



Circular No: 12/2022
4 Nov 2022

Traders and Declaring Agents

Dear Sir/Madam

IMPLEMENTATION OF REVISED GST RATE OF 8%

During Budget Day Speech 2022, the Government announced that the Goods and Services Tax (GST) rate will increase from 7% to 8% on 1 Jan 2023. Hence, all imported goods and goods released from licensed premises for local consumption after 31 Dec 2022 will attract GST at the new rate of 8%.

2 Importers are advised to clear their goods by 31 Dec 2022 for In-Payment (GST) and In-Payment (Duty and GST) permits taken up with GST rate of 7%. Please note that extension of permit validity period will not be allowed for these In-Payment (GST) and In-Payment (Duty and GST) permits taken up with GST rate of 7% which expire on or beyond 31 Dec 2022.

3 If an importer has taken up an In-Payment (GST) or In-Payment (Duty and GST) permit at GST rate of 7% but is unable to clear his goods by 31 Dec 2022, the importer will still be able to use it to clear the goods using the In-Payment (GST) and In-Payment (Duty and GST) permit after 31 Dec 2022, provided that it is still within the permit validity period. However, the importer must take up a GST Short-Payment permit ("SPGST" permit – please refer to paragraph 4 for the permit application procedures) to account for the GST short-payment of 1% for his goods prior to cargo clearance.

GST Short-payment permit ("SPGST" permit)

4 Please refer to the following declaration procedures when applying for the GST Short-Payment permit ("SPGST" permit) relating to GST rate change:

- a) **Message Type** = "In-Payment";
- b) **Declaration Type** = "GST";
- c) **Place of Receipt Code** = "SPGST";
- d) **Previous Lot Number** = Original TradeNet permit number with GST rate of 7%;

[Note: For “SPGST” permits, the Original TradeNet permit number is to be declared in “Previous Lot Number” field instead of “Previous Permit Number” field. This is to facilitate importers’ consolidation of their GST Short-Payments (due to the GST rate change) from multiple In-Payment (GST) and In-Payment (Duty and GST) permits, in a single “SPGST” permit.]

e) **HS code** = HS Code of the first line item in the Original TradeNet permit quoted in the “Previous Lot Number” field;

f) **Item CIF/FOB Value**

For GST short-payments to be made for previous permit covering non-dutiable goods only, to declare the “Total CIF/FOB Value” in the Original TradeNet permit quoted in the “Previous Lot Number” field.

For GST short-payments to be made for previous permit covering both non-dutiable and dutiable goods, or dutiable goods only, to declare the sum of (Total CIF/FOB Value, Total Customs Duty Amount and Total Excise Duty Amount) in the Original TradeNet permit quoted in the “Previous Lot Number” field; and

g) **GST rate** = “1%”

In-Payment (GST) and In-Payment (Duty and GST) permits taken up with GST rate of 8%

5 To facilitate the planning of import shipments, importers may declare In-Payment (GST) and In-Payment (Duty and GST) permits at the GST rate of 8% **from 25 Dec 2022** onwards, if they intend to clear the goods on or after 1 Jan 2023. This is to reduce the need for importers to take up separate GST Short-Payment permits (“SPGST” permits).

6 In the event that an importer has taken out an In-Payment (GST) and In-Payment (Duty and GST) permit at GST rate of 8% but cleared his goods before 1 Jan 2023, he may claim refund of the overpayment of 1% GST from Singapore Customs through TradeNet if he is a non-taxable person. If the importer is a taxable person and the duty/GST was deducted via IBG from his bank account registered with Singapore Customs, he may claim the total GST paid as input tax from the Inland Revenue Authority of Singapore (IRAS).

Yours faithfully

Raine Ng
Head Procedures & Systems Branch
for Director-General of Customs
Singapore Customs

(This is a computer-generated circular. No signature is required.)

We hope that this circular has been written in a way that is clear to you. If not, please let us have suggestions on how to improve this circular at customs_documentation@customs.gov.sg.

FREQUENTLY ASKED QUESTIONS

Q1: If I have many permits that are GST short-paid due to the GST rate change, do I have to declare multiple GST short-payment permits to account for the GST short-paid?

A1: You may take a single “SPGST” permit for up to 50 original TradeNet permits that require GST short-payment due to GST rate change. You are required to declare the original TradeNet permit number under the “Previous Lot Number” field instead of “Previous Permit Number” field in the “SPGST” permit.

