

# **IRAS e-Tax Guide**

**GST: Guide for Motor Vehicle Traders  
(Second Edition)**



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## **1 Aim**

- 1.1 This guide is for GST registered businesses selling new and/or second-hand motor vehicles<sup>1</sup>. The purposes of this guide are:
- (a) To explain the GST treatment applicable to motor vehicle traders; and
  - (b) To illustrate the GST computations for sale of motor vehicles.

## **2 At a glance**

- 2.1 The business activities of a motor vehicle trader include the importation of motor vehicles, sales of new and used vehicles, and sales of motor vehicle bodies of de-registered vehicles.
- 2.2 All motor vehicles in Singapore must be registered with LTA. To curb the growth of vehicle population in Singapore, LTA imposes regulatory charges on the sale of new vehicle. Regulatory charges do not attract GST as they do not relate to the provision of goods or services.
- 2.3 All other charges or payments received in relation to a supply of motor vehicles are subject to GST.
- 2.4 The GST treatment for the sale of a new motor vehicle differs from that of a second-hand motor vehicle. For the sale of a new vehicle, GST is chargeable on the selling price of the motor vehicle excluding regulatory charges such as COE. For the sale of a second-hand motor vehicle, the computation of the GST chargeable depends on whether the sale is made under the Gross Margin Scheme or the Discounted Sale Price Scheme.

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<sup>1</sup> This e-Tax guide replaces the IRAS' e-Tax guide on "GST: GST Guide for Motor Traders" published on 1 Apr 2013.

### **3 Glossary**

#### **3.1 ARF**

ARF denotes Additional Registration Fee

#### **3.2 ATA Carnet or Carnet De Passage En Douane**

An ATA Carnet is an international customs and temporary export-import document. It is used to clear customs without the need to pay duties and import taxes on merchandise that will be re-exported within certain period<sup>2</sup>.

A Carnet De Passage En Douane is a type of ATA carnet covering the temporary import of a motor vehicle and containing relevant information such as the make, model, colour, engine capacity, seating capacity, registration number and value of the motor vehicle.

#### **3.3 CEVS**

CEVS denotes Carbon Emissions-Based Vehicle Scheme

#### **3.4 CIF**

CIF denotes Cost, Insurance and Freight

#### **3.5 COE**

COE denotes Certificate of Entitlement

#### **3.6 Discounted Sale Price Scheme**

Discounted Sale Price Scheme is a scheme for the sale of a second-hand motor vehicle whereby GST is charged on 50% of the selling price of the vehicle.

#### **3.7 Gross Margin Scheme**

Gross Margin Scheme is a scheme for the sale of a second-hand motor vehicle whereby GST is charged on the difference between the selling price and the purchase price of the vehicle.

#### **3.8 GVR**

GVR denotes Green Vehicle Rebate

#### **3.9 LTA**

LTA denotes Land Transport Authority

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<sup>2</sup> Definition taken from <http://www.atacarnet.com>

3.10 **OPC**

OPC denotes Off-Peak Car

3.11 **PARF**

PARF denotes Preferential Additional Registration Fee

3.12 **RF**

RF denotes Registration Fee

3.13 **Second-Hand Vehicle**

A second-hand vehicle is a used motor vehicle which has been registered in Singapore. It excludes any used vehicle which was registered overseas.

3.14 **TCOE**

TCOE denotes Temporary Certificate of Entitlement

## 4 GST Registration

### 4.1 You are liable to register for GST if

- a) at the end of any quarter, your total taxable supplies made in Singapore in that quarter together with those of the 3 immediately preceding quarters is more than S\$1 million; or
- b) at any time, if there are reasonable grounds to believe that the total value of your taxable supplies in the period of 12 months then beginning will exceed S\$1 million.

You are required to apply for GST registration within 30 days from the date your liability to register arises.

If you fail to apply for GST registration within the required time, you may be liable to a fine up to \$10,000 and a penalty equal to 10% of the tax due in respect of each year starting from the date on which you are required to apply for GST registration.

### 4.2 Taxable supplies (i.e. standard-rated and zero-rated supplies) refer to supplies of goods and services made in Singapore other than exempt supplies. For the purpose of determining your liability for GST registration, the following supplies should be excluded from your total taxable supplies:

- a) The value of exempt supplies that are international services under section 21(3) of the GST Act; and
- b) The sale of capital assets.

The sales of new and used motor vehicles are taxable supplies for GST purposes.

### 4.3 You are not allowed to charge GST on your sales transactions before your GST registration is approved. Once your application is approved, you would receive a Letter of Notification indicating your GST Registration number, the effective date of GST registration and other important information. You can only start charging GST from the effective date of GST registration.

If you have wrongfully collected GST from your customers, you need to pay to IRAS the GST wrongly collected.

It is an offence to charge and collect GST if you are not a GST-registered person at the time of collection. You may be liable to a fine up to \$10,000 or imprisonment up to 3 years or both.

## 5 Imports

- 5.1 When you import motor vehicles from overseas, at the point of importation, GST is payable on the CIF value plus custom duties.

Example 1:

|             |                             |
|-------------|-----------------------------|
| CIF         | \$12,000                    |
| Custom Duty | \$ 6,750                    |
| GST payable | 7% x (CIF + Custom Duty)    |
|             | = 7% x (\$12,000 + \$6,750) |
|             | = \$1,312.50                |

- 5.2 If you import/re-import motor vehicles and spare parts under the following scenarios, import GST will not be imposed if you meet certain conditions:

| Scenarios  | Conditions   |
|--|--|
| Motor vehicles <b>temporarily exported</b> for repair overseas and <b>re-imported</b> after repair <sup>3</sup>      | <ul style="list-style-type: none"> <li>• The vehicles are <b>re-imported</b> within 3 months from <b>date of export</b>;</li> <li>• The vehicles must be registered by Customs officer at the <b>time of export</b> and <b>re-import</b>;</li> <li>• The vehicles are identified to the satisfaction of Customs officer; and</li> <li>• A certificate is produced from the repairer to the effect that new parts<sup>4</sup> have or have not been added.</li> </ul> |
| Motor vehicles <b>temporarily imported</b> for repair, modification or treatment and <b>re-exported</b> subsequently | <ul style="list-style-type: none"> <li>• The vehicles are <b>re-exported</b> within 3 months from <b>date of import</b>;</li> <li>• The vehicles must be registered by Customs officer at the <b>time of import</b> and <b>re-export</b>;</li> <li>• The vehicles are identified to the satisfaction of Customs officer; and</li> <li>• Security is furnished to cover the GST on <b>the vehicles imported</b>.</li> </ul>   |

<sup>3</sup> The relevant Customs' Permit must be taken up before sending the vehicles overseas for repairs

<sup>4</sup> Where new parts have been added, the relief granted shall apply only to the original parts of the vehicles re-imported.

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|  |   |
|--|---|
| <p>Spare parts imported for repair, modify or treat motor vehicles <b>temporarily imported</b> for repair and the vehicles are <b>re-exported</b> subsequently</p> | <ul style="list-style-type: none"> <li>• The vehicles are <b>re-exported</b> within 3 months from <b>date of import</b>;</li> <li>• The vehicles must be registered by Customs officer at the <b>time of import</b> and <b>re-export</b>;</li> <li>• The vehicles are identified to the satisfaction of Customs officer; and</li> <li>• Security is furnished to cover the GST on <b>the spare parts imported</b>.</li> </ul>   |
| <p>Motor vehicles imported for <b>the purpose of demonstration, training or racing</b> in Singapore</p>  | <ul style="list-style-type: none"> <li>• The vehicles are <b>not used</b> on any public road in Singapore; and</li> <li>• The vehicles are <b>not to be sold or transferred</b> to any person or organisation in Singapore.</li> <li>• If the vehicles are subsequently sold in Singapore, GST is payable on the CIF value or selling price, whichever is the higher, plus custom duty.</li> </ul>  |
| <p>Motor vehicles imported for <b>display and use at exhibitions, fairs or other similar events</b></p>  | <ul style="list-style-type: none"> <li>• An ATA Carnet or Carnet De Passage En Douane issued by an overseas organisation recognised by the Director-General of Singapore Customs is furnished. Alternatively, an inward permit in such form as directed by the Director-General of Singapore Customs is furnished; and</li> <li>• The vehicles must be <b>re-exported</b> within the validity period of the Carnet (where a Carnet is furnished) or within 3 months from <b>date of import</b> (where an inward permit is furnished).</li> <li>• If the vehicles are subsequently sold in Singapore, GST is payable on the CIF value or the selling price, whichever is the higher, plus customs duty.</li> </ul> |

## 6 Price Display

- 6.1 For sale of motor vehicles to the public, you must display, advertise, publish or quote GST-inclusive prices. For example, you may advertise the GST-inclusive price of a vehicle as \$78,000 (inclusive of ARF, COE and GST). This is so that the customer knows upfront the final price payable.

