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## Invoicing Customers

Tax invoices, customer accounting tax invoices, receipts and credit notes are common documents issued when billing your customers. These documents serve as important records of business transactions between you and your customers.

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### Tax Invoice/ Customer Accounting Tax Invoice

A tax invoice/ customer accounting tax invoice is the main document for supporting an input tax claim.

You must keep these tax invoices issued to your customers, and those given to you by your suppliers, for at least five years. You do not need to submit them with your GST returns.

#### When to Issue a Tax Invoice

A tax invoice must be issued when your customer is GST registered. Your customer needs to keep this tax invoice as a supporting document to claim input tax on his standard-rated purchases. In general, a tax invoice should be issued **within 30 days from the [time of supply](#)** .

A tax invoice need not be issued for [zero-rated supplies](#) , [exempt supplies](#) and deemed supplies or to a non-GST registered customer.

#### **Information Required in a Tax Invoice** ^

A typical tax invoice is shown below with the required information indicated:

**TAX INVOICE**

Supplier's name and address  
Gallery Photo Supplier  
888 Jalan Ang Teng  
Singapore 560009

GST registration number  
GST Reg No: M2-1234567-K

Invoice date  
Date: 01/07/2007

An identifying number  
Invoice No: F012345

Customer's name (Customer's Name)

Customer's address (Customer's Address)  
(Customer's Address)  
(Customer's Address)

Type of Supply: Cash / Credit Sale

| S/No         | Description     | Qty | Unit Price (\$) | Total (\$) | Discount (\$) | Total (\$) |
|--------------|-----------------|-----|-----------------|------------|---------------|------------|
| 1            | Yashica MG2     | 10  | 90              | 900        | 45            | 855.00     |
| 2            | Pentax Z-1 Body | 20  | 1,000           | 20,000     | 1,000         | 19,000.00  |
| 3            | Nikon W35       | 30  | 200             | 6,000      | 300           | 5,700.00   |
| 4            | Canon Prima 5   | 40  | 220             | 8,800      | 440           | 8,360.00   |
| Total:       |                 |     |                 |            |               | 33,915.00  |
| Add GST @ 7% |                 |     |                 |            |               | 2,374.05   |
| Amount Due:  |                 |     |                 |            |               | 36,289.05  |

Total amount payable excluding GST

Total GST

Total amount payable including GST

Thank you. We look forward to being of service to you again.

The words 'tax invoice'

Your tax invoice must also provide details on exempt, zero-rated, or other supplies, if applicable. The gross amount payable for each type of supply must also be separately stated.

### Invoicing In a Foreign Currency ^

The following items on the tax invoice must be converted into Singapore dollars when you are invoicing a local sale in a foreign currency:

- Total amount payable excluding GST
- Total amount payable including GST
- Total GST payable

You must use an approved [exchange rates for GST purpose](#) (185KB) for the conversion.

### Calculating GST on Tax Invoices

There are two ways to compute the total GST amount on your tax invoice when several items of standard-rated supplies have been purchased:

- Add the GST amount for each line item; or
- Take the total amount payable for all items (excluding GST) x 7%

The total GST computed may differ due to rounding because of the method you have chosen. Both methods are acceptable and you must apply the chosen method consistently.

### Example 1: Listing the GST for each line item

You are a stationery retailer. Your customer has purchased three pens. The tax invoice issued to your customer may look like this:

| Item          | Quantity | Amount Payable (excluding GST) | GST Amount for Each Item                   |
|---------------|----------|--------------------------------|--|
| Green pen     | 1        | \$1.33                         | \$0.09 (\$1.33 X 7%)                       |
| Red pen       | 1        | \$1.33                         | \$0.09 (\$1.33 X 7%)                       |
| Blue pen      | 1        | \$1.33                         | \$0.09 (\$1.33 X 7%)                       |
| Sub-Total     |          | \$3.99                         | = <b>\$0.27</b> (\$0.09 + \$0.09 + \$0.09) |
| Total Payable |          |                                | = <b>\$4.26</b> (\$3.99 + \$0.27)          |

