

Tax alert

Issue 12 | July 2024

Goods and Services Tax InvoiceNow Implementation – Are you ready?

In this Tax Alert, we discuss the recent announcement by the Inland Revenue Authority of Singapore (IRAS) on the impending roll out of the transmission of Goods and Services Tax (GST) invoice data to the IRAS by GST-registered businesses using InvoiceNow solutions via the InvoiceNow network (GST InvoiceNow Requirement). This transmission is intended to be seamless through Access Point Providers of the InvoiceNow solutions via Application Programming Interface (API) technology.

Background

1. There has been much discussion about the transmission of accounting information relating to your GST returns in recent years and the adoption of API technology for such transmission. There has been much angst amongst GST-registered businesses on how soon this would be and the extent of information to be transmitted as well as the technology behind the transmission.
2. The IRAS has finally announced the timeline for the transmission for invoice data to the IRAS with the first group of businesses that must adopt this GST InvoiceNow Requirement (Requirement) being the newly incorporated companies¹ and voluntarily register for GST from 1 November 2025. This is followed by 1 April 2026 for all new voluntary GST-registrants, regardless of incorporation date or business constitution. The other GST-registered businesses are encouraged to adopt this Requirement as soon as 1 May 2025 when the soft launch kicks in, but the adoption is voluntary. A public consultation seeking views is now available till 25 July 2024.
3. Except for businesses which are going to apply for GST registration voluntarily in the future, it is reassuring for the rest of GST-registered

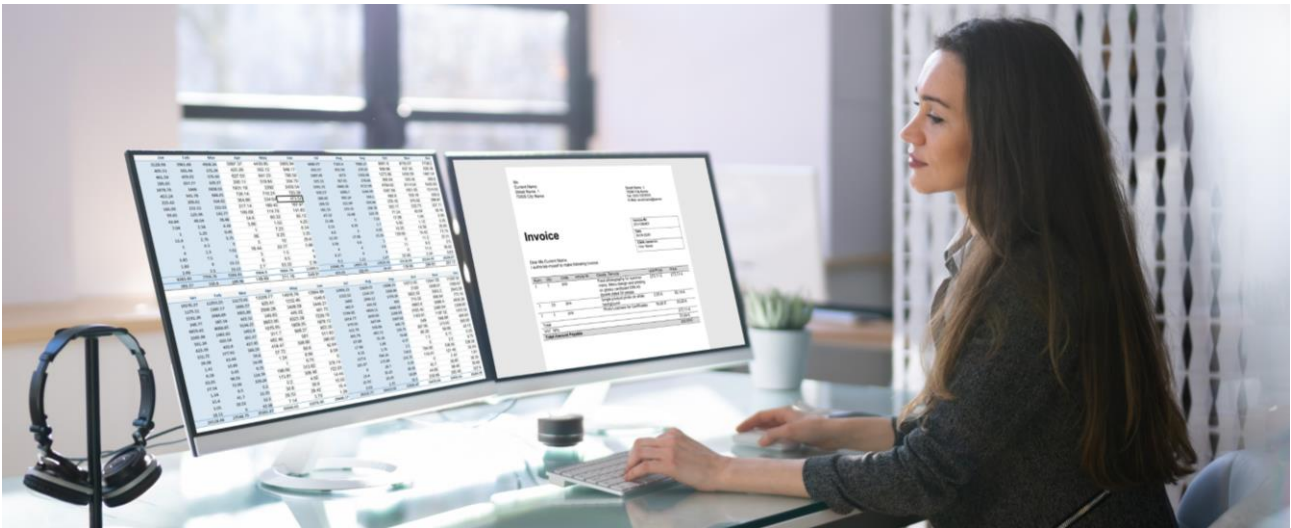
businesses which registered for GST compulsorily that no fixed date has been set for mandatory adoption. Nonetheless, the direction from the IRAS is clear. At some point in time, this Requirement would be extended to all GST-registered businesses.