- 6.2 When you sell motor vehicles to another motor vehicle trader, you can display GST-exclusive prices.

## 7 Sale of New Vehicles

- 7.1 For sale of new vehicles, GST is charged on the Selling Price less ARF, COE, RF and Road Tax. ARF, COE, RF and Road Tax are charges imposed by LTA on vehicle buyers. These charges do not attract GST as they do not relate to the provision of goods or services.

### Example 2: Sale of new vehicle to another motor vehicle trader

|               |   |
|---------------|---|
| Vehicle Price | \$50,000 (inclusive of ARF, COE, RF, Road Tax & <b>excluding</b> GST)   |
| ARF           | \$14,000  |
| COE           | \$13,000  |
| RF            | \$ 140  |
| Road Tax      | \$ 500  |
| GST           | $7\% \times (\text{Vehicle Price} - \text{ARF} - \text{COE} - \text{RF} - \text{Road Tax})$<br>$= 7\% \times (\$50,000 - \$14,000 - \$13,000 - \$140 - \$500)$<br>$= 7\% \times \$22,360$<br>$= \$1,565.20$ |

|   |                                   |            |
|---|-----------------------------------|------------|
| - | <u>For GST reporting purposes</u> |            |
|   | Value of standard-rated supply    | \$22,360   |
|   | Output tax                        | \$1,565.20 |

### Example 3: Sale of new vehicle to the public

|               |  |
|---------------|--|
| Vehicle Price | \$51,565 (inclusive of ARF, COE, RF, Road Tax & <b>including</b> GST)  |
| ARF           | \$14,000   |
| COE           | \$13,000   |
| RF            | \$ 140   |
| Road Tax      | \$ 500   |
| GST           | $\frac{7}{107} \times (\text{Vehicle Price} - \text{ARF} - \text{COE} - \text{RF} - \text{Road Tax})$<br>$= \frac{7}{107} \times \$23,925$<br>$= \$1,565.19$ |

|   |                                   |  |
|---|-----------------------------------|--|
| - | <u>For GST reporting purposes</u> |  |
|   | Value of standard-rated supply    | \$22,359.81 (i.e. \$23,925 - \$1,565.19) |
|   | Output tax                        | \$1,565.19                               |

- 7.2 Similar to ARF, COE, RF and Road Tax, you can deduct vehicle plate number retention fee from the selling price of a new vehicle when computing the value on which GST is to be charged. However, you cannot deduct transfer fee as it is part of your business cost and not a regulatory fee imposed on vehicle buyers.

- 7.3 When you sell an OPC, you should not deduct the full value of ARF and COE from the selling price of the car when computing the value on which GST is to be charged. You should deduct only the net ARF/COE paid to LTA (i.e. the value of ARF and COE reduced by amount of OPC rebate) from the selling price of the car.

Example 4:

|                         |   |
|-------------------------|---|
| Car Price               | \$35,115 (inclusive of ARF, COE, RF, Road Tax & GST)  |
| ARF                     | \$14,000  |
| COE                     | <u>\$13,000</u>   |
|                         | \$27,000  |
| <u>Less OPC rebate</u>  | <u>\$17,000</u>   |
| Net ARF/COE paid to LTA | <u>\$10,000</u>   |
| RF                      | \$ 140  |
| Road Tax                | \$ 50   |
| GST                     | $7/107 \times (\text{Car Price} - \text{Net ARF/COE paid to LTA} - \text{RF} - \text{Road Tax})$<br>$= 7/107 \times (\$35,115 - \mathbf{\$10,000} - \$140 - \$50)$<br>$= 7/107 \times \$24,925$<br>$= \$1,630.61$ |

- 7.4 When you sell a vehicle which was granted rebates by LTA under the GVR or CEVS, you should not deduct the full value of ARF from the selling price of the vehicle when computing the value on which GST is to be charged. You should deduct only the net ARF paid to LTA (i.e. the value of ARF reduced by amount of GVR or CEVS rebate) from the selling price of the vehicle.

Example 5: Vehicle granted GVR

|                     |  |
|---------------------|--|
| Vehicle Price       | \$50,000 (inclusive of ARF, COE, RF, Road Tax & GST)   |
| ARF                 | \$14,000   |
| <u>Less GVR</u>     | <u>\$ 1,700</u>  |
| Net ARF paid to LTA | <u>\$12,300</u>  |
| COE                 | \$13,000   |
| RF                  | \$ 140   |
| Road Tax            | \$ 500   |
| GST                 | $7/107 \times (\text{Vehicle Price} - \text{Net ARF paid to LTA} - \text{COE} - \text{RF} - \text{Road Tax})$<br>$= 7/107 \times (\$50,000 - \mathbf{\$12,300} - \$13,000 - \$140 - \$500)$<br>$= 7/107 \times \$24,060$<br>$= \$1,574.02$ |



- 7.6 Upon scrapping a vehicle that is less than 10 years old, your customer may get a PARF/COE rebate. This rebate can be used to offset the ARF, COE Quota Premium and RF of a new vehicle. Whether the price that you quote to your customer is before or after deducting the PARF/COE rebate, the amount of GST chargeable is the same.

Example 8: Price quoted Before deducting PARF/COE rebate

|                   |  |
|-------------------|--|
| Car Price         | \$50,000 (inclusive of ARF, COE, RF, Road Tax & GST) |
| ARF               | \$14,000   |
| COE Quota Premium | \$13,000   |
| RF                | \$ 140   |
| Road Tax          | \$ 500   |

Customer has a PARF/COE rebate of \$18,000 that can be used to offset the ARF, COE Quota Premium and RF of the new car. Therefore, he only pays \$32,000 (i.e. \$50,000 - \$18,000) to you.

|     |  |
|-----|--|
| GST | $7/107 \times (\$50,000 - \$14,000 - \$13,000 - \$140 - \$500)$<br>$= 7/107 \times \$22,360$<br>$= \$1,462.80$ |
|-----|--|

Example 9: Price quoted After deducting PARF/COE rebate

|                             |  |
|-----------------------------|--|
| Net Car Price               | \$32,000 (GST-inclusive net price payable by customer) |
| ARF                         | \$14,000   |
| COE Quota Premium           | \$13,000   |
| RF                          | \$ 140   |
|                             | <u>\$27,140</u>  |
| <u>Less PARF/COE rebate</u> | <u>\$18,000</u>  |
| Net amount paid to LTA      | <u>\$ 9,140</u>  |

|          |  |
|----------|--|
| Road Tax | \$ 500   |
| GST      | $7/107 \times (\$32,000 - \$9,140 - \$500)$<br>$= 7/107 \times \$22,360$<br>$= \$1,462.80$ |

- 7.7 If you sell a new vehicle as a replacement vehicle under the Early Turnover Scheme (ETS), the value of COE of the new replacement vehicle is the sum of the discounted prevailing quota premium (PQP) payable and the COE rebate (if any) of the existing vehicle.

