



INLAND REVENUE
AUTHORITY
OF SINGAPORE

[Home](#) > [GST](#) > [Non-GST registered businesses](#) > [Registering for GST](#) >

Factors to Consider Before Registering Voluntarily for GST

Before registering for GST voluntarily, you should consider whether:

- you qualify for registration;
- you are able to meet the requirements for voluntary registration; and
- the benefits outweigh the costs of registering for GST.

Jump To [Select Subheading](#) ▾

Qualifying for Voluntary Registration

A business that is not required to register for GST may apply for registration on a voluntary basis if the business satisfies **any** of the following:

- a. Your business makes **taxable supplies** ;
- b. Your business makes **only out-of-scope supplies** . Out-of-scope supplies mainly refer to sales of goods which did not enter Singapore and goods in transit; or
- c. Your business makes **exempt supplies of financial services** that are also [international services](#) .

If you have not started making any supplies but you have the intention to make any of the above supplies, you may also apply for GST registration.

If you do not have firm intentions and plans to make any of the above supplies, you should not apply for GST registration.

[BACK TO TOP](#) ^

Conditions for Voluntary Registration

Before Registration

You have to fulfill the conditions below to register for GST.

1. To ensure that the business owners have a good understanding of the obligations and responsibilities of a GST-registered business before registering for GST, the company director / sole-proprietor / partner / trustee **must complete two e-Learning courses** - "[Registering for GST](#)" and "[Overview of GST](#)" - and pass the quiz before submitting the registration form. These e-learning courses are not required if:

- the company director/ sole-proprietor/ partner of the business has the experience of managing other existing GSTregistered businesses; or
- the person who prepares your GST returns is an Accredited Tax Advisers (ATA) or Accredited Tax Practitioners (ATP); or
- the person who prepares your GST returns has completed both e-Learning courses within the last two years.

2. Sign up for GIRO for payment and/or refund of GST.

3. Provide the security deposit imposed by the Comptroller on a case-by-case basis.

After Registration

You have to remain GST-registered for at least two years.

You are required to comply with the following conditions, failing which, we may cancel your GST registration.

4. Maintain a GIRO account for payment and refund of GST.
5. Make taxable supplies within two years (or such approved longer period) if you have not started making taxable supplies at the point of applying for GST registration.
6. Comply fully with the [responsibilities of a GST-registered business](#).
7. Any other conditions which may be imposed by IRAS at any point in time during your registration.

[BACK TO TOP](#) 

Benefits and Costs of Voluntary Registration

A benefit of registering for GST is that you can claim the GST incurred on your purchases, subject to the [conditions for claiming input tax](#). However, if you are a [partially exempt business](#) or an [organisation with business and non-business activities](#), you will not be able to claim all your input tax since input tax attributable to the making of exempt supplies, wholly non-business activities and activities with non-business elements are not claimable.

When your turnover is near but below the S\$1 million threshold for compulsory registration, registering voluntarily means that you will not need to monitor your turnover constantly.

The cost of being GST-registered may outweigh the benefits that you can enjoy. As voluntarily registered businesses must remain registered for two years, you should assess the cost and benefits over a two-year period before registering and the following are the areas you should consider:

- Responsibilities of Being GST-Registered
- Profile of Suppliers
- Profile of Customers
- Type of Sales Made

[BACK TO TOP](#) ^

1. Responsibilities of Being GST-Registered

Once registered, you are a GST collecting agent of the government. This means that there are responsibilities that you need to fulfill. **Complying with these responsibilities may increase your administrative costs.**

For details on your responsibilities, see [Responsibilities of GST-Registered Businesses](#).

2. Profile of Suppliers

When your suppliers are GST-registered or you import goods, you will benefit from GST registration because you will generally be able to claim the GST paid.

When your suppliers are not GST-registered, you cannot claim any GST since these suppliers did not charge you GST.

Example 1: Supplier is GST-Registered ^

	Before you are GST Registered	After you are GST Registered
Purchase price from supplier	\$107 (\$100 + \$7 (GST))	\$107 (\$100 + \$7 (GST))
Sales price to customer	\$200	\$214 (\$200 + \$14 (GST))

GST (payable to IRAS or claimable from IRAS)	\$0	Payable \$7 GST (\$14 - \$7)
Your gross profit (sales price - purchase price - GST pay to IRAS)	\$93 (\$200 - \$107 - \$0)	\$100 (\$214 - \$107 - \$7)

Example 2: Supplier is not GST-Registered ^

	Before you are GST registered	After you are GST registered
Purchase price from supplier	\$100 (no GST)	\$100 (no GST)
Sales price to customer	\$200	\$214 (\$200 + \$14 (GST))
GST (payable to IRAS or claimable from IRAS)	\$0	Payable \$14 GST (\$14 - \$0)
Your gross profit (sales price - purchase price - GST paid to IRAS)	\$100 (\$200 - \$100 - \$0)	\$100 (\$214 - \$100 - \$14)

3. Profile of Customers

Once you are GST registered, you will have to charge your customers with GST.

If your customers are GST-registered, you will probably be able to increase your selling price to include the GST chargeable as your customers will be able to claim the GST that you charge.

However, if your customers are not GST registered, you may find it more difficult to increase your selling price to include the GST chargeable since your customers will not be able to claim the GST that you charge. Example 3 illustrates the impact on your gross profit after GST registration if you have to maintain your selling price to remain competitive.

Example 3: Your customer is Not GST-Registered ^

Your **customers are not GST-registered**. Assuming that your sale prices are fixed (e.g. due to market competition) registering for GST results in a reduction in gross profit.

	Before GST Registration	After GST registration	
		Increase sales price	Maintain sales price
Purchase price from supplier	\$100 (no GST)	\$100 (no GST)	\$100 (no GST)
Sales price to customer	\$200 (no GST)	\$214 (GST \$14 (7% x \$200))	\$200 (GST \$13.08 (7/107 x \$200))
GST (payable to IRAS or claimable from IRAS)	\$0	Payable \$14 GST	Payable \$13.08 GST
Gross profit (Sale price - Purchase price - GST paid to IRAS)	\$100	\$100 (\$214 - \$100 - \$14)	\$86.92 (\$200 - \$100 - \$13.08)

4. Type of Sales Made

When you export your goods or provide services to overseas customers, you charge GST at 0% for such sales (if qualify as zero-rated supplies) after GST registration.

Since the supplies are zero-rated, there is no impact on your selling price after GST registration.

You may benefit from GST registration because you will be able to claim the GST incurred on your purchases. Example 4 illustrates how your gross profit will be higher after GST registration if you make only zero-rated supplies.

To check whether your supplies may be zero-rated, please refer to:

- [Exporting goods out of Singapore](#)
- [Providing international services](#)

Example 4: Zero-Rated Supplies ^

	Before you are GST Registered	After you are GST Registered
Sale price of goods	\$200	\$200
Purchase price of goods	\$107 (cannot claim GST)	\$107 (inclusive of GST \$7)
GST paid to/ claimed from IRAS (GST charged on sale - GST incurred on purchase)	\$0	Claimed \$7
Gross profit (Sale price - Purchase price + GST claimed from IRAS)	\$93	\$100

[BACK TO TOP](#) ^