

DHL EXPRESS

2023 SINGAPORE REGULATORY CHANGES

OVERVIEW

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As of 1st Jan 2023, the Singapore Tax Authorities (known as *IRAS - Inland Revenue Authority of Singapore*) will require **e-Commerce Platforms** (known as *Overseas Vendors - OVR*) selling and shipping to **Singapore's private consumers** to:

- a) Apply for an **Overseas Vendor Singapore Goods & Services Tax (GST) registration number**.
- b) Collect **Goods & Services Tax (GST)** on eligible **Low Value Goods (up to SGD 400)** **at the point of purchase**.
- c) Complete the **GST return filing & payment** to Singapore Tax Authorities on a periodic basis.

This new regulation is **ONLY applicable** if the **e-Commerce Platform (Overseas Vendor)** meets the following **minimum criteria**:

1) **Global sales turnover exceeding SGD 1 million per year.**

AND

2) **Sales of Low Value Goods (LVG) to Singapore exceeding SGD 100,000 per year.**

If the **e-Commerce Platform (Overseas Vendor)** does **NOT** meet the minimum criteria of **both elements** above, then the **low-value exemption continues to apply** (same as per existing process).

WHAT DOES THIS MEAN FOR SHIPPERS?

E-Commerce Platforms (Overseas Vendors) selling and shipping to Singapore's private consumers, which meet the minimum criteria established by the Singapore Tax Authorities (i.e.: *Global sales turnover exceeding SGD 1 million per year AND Sales of Low Value Goods to Singapore exceeding SGD 100,000 per year*), **must provide the following additional information** (if applicable), i.e.:

→ **OVR GST Number**: include the Overseas Vendor (OVR) Singapore Goods & Services Tax (GST) registration number on the Commercial Invoice when shipping with DHL.

→ **OVR GST Payment Flag**: in addition, also indicate on the Commercial Invoice, at line-item level, if GST for the low value items was collected at the point of purchase.

For a smooth customs clearance process and to ensure a positive end-customer experience, it's essential that **e-Commerce Platforms (Overseas Vendors) selling Low Value Goods to Singapore to provide complete & accurate Commercial Invoice data electronically via the DHL Express Electronic Shipping Solutions.**

HOW CAN SHIPPERS AVOID DELAYS?

In order to avoid delays, Shippers from Rest of World to Singapore shall:

- ✓ **Understand** the Singapore GST regulatory change, and review **if it is applicable** for their business.
- ✓ **Update their systems** to collect GST for low value goods (up to SGD 400) to Singapore.
- ✓ **Advise their Singapore consumers** (end-customers) about the regulatory change.
- ✓ **Provide complete & accurate Commercial Invoice data** electronically via one of the DHL Express Electronic Shipping Solutions.

NOTE

Non-compliance with the Singapore Tax Authorities regulation might result in:

- Potential **shipment delays**.
- Potential shipments **held on bonded storage**.
- Potential **double-taxation** if GST is collected again upon import.
- Potential **penalties** by the Singaporean Tax Authorities.

For additional information about the regulatory change, please consult the Singapore Tax Authorities (*IRAS - Inland Revenue Authority of Singapore*) website <https://www.iras.gov.sg/taxes/goods-services-tax-gst> or via e-mail at GST@iras.gov.sg

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