Example 10: Replacement vehicle under ETS

Vehicle Price \$95,000 (inclusive of ARF, COE, RF, Road Tax & GST)

|     |          |
|-----|----------|
| ARF | \$14,000 |
| RF  | \$140    |

|   |          |
|---|----------|
| Road Tax  | \$50     |
| Discounted PQP paid for replacement vehicle at registration | \$40,000 |
| COE rebate granted to existing vehicle at deregistration    | \$6,000  |

$$\begin{aligned} & \text{GST } 7/107 \times (\text{Car Price} - \text{ARF} - \text{Discounted PQP} - \text{COE Rebate} - \text{RF} - \text{Road Tax}) \\ & = 7/107 \times (\$95,000 - \$14,000 - \$40,000 - \$6,000 - \$140 - \$50) \\ & = 7/107 \times \$34,810 \\ & = \$2,277.29 \end{aligned}$$

Note: The sale of vehicle body upon deregistration of the existing vehicle follows the treatment under paragraph 12.

## 8 Sale of New Vehicles under Hire-Purchase

8.1 For GST purposes, the sale of a motor vehicle under a hire-purchase agreement<sup>5</sup> results in two separate supplies. That is, you are supplying the vehicle to the finance company who in turn supplies the vehicle to the customer (i.e. hirer) at the same price. Therefore, you have to account for GST on the selling price of the vehicle (excluding ARF, COE, RF and Road Tax) as reflected on your tax invoice to the finance company.

8.2 If you offer a trade discount to the customer, your tax invoice to the finance company should reflect the net selling price of the vehicle (i.e. the selling price after deducting the trade discount). The GST accountable by you will be based on the net selling price (excluding ARF, COE, RF and Road Tax) shown on the tax invoice.

If you were to show the gross selling price (i.e. price before the trade discount) of the vehicle on your tax invoice to the finance company, you must account for GST on the gross selling price (but excluding ARF, COE, RF and Road Tax).

8.3 If you issue a credit note to the customer for the trade discount given, you cannot show any GST on the credit note and you will have to account for GST on the gross selling price (excluding ARF, COE, RF and Road Tax). In other words, you cannot reduce the output tax chargeable on your sale of the vehicle by issuing a credit note to the customer.

---

<sup>5</sup> For goods sold under a hire-purchase arrangement, the supplier transfers the ownership of the goods to the financier who lets the hirer use the goods during the period of hire. The ownership of the goods is passed to the hirer upon full payment of all the hire instalments. The transfer of possession of goods under agreement for future ownership of the goods constitutes a supply of good at the point of possession under paragraph 1(2)(b) of the Second Schedule to the GST Act.

## 9 Sale of Second-Hand Vehicles

- 9.1 For GST purposes, a second-hand vehicle excludes any used vehicle which was previously registered overseas. This is because when a used vehicle from overseas is imported into Singapore, it is required to be registered and the owner will have to pay COE, ARF and other fees as if it is new.

In addition, delivery mileage or the registration for road use does not turn a new vehicle into a second-hand vehicle. A vehicle is 'unused' until either:

- (a) It has been driven on the road following a retail sale; or
- (b) It has been appropriated by the dealer for his business.

- 9.2 You have the option of two schemes for the calculation of GST on your sale of second-hand vehicles – the Gross Margin Scheme and the Discounted Sale Price Scheme.

## 10 Gross Margin Scheme for Sale of Second-Hand Vehicles

- 10.1 Under the Gross Margin Scheme, you have to account for GST on the difference between the selling price (which is treated as inclusive of GST) and the purchase price of the motor vehicle.

### Example 10:

|                |                             |
|----------------|-----------------------------|
| Selling Price  | \$25,000 (inclusive of GST) |
| Purchase Price | \$20,000                    |

|                |                 |
|----------------|-----------------|
| Selling Price  | \$25,000        |
| Purchase Price | <u>(20,000)</u> |
| Gross margin   | <u>\$ 5,000</u> |

|     |                                      |
|-----|--------------------------------------|
| GST | $7/107 \times \$5,000$<br>= \$327.10 |
|-----|--------------------------------------|

- For GST reporting purposes

|                                |  |
|--------------------------------|--|
| Value of standard-rated supply | \$24,672.90 (i.e. \$25,000 - \$327.10) |
| Output tax                     | \$327.10                               |

- 10.2 If you are in the business of selling second-hand vehicles, you can only use the Gross Margin Scheme for the sale of second-hand vehicles if either one of the following conditions is satisfied:

- (a) No GST was previously incurred on the purchase of the vehicle (i.e. the vehicle was bought from an individual or a non-GST registered business); or
- (b) The vehicle was previously bought from another GST registered motor vehicle trader who used the Gross Margin Scheme (i.e. you did not receive a tax invoice and no input tax was claimed by you).

- 10.3 If you wish to use the Gross Margin Scheme, please review your eligibility using the form, 'Self-Review of Eligibility and Declaration on Use of Gross Margin Scheme (GMS)' which can be downloaded from our website at [www.iras.gov.sg](http://www.iras.gov.sg).
- 10.4 You cannot issue a tax invoice under the Gross Margin Scheme. You can only issue a normal invoice which must have the details described at **paragraphs 3(a) and 3(c) of Appendix 1**. It is important to note that the GST chargeable is not to be shown on the invoice.
- 10.5 If you sell a second-hand vehicle at a loss, no GST is to be accounted for. However, you have to declare the selling price of the vehicle in Box 1 (Total Value of Standard-rated Supplies) of your GST returns.

Example 11:

Selling Price       \$ 8,000

Purchase Price     \$10,000

- For GST reporting purposes

Value of standard-rated supply     \$8,000

Output tax                               nil

- 10.6 You cannot offset the loss of one sales transaction against the gross margin on another sales transaction for the purpose of determining the total GST to be accounted for.
- 10.7 If you incur LTA charges such as road tax, prevailing quota premium and transfer fee upfront before any sale is transacted, you can include them in your purchase price. However, other expenses such as repair, re-spray, administrative charges, commission, etc cannot be added. If you have incurred GST on these other expenses, you can claim the GST incurred as input tax.

Example 12:

Selling price                             \$40,500

|                          |          |            |
|--------------------------|----------|------------|
| Purchase price           | \$10,900 | } \$37,530 |
| Prevailing quota premium | \$26,000 |            |
| Road tax                 | \$ 600   |            |
| Transfer fee             | \$ 30    |            |
| Repair                   | \$ 800   |            |
| Commission               | \$ 500   |            |

Gross margin                             \$40,500 - \$37,530  
= \$2,970

GST   7/107 x \$2,970  
= \$194.30

- 10.8 If you are recovering the LTA charges from the customer separately, you cannot include them as part of the cost of the vehicle for the purposes of computing the gross margin.

Example 13:

|                                      |                     |            |
|--------------------------------------|---------------------|------------|
| Selling price                        | \$40,500            |            |
| Road tax (billed separately)         | \$ 600              |            |
| Transfer fee (billed separately)     | \$ 30               |            |
| Total Consideration paid by customer | \$41,130            |            |
| Purchase price                       | \$10,900            | } \$36,900 |
| Prevailing quota premium             | \$26,000            |            |
| Road tax                             | \$ 600              |            |
| Transfer fee                         | \$ 30               |            |
| Repair                               | \$ 800              |            |
| Commission                           | \$ 500              |            |
| Gross margin                         | \$40,500 - \$36,900 |            |
|                                      | = \$3,600           |            |
| GST                                  | 7/107 x \$3,600     |            |
|                                      | = \$235.51          |            |

## 11 Discounted Sale Price Scheme for Sale of Second-Hand Vehicles

- 11.1 Under the Discounted Sale Price Scheme, GST is charged on 50% of the selling price of the vehicle. This is regardless of whether the vehicle is sold at a profit or loss.