What you need to know of GST InvoiceNow Requirement

4. InvoiceNow is based on the international Peppol standard for the exchange of invoices in a structured digital format between suppliers and buyers. It is a seamless transmission of digital invoices when both the supplier and customer adopt the Requirement.



¹ Companies incorporated within 6 months from the date of application for GST registration. Other forms of business such as limited liability partnerships, sole proprietorships and partnership, the timeline is deferred till 1 April 2026.



The IRAS would be able to match the output tax to be accounted by supplier and the input tax claim by the customer for a transaction and cases of mismatch would be tossed up for further review instantaneously. From the businesses' perspective, being in the digitised form would see improved productivity in invoice processing, achieve fast payment cycles, and go green by reducing the usage of paper, which is aligned with the ESG agenda which the Government promotes. Adopting InvoiceNow helps businesses better fulfil their responsibilities as GST-registered businesses, by facilitating record-keeping, billing, and payment processes right from the start for newly incorporated companies.

5. The IRAS encourages early adoption of InvoiceNow solutions for businesses because under this requirement where invoice data is transmitted directly to IRAS, GST-registered businesses could streamline their compliance processes, reduce data preparation efforts for their submissions to IRAS and enjoy faster GST refunds. In addition, there are features within InvoiceNow solutions such as receiving alerts for wrongful GST charges from non-GST registered suppliers since the IRAS matches the input tax with the output tax for each transaction.
6. Help is available for newly incorporated businesses in the form of a one-year free InvoiceNow service under the InvoiceNow Accelerate programme. To help businesses defray the cost of adoption and utilisation of InvoiceNow, the IMDA has introduced a slew of grants, such as the LEAD Connect & Transact Grant and InvoiceNow Transaction Bonus. InvoiceNow solutions are also eligible for co-funding under the Productivity Solutions Grant.

What invoice data must be transmitted?

7. Under this GST InvoiceNow Requirement, all e-invoices issued and received using the InvoiceNow Solution must be sent to the IRAS along with other invoices issued and received which are not in the Solutions such as sales made via point-of-sale systems.
8. These invoices issued include all standard-rated, zero-rated supplies but not exempt supplies, out-of-scope supplies nor reverse charge supplies while invoices received are confined to standard-rated purchases on which input tax claims are made or will be made. Hence, reverse charge purchase invoices are excluded. For point-of-sale supplies data and petty cash purchases data, businesses can choose to aggregate the transactions before transmitting to IRAS. All the invoice data must be transmitted at the earlier of filing of GST returns and the filing due date.

Key considerations

9. The first question that comes to your mind would probably be the time when the GST InvoiceNow Requirement is compulsory and when your company must be ready. What is the next step to be ready? Key considerations include whether your current ERP or accounting system is compatible with the technology for GST InvoiceNow Requirement, whether the invoice data transmitted would be safe and not be fallen on wrong hands via transmission and thus violating your confidentiality obligation with your customers, in particular for industries which need to comply with more stringent rules such as the banking sector.

10. You should also consider tapping on the grants available to defray the cost of adoption and utilisation of InvoiceNow.

How we can help

11. If you are uncertain if your ERP or accounting system can support such a transmission, detail of invoice data to be transmitted, or if the GST treatment for all your supplies and purchases are in compliance with the GST legislations and the IRAS requirements, we would be pleased to discuss with you and perform an immediate assessment and draw a timeline. If you have related entities which are considering applying

for GST registration in the future, you should bear in mind of this additional requirement. Given that the IRAS would have all the information concerning your supplies and purchases, any non-compliance would be flagged at the touch of a button. It is never too early to review or set up a robust due diligence process on your GST compliance to avoid any penalty or reputational risks when errors are surfaced.

As your committed tax advisor, please contact us to validate how ready you are with this impending adoption of GST InvoiceNow Requirement.