Q2: Why is the GST rate for the “SPGST” permit 1% instead of 8%?

A2: Declaring 8% as the GST rate for “SPGST” permit will require you to re-calculate the CIF/FOB value to be declared in the “SPGST” permit application based on the amount of GST short-paid. For ease of declaration, you are to declare 1% as the GST rate and the “Total CIF/FOB Value” in the Original TradeNet permit quoted in the “Previous Lot Number” field for non-dutiable goods, without the need for re-calculation. Similarly, for GST short payments to be made for previous permit(s) covering both non-dutiable and dutiable goods, or dutiable goods only, you are to declare 1% as the GST rate and the sum of (Total CIF/FOB Value, Total Customs Duty Amount and Total Excise Duty Amount) in the Original TradeNet permit quoted in the “Previous Lot Number” field.

Q3: How do I apply for short-payment permits for overlanded goods in excess of the quantity (stated in commercial invoice) that are cleared on or after 1 Jan 2023?

A3: You are required to obtain a short payment “SPGST” permit to pay for the GST short-paid using the GST rate of 1% based on the value of the imported goods in the Original TradeNet permit quoted in the “Previous Lot Number” field and also obtain another short payment “SPNOSTK” permit to pay for the GST short-paid using the GST Rate 8% based on the value of the overlanded goods stated in the commercial invoice.

Q4: How do I apply for short-payment permits for overlanded goods in excess of the quantity (stated in commercial invoice) that are cleared before 1 Jan 2023?

A4: You are required to obtain a short-payment “SPNOSTK” permit (Message/Declaration Type = IN-PAYMENT (GST or DNG), Place of Receipt = “SPNOSTK”) to pay the GST short-paid using the GST Rate of 7% based on the value of the overlanded goods stated in the commercial invoice.



UPDATE OF CIRCULAR BY SINGAPORE CUSTOMS

Circular No. 12/2022: IMPLEMENTATION OF REVISED GST RATE OF 8% (dated 4/11/2022)			
Paragraph	Current Details	Updated Details	Date of Update
Annex FAQs Q1	<p>Q1: If I have many permits that are GST short-paid due to the GST rate change, do I have to declare multiple GST short-payment permits to account for the GST short-paid?</p> <p>A1: You may take a single “SPGST” permit for up to 50 original TradeNet permits that require GST short-payment due to GST rate change. You are required to declare the original TradeNet permit number under the “Previous Lot Number” field instead of “Previous Permit Number” field in the “SPGST” permit.</p>	<p>Q1: If I have many permits for different importers that are GST short-paid due to the GST rate change, do I have to declare multiple GST short-payment permits to account for the GST short-paid?</p> <p>A1: You are required to take up separate “SPGST” permit for different importers. You may take a single “SPGST” permit for up to 50 original TradeNet permits that require GST short-payment due to GST rate change for each importer. You are required to declare the original TradeNet permit number under the “Previous Lot Number” field instead of “Previous Permit Number” field in the “SPGST” permit.</p>	23 Dec 2022
Annex FAQs (new)	-	<p>Q5: How should I declare the mandatory header fields (e.g. transport mode) in the “SPGST” permit?</p>	23 Dec 2022

		<p>A5: You should declare the same details as one of the original TradeNet permit quoted in the “Previous Lot No.” field. Please refer to Para 4 on the key fields (e.g. place of receipt code, previous lot number, item CIF/FOB) to declare in the “SPGST” permit.</p> <p>Q6: How do I declare the CIF/FOB in the “SPGST” permit for partial clearance of goods (i.e. some of my goods were cleared before 1 Jan 2023 and the remaining goods were cleared on or after 1 Jan 2023)?</p> <p>A6: For partial clearance of goods, you are required to declare the Total CIF/FOB of the remaining items that will be cleared on or after 1 Jan 2023 under the “Item CIF/FOB Value” field in the “SPGST” permit to account for the 1% GST short-paid of the goods.</p> <p>Q7: My In-Non-Payment permit (Example: II and ME permit prefix) was approved with 7% GST rate but the goods are to be cleared after 31 Dec 2022. Can I continue to use the same permit for clearance or is there a need for me to take up a replacement permit to reflect the new GST rate of 8%?</p> <p>A7: You may proceed to use the same permit to clear your goods after 31 Dec 2022. There is no other follow-up action required. However, you are required to obtain the relevant payment permit(s) to pay the GST of 8% if the goods are subsequently released from licensed premises after 31 Dec 2022.</p>	
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