Example 14: Sale of a second-hand vehicle to another motor vehicle trader

|                                     |                                |
|-------------------------------------|--------------------------------|
| Selling price                       | \$25,000 (excluding GST)       |
| Purchase price                      | \$20,000                       |
| GST                                 | 7% x 50% x \$25,000<br>= \$875 |
| - <u>For GST reporting purposes</u> |                                |
| Value of standard-rated supply      | \$25,000                       |
| Output tax                          | \$875.00                       |

Example 15: Sale of a second-hand vehicle to the public

Selling price      \$25,875 (**including** GST)  
Purchase price    \$20,000

GST                       $7/207 \times \$25,875$   
                              = \$875

- For GST reporting purposes  
Value of standard-rated supply      \$25,000 (i.e. \$25,875 - \$875)  
Output tax                                    \$875.00

- 11.2 You should use the Discounted Sale Price Scheme when:
- (a) You have previously claimed GST on the purchase of the vehicle (therefore you cannot use the Gross Margin Scheme); or
  - (b) The customer is registered for GST (as using the Discounted Sale Price Scheme will enable the customer to claim input tax if it is a commercial vehicle).
- 11.3 If you are not a motor vehicle trader, you should use the Discounted Sale Price Scheme when you occasionally sell a vehicle that you have used in your business.
- 11.4 You must issue a tax invoice if the customer is GST-registered to enable him to claim input tax credit for a commercial vehicle. The tax invoice must have the details described at **paragraphs 3(b) and 3(c) of Appendix 1**.

## **12 Sale of Vehicle Bodies**

- 12.1 You can apply the Gross Margin Scheme to the sale of a vehicle body to another motor vehicle trader if:
- (a) No GST was previously incurred on the purchase of the vehicle (i.e. the vehicle was bought from an individual or non-GST registered business); or
  - (b) The vehicle was previously bought from another GST-registered motor vehicle trader who used the Gross Margin Scheme.
- 12.2 Under the Gross Margin Scheme, you have to account for GST on the margin between the selling price of the vehicle body (which is treated as inclusive of GST) and the cost of the vehicle body (which is the purchase price of the vehicle less the face value of the PARF/COE rebate as at date of de-registration of the vehicle).

Example 16:

|   |          |
|---|----------|
| Purchase price of vehicle   | \$85,000 |
| Face value of PARF/COE rebate<br>as at date of de-registration of vehicle | \$66,000 |

Selling price of vehicle body                      \$20,000 (inclusive of GST)

Cost of vehicle body = Purchase price of vehicle - Face value of PARF/COE  
rebate as at date of de-registration of vehicle  
= \$85,000 - \$66,000  
= \$19,000

Gross Margin                      = Selling price of vehicle body - Cost of vehicle body  
= \$20,000 - \$19,000  
= \$1,000

GST                                      7/107 x \$1,000  
= \$65.42

- For GST reporting purposes  
Value of standard-rated supply              \$19,934.58 (i.e. \$20,000 - \$65.42)  
Output tax                                      \$65.42

- 12.3 Under the Gross Margin Scheme, if the face value of the PARF/COE rebate as at the date of de-registration of the vehicle is greater than or equal to the purchase price of the second-hand vehicle, the cost of the vehicle body is treated as zero.

Example 17:

|   |          |
|---|----------|
| Purchase price of vehicle   | \$65,000 |
| Face value of PARF/COE rebate<br>as at date of de-registration of vehicle | \$66,000 |

Selling price of vehicle body                      \$20,000 (inclusive of GST)

Cost of vehicle body = Purchase price of vehicle - Face value of PARF/COE  
rebate as at date of de-registration of vehicle  
= \$65,000 - \$66,000  
= -\$1,000

Gross Margin                      = Selling price of vehicle body - Cost of vehicle body  
= \$20,000 - \$0  
= \$20,000

GST                                      7/107 x \$20,000  
= \$1,308.41

- For GST reporting purposes

|                                |  |
|--------------------------------|--|
| Value of standard-rated supply | \$18,691.59 (i.e. \$20,000 - \$1,308.41) |
| Output tax                     | \$1,308.41                               |

- 12.4 If you have incurred GST on the initial purchase of the vehicle, you must charge and account for GST on the full selling price of the vehicle body. The GST incurred on the initial purchase can be claimed as input tax.

Example 18:

|   |          |
|---|----------|
| Purchase price of vehicle   | \$85,000 |
| Face value of PARF/COE rebate<br>as at date of de-registration of vehicle | \$66,000 |

|                               |                          |
|-------------------------------|--------------------------|
| Selling price of vehicle body | \$20,000 (excluding GST) |
|-------------------------------|--------------------------|

|     |                            |
|-----|----------------------------|
| GST | 7% x \$20,000<br>= \$1,400 |
|-----|----------------------------|

- 12.5 If the vehicle body is exported overseas, you can zero-rate the sale provided you are the one who export the vehicle body and you maintain export documents such as bill of lading and cargo clearance permit showing you as the exporter.

### 13 Sale of Vehicle Parts

- 13.1 When you dismantle a vehicle into various parts and sell/scrap the dismantled vehicle parts, you must charge and account for GST on the full selling price of the vehicle parts.
- 13.2 The Gross Margin Scheme cannot be applied to the sale of vehicle parts. You must charge and account for GST on the full selling price of the vehicle parts.

### 14 Sale of Temporary COE (TCOE)

- 14.1 If you sell a TCOE to another motor vehicle trader, you have to account for GST on the profit or value-added element.

Example 19:

Quota Premium for the month is \$24,000

You sell TCOE to another motor vehicle trader at \$24,500

You have to account for GST of \$32.71 (7/107 on the profit margin of \$500)

## 15 Deposits

- 15.1 When you collect a deposit that forms part payment of the price of the vehicle, you have to account for GST on the deposit collected.
- 15.2 If the deposit collected is to be paid to LTA for the bidding of COE, GST is not payable. However, you must keep evidence of proof that the deposit is fully paid to LTA. This would include the COE application form or the receipt issued by the automated teller machine.

## 16 Trade-In

- 16.1 It is a common practice for a customer to trade in an old vehicle for a new vehicle. In a trade-in situation, there are two separate supplies made:
- Your sale of the new vehicle to the customer; and
  - Your customer's sale of the old vehicle to you.

For (a), you should account for GST on the actual GST-inclusive selling price of the new vehicle, excluding ARF, COE, RF and Road Tax. In computing the GST for the new vehicle, you cannot net-off the trade-in value of old vehicle against the selling price of the new vehicle.

### Example 20:

|                                |  |            |
|--------------------------------|--|------------|
| Selling price of new vehicle   | \$70,000 (inclusive of ARF, COE, RF, Road Tax & GST) |            |
| ARF                            | \$23,000   | } \$47,740 |
| COE                            | \$24,000   |            |
| RF                             | \$ 140   |            |
| Road Tax                       | \$ 600   |            |
| Trade-in value of old vehicle  | \$20,000   |            |
| Payment received from customer | \$50,000   |            |
| GST                            | $7/107 \times (\$70,000 - \$47,740)$                 |            |
|                                | $= 7/107 \times \$22,260$                            |            |
|                                | $= \$1,456.26$                                       |            |

## 17 Hire-Purchase Financing

- 17.1 If you introduce customers who require hire-purchase financing to finance companies and receive a commission from the finance companies, you have to account for GST on the commission earned. This is because you are considered to have provided services to the finance companies.
- 17.2 If you provide hire-purchase financing to your customers, GST is not chargeable on hire-purchase interest and this interest amount has to be

separately disclosed to the hirer. Please note that this interest amount has to be declared in Box 3 (Total Value of Exempt Supplies) of the GST returns.

