

GST Rate Changes to 8% in Singapore by 2023

What Business Owners Need to Prepare



[CLICK HERE TO READ MORE](#)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Contents

- I. **Overview**
- II. Reason for the GST rate increase
- III. Areas of business affected by the hike.
- IV. How to prepare your business
- V. **Non-compliance Repercussions**
- VI. **Contact us**



GST Rate Changes to 8% in Singapore by 2023:

What Business Owners Need to Prepare

The GST rate in Singapore is expected to increase this coming 2023, which will tremendously impact business operations. In the Budget 2018, a phased approach to the future rate increase was announced, which will see the GST rate will increase to 8% from 1 January 2023, then to 9% on 1 January 2024.

[The Goods and Services Tax](#) doesn't only affect local businesses but also foreign enterprises registered for GST. Considering that this will be the first time the rate will increase since 2007, companies need to understand the impact of the change and ensure they are well-prepared.

Contents

- I. Overview
- II. Reason for the GST rate increase**
- III. Areas of business affected by the hike.
- IV. How to prepare your business
- V. Non-compliance Repercussions
- VI. Contact us

What is the reason for the GST Rate increase?



The GST rate increase comes at a time when inflation is adversely affecting the economy. However, the government has to increase its tax revenue to fund healthcare and social spending.

Since the last raise in 2007, government expenditure has significantly grown. [Public spending rose from \\$33 billion to \\$75 billion annually from 2007-2019. Meanwhile, Government healthcare expenditures also increased from about \\$2.2 billion to \\$11.3 billion.](#)

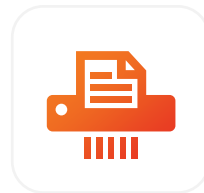
This has led to a budget deficit, forcing the government to withdraw funds from the reserves. The urgency to rebuild the finances and the need to boost healthcare are reasons for the GST rate hike. The GST revenue will also care for the country's ageing population.

Contents

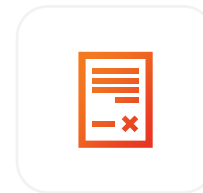
- I. Overview
- II. Reason for the GST rate increase
- III. Areas of business affected by the hike.**
- IV. How to prepare your business
- V. Non-compliance Repercussions
- VI. Contact us

Areas of Business Affected By the 2023 GST Rate Hike

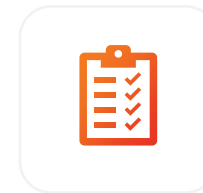
There are several areas that every GST-registered business should work on to prepare for the GST rate increase. They include:



Sales, accounting, & invoicing systems



Contracts



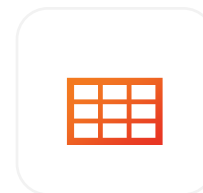
Price lists



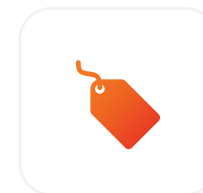
Sales invoicing formats



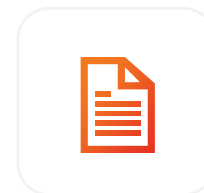
Point of sale systems



Relevant automation and spreadsheets



Update price displays
(where applicable)



Terms and conditions

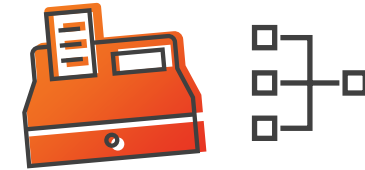
Contents

- I. Overview
- II. Reason for the GST rate increase
- III. Areas of business affected by the hike.
- IV. How to prepare your business**
- V. Non-compliance Repercussions
- VI. Contact us

How to Prepare for the GST Rate Change in Singapore



Ensuring Your Price Displays Reflect the 8% Rate



Update Internal Processes and Systems



Know When To Use the New Rates



Review Existing Contracts

Contents

- I. Overview
- II. Reason for the GST rate increase
- III. Areas of business affected by the hike.
- IV. How to prepare your business
- V. Non-compliance Repercussions**
- VI. Contact us

The Cost of Non-compliance



The GST rate increase will come with hefty penalties for non-compliance. This is because penalties are typically imposed on the value of over-claimed or underpaid tax. **For instance, the penalty for over-claimed or under-declared tax is 5%.**

Contents

- I. Overview
- II. Reason for the GST rate increase
- III. Areas of business affected by the hike.
- IV. How to prepare your business
- V. Non-compliance Repercussions
- VI. Contact Us**



The Goods and Services Tax rate increase in Singapore is near. As earlier as possible, businesses should make prompt preparations for a smooth transition. At Precursor, we're committed to offering the advisory services you need to ensure compliance. We not only focus on providing tax advisory services but work together with our clients to assist in GST filing and review services.

Discover more about how we can help prepare your business for the GST rate hike in Singapore for 2023.

Get in Touch

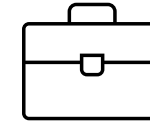
Other Services we offer



[Audit & Assurance](#)



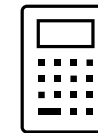
[Corporate Solutions & Advisory](#)



[Corporate Secretarial Services](#)



[Fund Management Compliance](#)



[Accounting and Payroll](#)



[Technology Solutions & Advisory](#)