Authors

Elaine Koh

Partner
Indirect Tax
T: +65 6213 2300
E: elainekoh@kpmg.com.sg

Sharon Cheong

Partner
Indirect Tax
T: +65 6213 2399
E: sharoncheong@kpmg.com.sg

Contact us

Ajay K Sanganeria

Partner
Head of Tax
T: +65 6213 2292
E: asanganeria@kpmg.com.sg

BANKING & INSURANCE

Alan Lau

Partner
Head of Financial Services, Tax
T: +65 6213 2027
E: alanlau@kpmg.com.sg

Lum Kah Wai

Partner
T: +65 6213 2690
E: kahwailum@kpmg.com.sg

ENERGY & NATURAL RESOURCES AND TELECOMMUNICATIONS, MEDIA & TECHNOLOGY

Gordon Lawson

Partner
Head of Energy & Natural Resources, Tax
T: +65 6213 2864
E: glawson1@kpmg.com.sg

Harvey Koenig

Partner
T: +65 6213 7383
E: harveykoenig@kpmg.com.sg

Mark Addy

Partner
T: +65 6508 5502
E: markaddy@kpmg.com.sg

INFRASTRUCTURE, GOVERNMENT & HEALTHCARE AND MANUFACTURING

Chiu Wu Hong

Partner
Head of IGH & Manufacturing, Tax
T: +65 6213 2569
E: wchiu@kpmg.com.sg

Pauline Koh

Partner
T: +65 6213 2815
E: paulinekoh@kpmg.com.sg

Yong Jiahao

Partner
T: +65 6213 3777
E: jiahaoyong@kpmg.com.sg

Toh Boon Ngee

Partner
T: +65 6213 2052
E: bttoh@kpmg.com.sg

REAL ESTATE & ASSET MANAGEMENT

Teo Wee Hwee

Partner
Co-Head of Real Estate, Tax, and Head of Asset Management & Family Office
T: +65 6213 2166
E: weehweeteo@kpmg.com.sg

Anulekha Samant

Partner
Co-Head of Real Estate & Asset Management, Tax
T: +65 6213 3595
E: asamant@kpmg.com.sg

Agnes Lo

Partner
T: +65 6213 2976
E: agneslo1@kpmg.com.sg

Pearlyn Chew

Partner
T: +65 6213 2282
E: pchew@kpmg.com.sg

Evangeline Hu

Partner
T: +65 6213 2597
E: evangelinehu@kpmg.com.sg

Contact us

TRANSFER PRICING

Felicia Chia

Partner
Head of Transfer Pricing, Tax
T: +65 6213 2525
E: fchia@kpmg.com.sg

Lee Jingyi

Partner
T: +65 6213 3785
E: jingyilee@kpmg.com.sg

Denis Philippov

Partner
T: +65 6213 2866
E: denisphilippov@kpmg.com.sg

Yong Sing Yuan

Partner
T: +65 6213 2050
E: singyuanyong@kpmg.com.sg

INDIRECT TAX

Elaine Koh

Partner
T: +65 6213 2300
E: elainekoh@kpmg.com.sg

Sharon Cheong

Partner
T: +65 6213 2399
E: sharoncheong@kpmg.com.sg

CORPORATE TAX PLANNING & COMPLIANCE

Mak Oi Leng

Partner
Head of Corporate Tax
Planning & Compliance, Tax
T: +65 6213 7319
E: omak@kpmg.com.sg

Audrey Wong

Partner
T: +65 6213 2010
E: audreywong@kpmg.com.sg

Lim Geok Fong

Principal Advisor
T: +65 8118 1129
E: geokfonglim@kpmg.com.sg

TAX GOVERNANCE

Pauline Koh

Partner
T: +65 6213 2815
E: paulinekoh@kpmg.com.sg

TAX TECHNOLOGY & TRANSFORMATION

Catherine Light

Partner
T: +65 6213 2913
E: catherinelight@kpmg.com.sg

GLOBAL COMPLIANCE MANAGEMENT SERVICES

Cristina Alvarez-Ossorio

Partner
T: +65 6213 2688
E: cristinaalvarez@kpmg.com.sg

PERSONAL TAX & GLOBAL MOBILITY SERVICES

Murray Sarelius

Partner
Head of Personal Tax &
Global Mobility Services, Tax
T: +65 6213 2043
E: murraysarelius1@kpmg.com.sg