### Example 2: Adding total amount payable for all items (excluding GST) x 7%

| Item      | Quantity | Amount Payable (including GST)    |
|-----------|----------|-----------------------------------|
| Green pen | 1        | \$1.33                            |
| Red pen   | 1        | \$1.33                            |
| Blue pen  | 1        | \$1.33                            |
| Sub-Total |          | \$3.99 (\$1.33 + \$1.33 + \$1.33) |

|               |  |                                   |
|---------------|--|-----------------------------------|
| GST @ 7%      |  | = \$0.28 (\$3.99 X 7%)            |
| Total Payable |  | = <b>\$4.27</b> (\$3.99 + \$0.28) |

## Rounding Off Total GST

The total GST to be paid on all goods and services can be rounded off to the nearest whole one cent (i.e. two decimal places). Some businesses may round their bills (i.e. total amount payable including GST) to the nearest 5 cents to facilitate cash payment by their customers. Whether a bill should be rounded up or rounded down to the nearest five cents is a business decision.

## When to Issue a Customer Accounting Tax Invoice

Instead of a tax invoice, a customer accounting tax invoice must be issued when you make a relevant supply that is subject to customer accounting to your GST-registered customer.

Your GST-registered customer needs to keep this customer accounting tax invoice as a supporting document to account for the output tax on the supply on your behalf as well as to claim the input tax on his purchase.

The [GST: Customer Accounting for Prescribed Goods](#) (899KB) lists the information you must include on a customer accounting tax invoice.

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## Simplified Tax Invoice for Amounts under \$1,000

You may issue a simplified tax invoice instead of a tax invoice if the total amount payable for your supply (including GST) **does not exceed \$1,000.**

A simplified tax invoice only requires the following information:

- Your name, address and GST registration number
- Date of issue of invoice
- An identifying number (e. g. invoice number)
- Description of the goods or services supplied
- Total amount payable including GST
- A statement similar to "price payable includes GST"

For example, a sales voucher or debit note can double up as a simplified tax invoice if it contains all the required information above.

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## Invoice for an Exempt Supply of Investment Precious Metal (IPM)

An invoice must be issued for an [exempt supply of investment precious metal \(IPM\)](#). The [GST: Guide on Exemption of Investment Precious Metals \(IPM\)](#) (717KB) lists the information you must include on an invoice issued for an exempt supply of IPM.

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## Receipt

You may issue a receipt instead of a tax invoice to your non-GST registered customer. Receipts can be used as proof of your income transactions. You must retain a duplicate of the receipt issued.

A receipt must be serially printed and have the following details:

- A. Date of issue of the receipt
- B. Your business name and GST registration number
- C. The total amount payable (including the total amount of GST chargeable)
- D. The words "Price payable includes GST"



You do not need to seek approval from IRAS if you choose not to issue receipts. However, you should keep proper records on all business transactions for tax purposes. You can use either a cash register or accounting software to help you maintain your business records.

It should be noted that:

- You must still issue receipts to customers if requested.
- You must continue to issue tax invoices as required under GST legislation (i.e. to GST registered customers), as the waiver of issuance of receipts is not the same as the waiver of issuance of tax invoices.

You should ask for a receipt when you make a purchase for business purposes whether you pay by cash or cheque. The receipt serves as proof of payment made to and received by your supplier.

## Credit Note

### When to issue a credit note

A credit note is issued to **correct a mistake** or to **give a credit to your customer** under the following situations:

- a. To correct a mistake (e.g. goods invoiced as standard-rated, which should have been exempt or zero-rated);
- b. Goods or services were not supplied;
- c. Charges are partly or fully waived before/after delivery of the goods;
- d. Goods or services are accepted, but terms of the contract are not fully met (e.g. sub-standard goods are accepted by the customer at a reduced price);
- e. Goods are returned or services are not accepted; or
- f. Discount given for a past transaction.