## 18 Repossession of Vehicles Sold under Hire-Purchase

- 18.1 When you repossess a vehicle that has been sold under a hire-purchase agreement, there is no supply for GST purposes. Therefore, no GST is chargeable.
- 18.2 When you subsequently sell the repossessed vehicle, the sale is treated as being made by the hirer. Therefore, if the hirer is a GST registered person, you have to charge and account for GST on the sale on behalf of the hirer<sup>6</sup>. If the hirer is not a GST registered person, you need not charge GST on the sale of the repossessed vehicle.
- 18.3 If you incur repossession related expenses such as search fee, towing fee and storage fee and subsequently recover the expenses from the hirer, you do not have to charge and account for GST. This is because the recovery of repossession related expenses is treated as compensation arising from default in payment by the hirer and therefore not a supply for GST purposes. You may claim the GST incurred on the repossession related expenses as your residual input tax<sup>7</sup>.

## 19 Insurance

- 19.1 You act as an agent for general insurance companies. Upon selling a vehicle, you introduce your customer to the insurance companies for insurance coverage. For the insurance premium paid by your customer, you do not have to charge GST as you are only acting on behalf of the insurance companies.

If the insurance companies are registered for GST, they will impose 7% on the insurance premiums. You do not need to charge another 7% on the premiums collected on behalf of the insurance companies.

### Example 21:

|                   |   |
|-------------------|---|
| Vehicle Price     | \$53,710 (inclusive of ARF, COE, RF, Road Tax, insurance & GST) |
| ARF               | \$14,000  |
| COE Quota Premium | \$13,000  |
| RF                | \$ 140  |

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<sup>6</sup>Under regulation 58 of the GST (General) Regulations, when an asset owned by a GST registered person is sold in satisfaction of debt, the person selling the asset is required to collect GST on the selling price and pay the tax directly to IRAS.

<sup>7</sup>Residual input tax refers to GST incurred on purchases/expenses that cannot be directly attributable to either taxable or exempt supplies (e.g. overheads). Such input tax need to be apportioned if you do not satisfy the De Minimis Rule. For more information, please refer to the webpage, [GST > GST-registered businesses > Working out your taxes > Can I claim GST \(input tax\)](#) at <https://www.iras.gov.sg>.

|           |          |
|-----------|----------|
| Road Tax  | \$ 500   |
| Insurance | \$ 1,070 |

Payment received from customer \$53,710

GST  $7/107 \times (\$53,710 - \$14,000 - \$13,000 - \$140 - \$500 - \$1,070)$   
 $= 7/107 \times \$25,000$   
 $= \$1,635.51$

- 19.2 You cannot claim GST on the insurance premiums incurred by vehicle buyers, as the supply of insurance is not contractually made to you but to the vehicle buyers.
- 19.3 You are required to account for GST on the commission that you receive from the insurance companies for introducing your customers to them as you are providing a service to the insurance companies.

## 20 Accessories and Spare Parts

- 20.1 When a customer buys a new car and requests for accessories, e.g. spoilers or sports rims to be installed, you must charge and account for GST when you recover the cost of the accessories from the customer. If you have incurred GST on the purchase of the accessories, you can claim the GST incurred as input tax.
- 20.2 If you sell In-Vehicle Units (IUs) and number plates, you must charge and account for GST on the sale of IUs and number plates regardless of whether you are selling the IUs and number plates only or with new vehicles. If you have incurred GST on the purchase of the IUs and number plates, you can claim the GST incurred as input tax.

## 21 Miscellaneous Fees/Charges

- 21.1 You have to charge GST on all your supplies of services made in the course of your business. These include handling charges, collection fees, administration fees, agreement fees and commission.
- 21.2 Interest collected from late payment is not subject to GST as it is an exempt supply. However, you have to declare the amount in Box 3 (Total Value of Exempt Supplies) of your GST returns.

## 22 Free Gifts and Free Warranties

- 22.1 As part of your sales promotion, you offer free accessories, e.g. tyres or seat covers to your customers. You need not account for GST on the free gifts as the cost of the 'free gifts' would have already been included in the selling price of the vehicle sold.

- 22.2 If you offer free warranties to your customers, you need not account for GST on goods and services provided free of charge during the warranty period. This is because the free warranties are already included in the selling price of the vehicle, for which GST has been accounted for.
- 22.3 If you bought a vehicle with warranty from an overseas dealer and you in turn sold the vehicle with the warranty to a customer, you do not have to charge GST when you seek reimbursement from the overseas dealer for the cost of repairs incurred during the warranty period although the repair works may be performed in Singapore. This is because your selling price of the vehicle, for which GST has been accounted for, would have taken into consideration the cost of repairs covered by the warranty.

However, if the customer has not bought the vehicle from you but you have been appointed by the overseas dealer to perform repair services for the customer, you have to charge GST at 7% when you bill the overseas dealer for the repair services performed on vehicles located in Singapore.

## 23 Claiming Input Tax

- 23.1 If you have paid GST for your business purchases, including imports, you are entitled to claim the input tax incurred if you meet the following conditions:
- You are GST-registered;
  - The goods or services must have been contractually supplied to you by a GST registered supplier or the goods have been imported by you;
  - The goods or services are used or to be used for the purpose of your business;
  - The input tax is directly attributable to your taxable supplies (i.e. standard-rated supplies and zero-rated supplies), or out-of-scope supplies which would be taxable supplies if made in Singapore;
  - The input tax claims must be supported by tax invoices or simplified<sup>8</sup> tax invoices addressed to you. For imports, the input tax claims must be supported by import permits which show you as the importer of the goods; and
  - The input tax is not disallowed under Regulations 26 and 27 of the GST (General) Regulations. For details on what are disallowed under these regulations, please refer to Appendix 2.
- 23.2 Pre-registration GST is the GST that businesses incur on supplies of goods or services made to them before they are registered for GST.

Pre-registration GST is allowable only to the extent that the goods or services acquired are used or will be used for taxable supplies made after GST registration. Hence, if before your GST registration the goods have already been consumed or supplied, or services have been used to make supplies before registration, the pre-registration GST incurred is not allowable.

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<sup>8</sup> Only valid for purchases inclusive of GST of not more than S\$1,000.

If the services or goods acquired by you are used to make supplies that straddle your GST registration (i.e. supplies are made both before and after GST registration) or the goods are partially consumed before your GST registration, you need to apportion the GST incurred. Only the portion of GST that is attributable to the supplies made after registration is claimable. You should refer to the e-tax guide on “GST: Pre-Registration Claims on Goods and Services” to determine how apportionment may be done.

## **24 De-Registration**

- 24.1 Once you are de-registered from GST registration, a final GST return (GST F8) will be issued to you to file and account for GST up till the last day of the GST registration, one day before your effective date of cancellation of your GST registration. In your GST F8, you only need to account for output tax based on 50% of the Open Market Value for used vehicles.

For more information on de-registration from GST registration please refer to our e-Tax guide “GST: General Guide for Businesses”.

## **25 Record Keeping**

- 25.1 It is the responsibility of business owners and company directors to ensure that proper records are kept. You are expected to put in place a record keeping system to ensure that your GST declarations are duly supported with the required documents.

The types of records you need to keep include:

- (a) Source documents that substantiate all transactions in your business - e.g. receipts, invoices, vouchers, and other relevant documents issued or received from customers/suppliers;
- (b) Accounting records and schedules - manual or electronic records of assets and liabilities, revenue and expenses, gains (profit) and losses;
- (c) Bank statements; and
- (d) Any other records of transactions connected with your business.

You may refer to the e-Tax Guide “Record Keeping for GST registered Businesses” for more information.

For more details on the records to be maintained for the sale of second-hand vehicles, please refer to Appendix 1.

- 25.2 Under the Income Tax Act and the GST Act, you are required to keep business records for a period of at least five years, for records pertaining to accounting periods ending on or after 1 January 2007. Business records for accounting periods before 1 January 2007 must be kept for at least 7 years.
- 25.3 Under the Income Tax Act and GST Act, failure to maintain sufficient records is an offence and may result in expenses claimed being disallowed or/and penalties being imposed.