Barbara Kinle

Partner
T: +65 6213 2033
E: bkinle@kpmg.com.sg

Garren Lam

Principal Advisor
T: +65 9728 1502
E: garrenlam@kpmg.com.sg

FAMILY OFFICE & PRIVATE CLIENTS

Teo Wee Hwee

Partner
Head of Asset Management
& Family Office
T: +65 6213 2166
E: weehweeteo@kpmg.com.sg

Pearlyn Chew

Partner
T: +65 6213 2282
E: pchew@kpmg.com.sg

MANAGED SERVICES

Larry Sim

Partner
Head of Managed Services, Tax
T: +65 6213 2261
E: larrysim@kpmg.com.sg

Contact us

PROPERTY TAX & DISPUTE RESOLUTION

See Wei Hwa

Partner
T: +65 6213 3845
E: wsee@kpmg.com.sg

Leung Yew Kwong

Principal Advisor
T: +65 6213 2877
E: yewkwongleung@kpmg.com.sg

R&D AND INCENTIVES ADVISORY

Lee Bo Han

Partner
T: +65 6508 5801
E: bohanlee@kpmg.com.sg

TAX – DEALS, M&A

Adam Rees

Partner
T: +65 6213 2961
E: adamrees@kpmg.com.sg

BASE EROSION AND PROFIT SHIFTING (BEPS)

Andy Baik

Partner
Co-Head of BEPS COE
T: +65 6213 3050
E: andybaik1@kpmg.com.sg

Harvey Koenig

Partner
Co-Head of BEPS COE
T: +65 6213 7383
E: harveykoenig@kpmg.com.sg

INDIA TAX SERVICES

Bipin Balakrishnan

Partner
T: +65 6213 2272
E: bipinbalakrishnan@kpmg.com.sg

US TAX SERVICES

Andy Baik

Partner
Head of US Tax Desk
T: +65 6213 3050
E: andybaik1@kpmg.com.sg

Nicole Li

Principal Advisor
T: +65 9824 4169
E: nicoleli4@kpmg.com.sg

About our tax alerts

KPMG's tax alerts highlight the latest tax developments, impending change to laws or regulations, current practices and potential problem areas that may impact your company. As certain issues discussed herein are time-sensitive, it is advisable to make plans accordingly.

Tax alerts are issued exclusively for the information of clients and staff of KPMG Services Pte. Ltd. and should not be used or relied upon as a substitute for detailed advice or a basis for formulating business decisions. Read more of KPMG in Singapore's insights and perspectives [here](#).

KPMG

12 Marina View, #15-01
Asia Square Tower 2
Singapore 018961
T: +65 6213 3388
F: +65 6225 0984
E: tax@kpmg.com.sg

- Singapore Tax Firm of the Year – International Tax Review Asia-Pacific Tax Awards 2022, 2023
- Singapore Tax Disputes Firm of the Year – International Tax Review Asia-Pacific Tax Awards 2021, 2022, 2023
- Singapore Tax Policy Firm of the Year – International Tax Review Asia-Pacific Tax Awards 2023
- Regional Tax Compliance and Reporting Firm of the Year – International Tax Review Asia-Pacific Tax Awards 2023
- Diversity & Inclusion Firm of the Year – International Tax Review Asia-Pacific Tax Awards 2023

For more details on our tax services, please click [here](#).



© 2024 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG is a global organization of independent professional services firms providing Audit, Tax and Advisory services. KPMG is the brand under which the member firms of KPMG International Limited ("KPMG International") operate and provide professional services. "KPMG" is used to refer to individual member firms within the KPMG organization or to one or more member firms collectively.

© 2024 KPMG Services Pte. Ltd. (Registration No: 200003956G), a Singapore incorporated company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.