#### **Information Required in a Credit Note** ▾

A credit note must include the following details:

- a. An identifying number e.g. a serial number
- b. Date of issue
- c. Your name, address and GST registration number
- d. Your customer's name and address
- e. Reason for the credit, e.g. "returned goods"
- f. Detailed Description to identify the goods and services that credit is allowed for
- g. Quantity and amount credited for each description
- h. Total amount credited, excluding tax
- i. Rate and amount of tax credited
- j. Total amount credited, including tax

The **number** and **date** of the **original tax invoice** should also be shown on the credit note. If you are unable to do so (e.g. because returned goods cannot be identified with a particular tax invoice), you must be able to satisfy the Comptroller of GST by other means that you have accounted for GST on the original supply.

## Declaring Credit Note in GST Returns

Adjustments should be made to the value of standard-rated supplies (Box 1) and output tax (Box 6) **in the GST return for the accounting period in which the credit note is issued.**

Before making the adjustments, you should also check that you had correctly accounted GST for the original transactions in your earlier returns. If GST had not been accounted correctly, you need to [correct the errors made](#) for the earlier returns.

For credit notes issued relating to customer accounting supplies, the [GST: Customer Accounting for Prescribed Goods](#) explains how the adjustments should be made.

### **Example: Declaring Credit Note in GST Returns**

If you issue a credit note on 30 Jun 2017 for sales made on 1 Jan 2017 with GST correctly accounted, you should reduce your value of standard-rated supplies (Box 1) and output tax (Box 6) accordingly in the GST return for the accounting period covering Jun 2017.

## Choosing not to adjust the GST Amount when issuing a Credit Note

In your credit note, you can choose not to adjust the GST amount charged on the original tax invoice if the following conditions are satisfied:

1. Both supplier and customer agree in writing not to adjust the original GST amount. This written agreement need not be a formal contract and could be either letters or e-mails between supplier and customer. Both parties must retain the written agreement as part of their GST records. It does not need to be submitted unless it is requested by IRAS;
2. Customer is a fully taxable person (i.e. does not make any exempt supplies);
3. The credit note, which is issued without any adjustment to the original GST amount, should contain the statement "This is not a credit note for GST purposes." If such credit notes are issued by the supplier, both supplier and customer do not need to adjust the value of their taxable supplies/purchases or related output/input tax.

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## Debit Note

You may issue a debit note to request for payment for transactions where **no GST is charged** (eg. internal billings within the same company).

For all other [standard-rated supplies](#) to GST-registered customers, you must issue a tax invoice or simplified tax invoice (if the total amount payable including GST does not exceed \$1000). This is to enable your customer to support his input tax claims.

## Issuing Debit Note to Record Credit Received from Suppliers

A record of all credits received from your suppliers must be kept. If you normally issue debit notes to suppliers from whom credit is due, the debit notes must **show details similar to those required for credit notes**.

If credit notes are subsequently received from the suppliers, they should be compared with the debit notes issued.

**Adjustment can only be made once** and the debit and credit notes must not be used simultaneously as accounting documents.

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## Self-Billing

Self-billing is a billing arrangement between a GST-registered supplier and a GST-registered customer where the customer, instead of the supplier, prepares the supplier's tax invoice/customer accounting tax invoice and sends a copy to the supplier.

To adopt self-billing, the customer has to satisfy all the conditions stated in the [Checklist for Self-Review of Eligibility and Declaration on Use of Self-Billing](#) (100KB). The customer must complete and submit the checklist to IRAS and may begin self-billing from the date of declaration.

If you have previously received IRAS' approval for self-billing, you may continue to self-bill as long as you still satisfy the conditions stated in the checklist.

You do not need to submit your updated list of suppliers covered by the self-billing arrangement but it should be retained as your business records.

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