – OVERSEAS VENDOR REGISTRATION



OVERSEAS VENDOR REGISTRATION ("OVR")

With effect from 1 January 2020, Goods and Services Tax ("GST") will be applied to cross-border Business to Consumer ("B2C") supplies of imported digital services through the OVR regime in Singapore.

Under the OVR regime, suppliers belonging outside Singapore are required to register, charge and account for GST on supplies of digital services made to non-GST registered customers in Singapore.

REGISTRATION REQUIREMENTS

Overseas digital service suppliers must register for GST in Singapore and charge GST from 1 January 2020 if both the following criteria are met:

- a) the value of its annual global turnover exceeds SGD\$1 million; and
- b) the value of its digital services supplied to non-GST registered customers in Singapore exceeds or is expected to exceed SGD\$100,000 for a 12-month period.

The value of annual global turnover refers to all supplies made that would have been GST taxable supplies had these been made in Singapore.

Overseas digital service suppliers that do not meet the above criteria may also register for GST in Singapore on a voluntary basis.

Once registered for GST in Singapore, the overseas supplier is required to charge and account for GST on B2C supplies of digital services made to non-GST registered customers in Singapore (ie. individual and corporate).

GST FILING AND PAYMENT

Overseas suppliers who are GST registered under the OVR regime are required to file quarterly GST returns to the Inland Revenue Authority of Singapore ("IRAS") under the pay-only regime. The filing and payment statutory deadline are within one month from the end of each GST accounting period.

COMPLIANCE & ENFORCEMENT:

"Failure to register for GST under the OVR regime is an offence."

IMPACT ON ELECTRONIC MARKETPLACES OPERATORS

Overseas electronic marketplace operators are regarded as the supplier of digital services if they authorise the charge or the delivery of supply to customers, amongst other criteria.

Overseas electronic marketplace operators, who are GST-registered under the OVR regime, are required to charge and account for GST on supplies of digital services made on behalf of the overseas suppliers listed on their platforms to non-GST registered customers in Singapore.

WHAT WOULD FALL WITHIN “DIGITAL SERVICES”?

Digital services are defined as services that are supplied over the internet or an electronic network that require minimal or no human intervention, and are impossible without the use of information technology.

Common examples of digital services include:

- Downloadable digital content such as mobile apps, e-books and movies;
- Subscription-based media such as news, magazines, streaming of TV shows and music and online gaming;
- Software programs such as photoshop tools, anti-virus software and office suites; and
- Electronic data management such as website hosting and cloud storage services.

Please refer to [Annex A](#) for the detailed list of included and excluded digital services provided by the IRAS.

ACTIONS TO BE TAKEN BY AFFECTED BUSINESSES

After determining that their services fall within the scope of digital services, overseas suppliers with an annual global turnover that exceeds SGD \$1million would need to monitor the value of their digital services supplied to non-GST registered customers in Singapore to assess if the GST registration threshold of SGD \$100,000 in a calendar year has exceeded.

To determine if a customer belongs in Singapore, information such as credit card, billing/ home addresses and IP addresses would be required.

If the Singapore customer base is mainly made up of business customers, it is also necessary to determine if these customers are registered for GST in Singapore. On the other hand, if the Singapore customer base is made up of individuals, it would be prudent to count all receipts from such individual customers towards the GST registration threshold, as it is highly unlikely for them to be GST-registered in Singapore.

FURTHER ADVICE

If you would like further information on any item within this publication or information on our services, please contact:

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ANNEX A - LIST OF INCLUDED AND EXCLUDED DIGITAL SERVICES

INCLUDED DIGITAL SERVICES	
SERVICE	REMARKS / EXAMPLES
Supply of digital products	E.g. supply of mobile applications and ebooks
Supply of software programs	E.g. downloading of software, drivers, website filters and firewalls
Supply of images, text and information and making available of databases	E.g. subscription to online newspapers and journals, downloading of licensed images
Supply of music, films and games	
Supply of distance teaching via pre-recorded medium or e-learning	E.g. supply of online courses
Supply of electronic data management services	E.g. website supply, web-hosting, automated and digital maintenance of programmes
Services providing or supporting a business or personal presence on an electronic network	E.g. subscription services for the maintenance of an online professional profile page
Supply of search-engine and automated helpdesk services	E.g. supply of customised search-engine services
Listing services for the right to put goods or services for sale on an online market or auction house	E.g. listing fees for merchants to list their items for sale
Supply of live streaming services where there is no interaction with the content provider	

INCLUDED DIGITAL SERVICES (CONT.)	
SERVICE	REMARKS / EXAMPLES
Advertising services on intangible media platform circulated wholly in Singapore	
Support services performed, via electronic means, for arranging and facilitating the completion of transactions, which may not be digital in nature	E.g. commission fees to intermediaries, service fees to consumers and merchants for sale of products through the electronic marketplace

EXCLUDED DIGITAL SERVICES	
SERVICE	REMARKS / EXAMPLES
Cross-border telecommunication Services	Current zero-rating provisions accorded for cross-border telecommunication services; Unlikely for an overseas entity to provide local telecommunication services without a physical presence in Singapore as formal licensing is required.
Advertising services on intangible media platform circulated wholly outside Singapore	Zero-rating permitted for advertising services intended for circulation substantially outside of Singapore
Professional services involving human intervention, even if advice is provided by electronic means	E.g. legal services where advice from the lawyer is communicated via e-mail



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