## 26 Contact Information

- 26.1 For enquiries on this e-Tax Guide, please contact:

**Goods & Services Tax Division  
Inland Revenue Authority of Singapore**

55 Newton Road  
Singapore 307987

Tel: 1800 356 8633

Fax: (+65) 6351 3553

Email: [gst@iras.gov.sg](mailto:gst@iras.gov.sg)

## 27 Updates and Amendments

|   | <b>Date of amendment</b> | <b>Amendments made</b> |
|---|--------------------------|------------------------|
| 1 | 20 Nov 2015              | Inserted paragraph 7.7 |

## Appendix 1 - Record Keeping for Sale of Second-Hand Vehicles

1. For sale of second-hand vehicles, you are required to keep the following records:

- (a) The purchase and sales/tax invoices described at paragraphs 2 and 3 below; and
- (b) A stock book or similar records with separate headings for each of the following:

### Purchase details

- stock book number
- date of purchase
- purchase invoice number
- name of seller
- vehicle registration, engine and chassis numbers
- make and model

### Sales details

- date of sale
- sales invoice number
- name of purchaser

### Accounting details

- purchase price and GST incurred (if applicable)
- selling price and GST charged (if applicable)
- method of disposal (Gross Margin or Discounted Sale Price Scheme)
- margin on sale (if applicable)
- GST rate on date of sale
- GST amount accounted as output tax

You can include any other items in your stock book for your own accounting purposes, but the details listed above must always be shown and your stock book must be kept **up-to-date**.

2. When you buy a vehicle from an individual

- (a) You must prepare a **purchase invoice** showing:
  - seller's name and address
  - your name and address
  - invoice number
  - date of transaction
  - stock book number
  - particulars of vehicle (registration, engine and chassis numbers, make and model)
  - total purchase price
- (b) The seller must sign and date the invoice, certifying that he is the seller of the vehicle at the stated price.

- (c) You have to record the purchase details of the vehicle in your stock book or similar record under the headings shown, including the purchase price. The purchase price is the price on the invoice which has been agreed between you and the seller. This price should not be altered.

3. When you sell a vehicle

- (a) Under the **Gross Margin Scheme**, you must issue a **sales invoice** showing:

- your name, address and GST registration number
- buyer's name and address
- invoice number
- invoice date
- stock book number
- particulars of vehicle (registration, engine and chassis numbers, make and model)
- total price
- signature of issuer
- the statement 'This vehicle is sold under GST Gross Margin Scheme. Both the seller and buyer cannot claim any input tax on the vehicle.'

- (b) Under the **Discounted Sale Price Scheme**, you must issue a **tax invoice** showing:

- the words 'tax invoice' in a prominent place
- invoice number
- invoice date
- your name, address and GST registration number
- buyer's name and address
- stock book number
- particulars of vehicle (registration, engine and chassis numbers, make and model)
- type of supply (e.g. outright sale or hire purchase)
- cash discount offered, if any
- amount payable, excluding GST
- GST rate and GST amount
- total amount payable, including GST

- (c) The customer must sign and date the invoice, stating that he is the buyer of the vehicle at the price shown.

- (d) The sales details and selling price of the vehicle must be entered into the stock book or similar record under the appropriate headings.

- (e) A copy of the sales/tax invoice has to be kept and maintained.

## **Appendix 2 - Regulations 26 and 27 of the GST (General) Regulations**

GST incurred is disallowed as input tax credit under regulations 26 and 27 of the GST (General) Regulations. These include:

- club subscription fees including joining fees, membership fee, transfer fee and other consideration charged by clubs established principally for recreational or sporting purposes;
- medical expenses and medical and accident insurance premium, excluding those covered under the Work Injury Compensation Act<sup>9</sup> or under any collective agreements within the meaning of Industrial Relations Act;
- purchase price and maintenance/running expenses of a motor car, e.g. petrol, parking fees  
Exception: GST incurred on Q plate cars (with COE issued before 01/04/1998) or business registered vehicles can be claimed;
- benefits provided to family members or relatives of your staff; and
- any transaction involving betting, sweepstakes, lotteries, fruit machines or games of chance.

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<sup>9</sup> Work Injury Compensation Act replaces Workmen's Compensation Act with effect from 1 Apr 2008.

**Appendix 3 - Sample Tax Invoice to Customer/Finance Company for Sale of New Vehicles under Hire-Purchase**

Using details in example 3 of paragraph 7.1

ABC Automobile Pte Ltd  
 No. 1 Ubi Ave 2 Singapore 123456  
 GST Reg No: M2-0123456-7

Tax Invoice

Finance Co:  
 XYZ Finance Pte Ltd  
 2 Shenton Way  
 Singapore 666666

Invoice No : 0901  
 Date : 1/7/2013  
 Stock Book No : 0121

Customer:  
 ABC Trading  
 88 Thomson Road  
 Singapore 888888

| No.         | Description   | Amount  |                         |                 |          |             |           |             |                    |                   |       |                    |                   |  |
|-------------|---|---|-------------------------|-----------------|----------|-------------|-----------|-------------|--------------------|-------------------|-------|--------------------|-------------------|--|
| 1           | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX<br><br>Vehicle price (incl. ARF, COE, RF, Road Tax & GST)<br>Less: Deposit paid<br>Hire purchase amount due   | <br><br><br><br><br><br>\$51,565.00<br><u>\$ 5,565.00</u><br><u>\$46,000.00</u> |                         |                 |          |             |           |             |                    |                   |       |                    |                   |  |
|             | GST details: <table style="width: 100%; margin-left: 20px;"> <thead> <tr> <th></th> <th><u>Taxable supplies</u></th> <th><u>GST (7%)</u></th> </tr> </thead> <tbody> <tr> <td>Customer</td> <td>\$ 5,200.93</td> <td>\$ 364.07</td> </tr> <tr> <td>Finance co.</td> <td><u>\$17,158.88</u></td> <td><u>\$1,201.12</u></td> </tr> <tr> <td>Total</td> <td><u>\$22,359.81</u></td> <td><u>\$1,565.19</u></td> </tr> </tbody> </table> |   | <u>Taxable supplies</u> | <u>GST (7%)</u> | Customer | \$ 5,200.93 | \$ 364.07 | Finance co. | <u>\$17,158.88</u> | <u>\$1,201.12</u> | Total | <u>\$22,359.81</u> | <u>\$1,565.19</u> |  |
|             | <u>Taxable supplies</u>   | <u>GST (7%)</u>   |                         |                 |          |             |           |             |                    |                   |       |                    |                   |  |
| Customer    | \$ 5,200.93   | \$ 364.07   |                         |                 |          |             |           |             |                    |                   |       |                    |                   |  |
| Finance co. | <u>\$17,158.88</u>  | <u>\$1,201.12</u>   |                         |                 |          |             |           |             |                    |                   |       |                    |                   |  |
| Total       | <u>\$22,359.81</u>  | <u>\$1,565.19</u>   |                         |                 |          |             |           |             |                    |                   |       |                    |                   |  |

(authorised signatory)

ABC Automobile Pte Ltd

**Appendix 4 - Sample Sales Invoice to Customer for Sale of Second-Hand Vehicles under Gross Margin Scheme**

Using details in example 10 of paragraph 10.1

| ABC Automobile Pte Ltd<br>No. 1 Ubi Ave 2 Singapore 123456<br>GST Reg No: M2-0123456-7<br><br><u>Sales Invoice</u>   |   |  |        |   |   |  |  |
|--|---|--|--------|---|---|--|--|
| Mr Marcus Tan<br>123 Newton Road<br>Singapore 999999   | Invoice No        0902<br>Date                : 1/7/2013<br>Stock Book No : 0122  |  |        |   |   |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%; padding: 5px;">No.</th> <th style="width: 70%; padding: 5px;">Description</th> <th style="width: 20%; padding: 5px;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top; padding: 5px;">1</td> <td style="padding: 5px;">                             Registration No: XXXXXX<br/>                             Make: XXXXXX<br/>                             Model: XXXXXX<br/>                             Engine No: XXXXXX<br/>                             Chassis No: XXXXXX<br/><br/>                             Selling price of vehicle<br/>                             Less: Deposit paid<br/>                             Balance amount due                         </td> <td style="text-align: right; vertical-align: bottom; padding: 5px;">                             \$25,000.00<br/>                             \$ 2,000.00<br/> <u>\$23,000.00</u> </td> </tr> </tbody> </table> | No.   | Description                                      | Amount | 1 | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX<br><br>Selling price of vehicle<br>Less: Deposit paid<br>Balance amount due | \$25,000.00<br>\$ 2,000.00<br><u>\$23,000.00</u> |  |
| No.  | Description   | Amount   |        |   |   |  |  |
| 1  | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX<br><br>Selling price of vehicle<br>Less: Deposit paid<br>Balance amount due | \$25,000.00<br>\$ 2,000.00<br><u>\$23,000.00</u> |        |   |   |  |  |
| This vehicle is sold under GST Gross Margin Scheme. Both the seller and buyer cannot claim any input tax on this vehicle.  |   |  |        |   |   |  |  |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p style="text-align: center;">(authorised signatory)</p> <hr style="width: 80%; margin: 0 auto;"/> <p style="text-align: center;">ABC Automobile Pte Ltd</p> </div> <div style="width: 45%; text-align: right;"> <hr style="width: 80%; margin: 0 auto;"/> <p style="text-align: center;">Buyer's Signature &amp; Date</p> </div> </div>   |   |  |        |   |   |  |  |

**Appendix 5 - Sample Tax Invoice to a GST-Registered Customer for Sale of Second-Hand Vehicles under Discounted Sale Price Scheme**

(using details in example 14 of paragraph 11.1)

| ABC Automobile Pte Ltd<br>No. 1 Ubi Ave 2 Singapore 123456<br>GST Reg No: M2-0123456-7   |   |  |        |   |   |  |  |  |
|--|---|--|--------|---|---|--|--|--|
| <u>Tax Invoice</u>   |   |  |        |   |   |  |  |  |
| XYZ Motor Co<br>2 Wheelock Ave<br>Singapore 555555   | Invoice No        0903<br>Date                : 1/7/2013<br>Stock Book No : 0123  |  |        |   |   |  |  |  |
| Type of Supply: Cash Term  |   |  |        |   |   |  |  |  |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%; padding: 5px;">No.</th> <th style="width: 70%; padding: 5px;">Description</th> <th style="width: 20%; padding: 5px;">Amount</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; vertical-align: top; padding: 5px;">1</td> <td style="padding: 5px;">                             Registration No: XXXXXX<br/>                             Make: XXXXXX<br/>                             Model: XXXXXX<br/>                             Engine No: XXXXXX<br/>                             Chassis No: XXXXXX<br/><br/>                             Selling price of vehicle<br/>                             Add: GST @ 7% x 50% x \$25,000<br/>                             Total amount due<br/>                             Less: Deposit paid<br/>                             Balance amount due                         </td> <td style="text-align: right; vertical-align: bottom; padding: 5px;">                             \$25,000.00<br/> <u>\$ 875.00</u><br/>                             \$25,875.00<br/> <u>\$ 5,000.00</u><br/> <u>\$20,875.00</u> </td> </tr> </tbody> </table> | No.   | Description  | Amount | 1 | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX<br><br>Selling price of vehicle<br>Add: GST @ 7% x 50% x \$25,000<br>Total amount due<br>Less: Deposit paid<br>Balance amount due | \$25,000.00<br><u>\$ 875.00</u><br>\$25,875.00<br><u>\$ 5,000.00</u><br><u>\$20,875.00</u> |  |  |
| No.  | Description   | Amount   |        |   |   |  |  |  |
| 1  | Registration No: XXXXXX<br>Make: XXXXXX<br>Model: XXXXXX<br>Engine No: XXXXXX<br>Chassis No: XXXXXX<br><br>Selling price of vehicle<br>Add: GST @ 7% x 50% x \$25,000<br>Total amount due<br>Less: Deposit paid<br>Balance amount due | \$25,000.00<br><u>\$ 875.00</u><br>\$25,875.00<br><u>\$ 5,000.00</u><br><u>\$20,875.00</u> |        |   |   |  |  |  |
| _____<br>(authorised signatory)<br><br>ABC Automobile Pte Ltd  | _____<br>Buyer's Signature & Date   |  |        |   |   |  |  |  |



## Appendix 7 - GST Computation Templates for Sale of New Vehicles

### New Vehicles

Using details in example 3 of paragraph 7.1

|              |              |             |             | [A]           | [B]         | [C]         | [D]      | [E]      | [F]=[A]-[B]-[C]-[D]-[E]        | [G]=[F] x 7/107   | [H]=[F]-[G]           |
|--------------|--------------|-------------|-------------|---------------|-------------|-------------|----------|----------|--------------------------------|-------------------|-----------------------|
| S/n          | Invoice date | Invoice no. | Vehicle no. | Selling price | ARF         | COE         | Regn fee | Road tax | Taxable supply (including GST) | GST output tax    | Standard-rated supply |
| 1            | DDMMYY       | XXXXX       | XXXXX       | \$51,565.00   | \$14,000.00 | \$13,000.00 | \$140.00 | \$500.00 | \$23,925.00                    | \$1,565.19        | \$22,359.81           |
| 2            |              |             |             |               |             |             |          |          |                                |                   |                       |
| 3            |              |             |             |               |             |             |          |          |                                |                   |                       |
| <b>Total</b> |              |             |             |               |             |             |          |          |                                | <b>\$1,565.19</b> | <b>\$22,359.81</b>    |

Box 6

Box 1

### Off-Peak Cars

Using details in example 4 of paragraph 7.3

|              |              |             |             | [A]           | [B]         | [C]         | [D]         | [E]=[B]+[C]-[D]         | [F]      | [G]      | [H]=[A]-[E]-[F]-[G]            | [I]=[H] x 7/107   | [J]=[H]-[I]           |
|--------------|--------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------------------|----------|----------|--------------------------------|-------------------|-----------------------|
| S/n          | Invoice date | Invoice no. | Vehicle no. | Selling price | ARF         | COE         | OPC rebate  | Net ARF/COE paid to LTA | Regn fee | Road tax | Taxable supply (including GST) | GST output tax    | Standard-rated supply |
| 1            | DDMMYY       | XXXXX       | XXXXX       | \$35,115.00   | \$14,000.00 | \$13,000.00 | \$17,000.00 | \$10,000.00             | \$140.00 | \$50.00  | \$24,925.00                    | \$1,630.61        | \$23,294.39           |
| 2            |              |             |             |               |             |             |             |                         |          |          |                                |                   |                       |
| 3            |              |             |             |               |             |             |             |                         |          |          |                                |                   |                       |
| <b>Total</b> |              |             |             |               |             |             |             |                         |          |          |                                | <b>\$1,630.61</b> | <b>\$23,294.39</b>    |

Box 6

Box 1

### Vehicles Granted Green Vehicle Rebate (GVR)

Using details in example 5 of paragraph 7.4

|              | [A]          | [B]         | [C]         | [D]=[B]-[C]   | [E]         | [F]        | [G]                 | [H]=[A]-[D]-[E]-[F]-[G] | [I]=[H] x 7/107 | [J]=[H]-[I] |                                |                   |                       |
|--------------|--------------|-------------|-------------|---------------|-------------|------------|---------------------|-------------------------|-----------------|-------------|--------------------------------|-------------------|-----------------------|
| S/n          | Invoice date | Invoice no. | Vehicle no. | Selling price | ARF         | GVR        | Net ARF paid to LTA | COE                     | Regn fee        | Road tax    | Taxable supply (including GST) | GST output tax    | Standard-rated supply |
| 1            | DDMMYY       | XXXXX       | XXXXX       | \$50,000.00   | \$14,000.00 | \$1,700.00 | \$12,300.00         | \$13,000.00             | \$140.00        | \$500.00    | \$24,060.00                    | \$1,574.02        | \$22,485.98           |
| 2            |              |             |             |               |             |            |                     |                         |                 |             |                                |                   |                       |
| 3            |              |             |             |               |             |            |                     |                         |                 |             |                                |                   |                       |
| <b>Total</b> |              |             |             |               |             |            |                     |                         |                 |             |                                | <b>\$1,574.02</b> | <b>\$22,485.98</b>    |
|              |              |             |             |               |             |            |                     |                         |                 |             |                                | Box 6             | Box 1                 |

### Vehicles Granted Carbon Emissions-Based Rebate (CEVS Rebate)

Using details in example 6 of paragraph 7.4

|              | [A]          | [B]         | [C]         | [D]=[B]-[C]   | [E]         | [F]         | [G]                 | [H]=[A]-[D]-[E]-[F]-[G] | [I]=[H] x 7/107 | [J]=[H]-[I] |                                |                   |                       |
|--------------|--------------|-------------|-------------|---------------|-------------|-------------|---------------------|-------------------------|-----------------|-------------|--------------------------------|-------------------|-----------------------|
| S/n          | Invoice date | Invoice no. | Vehicle no. | Selling price | ARF         | CEVS Rebate | Net ARF paid to LTA | COE                     | Regn fee        | Road tax    | Taxable supply (including GST) | GST output tax    | Standard-rated supply |
| 1            | DDMMYY       | XXXXX       | XXXXX       | \$50,000.00   | \$14,000.00 | \$5,000.00  | \$9,000.00          | \$13,000.00             | \$140.00        | \$500.00    | \$27,360.00                    | \$1,789.91        | \$25,570.09           |
| 2            |              |             |             |               |             |             |                     |                         |                 |             |                                |                   |                       |
| 3            |              |             |             |               |             |             |                     |                         |                 |             |                                |                   |                       |
| <b>Total</b> |              |             |             |               |             |             |                     |                         |                 |             |                                | <b>\$1,789.91</b> | <b>\$25,570.09</b>    |
|              |              |             |             |               |             |             |                     |                         |                 |             |                                | Box 6             | Box 1                 |

**Note:** ARF, COE, registration fee, road tax, OPC rebate, green vehicle rebate and CEVS rebate are to be extracted from LTA documents. For vehicles subject to CEVS surcharges, the registration surcharge will be added to the ARF before surcharge to compute the total ARF.

## Appendix 8 - GST Computation Templates for Sale of Second-Hand Vehicles

### Gross Margin Scheme<sup>1</sup>

Using details in example 12 of paragraph 10.7

|              |              |             |             | [A]           | [B]            | [C]                      | [D]                           | [E]                       | [F]=[A]-[B]-[C]-[D]-[E]   | [G]=[F] x 7/107 | [H]=[A]-[G]           |
|--------------|--------------|-------------|-------------|---------------|----------------|--------------------------|-------------------------------|---------------------------|---------------------------|-----------------|-----------------------|
| S/n          | Invoice date | Invoice no. | Vehicle no. | Selling price | Purchase price | COE renewal <sup>2</sup> | Road tax renewal <sup>2</sup> | Transfer fee <sup>2</sup> | Gross margin <sup>3</sup> | GST output tax  | Standard-rated supply |
| 1            | DDMMYY       | XXXXX       | XXXXX       | \$40,500.00   | \$10,900.00    | \$26,000.00              | \$600.00                      | \$30.00                   | \$2,970.00                | \$194.30        | \$40,305.70           |
| 2            |              |             |             |               |                |                          |                               |                           |                           |                 |                       |
| 3            |              |             |             |               |                |                          |                               |                           |                           |                 |                       |
| <b>Total</b> |              |             |             |               |                |                          |                               |                           |                           | <b>\$194.30</b> | <b>\$40,305.70</b>    |
|              |              |             |             |               |                |                          |                               |                           |                           | Box 6           | Box 1                 |

### Discounted Sale Price Scheme<sup>4</sup>

Using details of example 15 of paragraph 11.1

|              |              |             |             | [A]           | [B]            | [C]=[A] x 7/207 | [D]=[A]-[C]           |
|--------------|--------------|-------------|-------------|---------------|----------------|-----------------|-----------------------|
| S/n          | Invoice date | Invoice no. | Vehicle no. | Selling price | Purchase price | GST output tax  | Standard-rated supply |
| 1            | DDMMYY       | XXXXX       | XXXXX       | \$25,875.00   | \$20,000.00    | \$875.00        | \$25,000.00           |
| 2            |              |             |             |               |                |                 |                       |
| 3            |              |             |             |               |                |                 |                       |
| <b>Total</b> |              |             |             |               |                | <b>\$875.00</b> | <b>\$25,000.00</b>    |
|              |              |             |             |               |                | Box 6           | Box 1                 |

## GST: Guide for Motor Vehicle Traders

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### **Note:**

<sup>1</sup>The second-hand vehicle must be purchased free of GST (e.g. purchased from non-GST registered person or GST-registered supplier who had used the Gross Margin Scheme).

<sup>2</sup>If the LTA charges were separately recovered from the customers, you cannot deduct the LTA charges from the selling price of the used vehicle to arrive at the gross margin.

<sup>3</sup>If the gross margin is  $\leq$  \$0, the GST output tax [G] is \$0 and the standard-rated supply [H] is the selling price of the used vehicle [A].

<sup>4</sup>You have previously claimed GST on the purchase of the used vehicle (therefore you cannot use the Gross Margin Scheme) or the customer is registered for GST.

## Appendix 9 - GST Computation Templates for Sale of Vehicle Bodies

**Scenario: You purchase a second-hand vehicle, deregister it and sell the vehicle body locally.**

Using details in examples 16 and 17 of paragraphs 12.2 and 12.3

| S/n          | Invoice date | Invoice no. | Vehicle no. | [A]<br>Selling price of vehicle body | [B]<br>Purchase price of used vehicle <sup>1</sup> | [C]<br>Face value of PARF/COE rebate at date of de-registration of vehicle <sup>2</sup> | [D]=[B]-[C]<br>Cost of vehicle body <sup>3</sup> | [E]=[A]-[D]<br>Gross margin <sup>4</sup> | [F]=[E] x 7/107<br>GST output tax | [G]=[A]-[F]<br>Standard-rated supply |
|--------------|--------------|-------------|-------------|--------------------------------------|--|---|--|--|-----------------------------------|--------------------------------------|
| 1            | DDMMYY       | XXXXX       | XXXXX       | \$20,000.00                          | \$85,000.00  | \$66,000.00   | \$19,000.00                                      | \$1,000.00                               | \$65.42                           | \$19,934.58                          |
| 2            | DDMMYY       | XXXXX       | XXXXX       | \$20,000.00                          | \$65,000.00  | \$66,000.00   | \$0.00   | \$20,000.00                              | \$1,308.41                        | \$18,691.59                          |
| 3            |              |             |             |                                      |  |   |  |  |                                   |                                      |
| 4            |              |             |             |                                      |  |   |  |  |                                   |                                      |
| 5            |              |             |             |                                      |  |   |  |  |                                   |                                      |
| <b>Total</b> |              |             |             |                                      |  |   |  |  | <b>\$1,373.83</b>                 | <b>\$38,626.17</b>                   |

Box 6                      Box 1

**Note:**

<sup>1</sup>The used vehicle must be purchased free of GST (e.g. purchased from non-GST registered person or GST-registered supplier who had used the Gross Margin Scheme). Otherwise, you must charge and account for GST on the full selling price of the vehicle body.

<sup>2</sup>This figure is to be extracted from LTA documents.

<sup>3</sup>The cost of vehicle body is \$0 when the face value of PARF/COE rebate at date of de-registration of the vehicle [C] is ≥ the purchase price of the second-hand vehicle [B].

<sup>4</sup>If the gross margin is ≤ \$0, the GST output tax [F] is \$0 and the standard-rated supply [G] is the selling price of the vehicle body [A].