



Circular No: 11/2022
21 Oct 2022

Traders, Freight Forwarders and Declaring Agents

Dear Sir/Madam

IMPLEMENTATION OF OVERSEAS VENDOR REGISTRATION (OVR) REGIME

During Budget 2021, the Minister for Finance announced that Goods and Services Tax (GST) will apply to imported low-value goods ("LVG") in respect of business-to-consumer ("B2C") transactions by way of extending the Overseas Vendor Registration (OVR) regime with effect from 1 Jan 2023. This will ensure a level playing field for our local businesses to compete effectively.

Scope of OVR Regime

2 Under the OVR regime, LVG is defined as goods which meet all of the following conditions at the point of sale:

- a) are not dutiable goods;
- b) are not exempt from GST;
- c) are located outside Singapore and are to be delivered to Singapore via air or post; and
- d) have a value not exceeding the import relief threshold of S\$400 (per item basis).

3 Overseas vendors who are GST-registered will charge GST on supplies of LVG to:

- a) Non-GST registered customers; and
- b) GST-registered businesses purchasing for non-business use.

4 The OVR Vendor will be required to collect GST at the point of sale and pass the following information down the logistics chain so that the relevant GST information will be made available for import permit application:

- a) Whether GST has been paid for each item; and

b) GST registration number (GSTN) of the OVR Vendor.

5 Traders, freight forwarders and declaring agents (“Transporters”) who are handling the importation of LVG are responsible for ensuring that GST is not collected again at the point of importation if the OVR Vendor had collected GST at the point of sale previously.

Procedures for Importation of LVG via Air

6 All imported LVG are subject to clearance at the respective Free Trade Zones. The import procedure and permit requirements would depend on the Cost, Insurance and Freight (CIF) value and the nature of goods (controlled or non-controlled) of the goods. Refer to **Annex A** for an overview of the import procedure for LVG imported via air.

For LVG consignments with a total CIF value not exceeding S\$400

7 Currently, import GST relief is granted on goods imported by air, excluding intoxicating liquors and tobacco, of a total value (on a cost, insurance and freight (CIF) basis) not exceeding S\$400.

8 There is no change to the import procedure and permit requirements for goods imported via air after 1 Jan 2023. As long as the total CIF value of the consignment does not exceed S\$400, an import permit is not required to account for the importation of the LVG if they are non-controlled (excluding intoxicating liquors and tobacco). However, the relevant import permit is required if any of the goods are controlled by any Competent Authorities (CAs).

Screening of Advance Manifest (SAM)

9 To facilitate the cargo clearance of such LVG consignments at the Changi Airfreight Centre Checkpoint, Transporters may use an Advance Manifest or a hardcopy summary listing, together with the invoice and House Airway Bill (HAWB)/consignment note for each consignment¹. You may refer to **Annex B** for the declaration fields in the Advance Manifest Template and hardcopy summary listing.

10 The Immigration and Checkpoints Authority (ICA) has implemented the use of the Screening of Advance Manifest (SAM) since 2020. Through the SAM initiative, companies can submit the manifests to ICA electronically and be granted pre-clearance prior to goods arrival at the checkpoint. Please note that ICA may require inspection of goods during clearance.

11 Please be informed that the Advance Manifest is applicable to both LVG and non-LVG. The “Supplier GSTN” field is to be declared for LVG which were supplied by OVR Vendors.

¹ Where the GST information is not found on the supporting documents, the Transporter should bring along the extract of EDI or other supporting documents that shows the two pieces of GST information indicated in Paragraph 4.

For LVG consignments with a total CIF value exceeding S\$400 [e.g. 3 x S\$150 LVG]

12 For the importation of a consignment containing one or more LVG items where the total CIF value of the consignment exceeds S\$400 at the point of importation, Transporters are required to obtain an import permit to account for the importation of goods. If GST has been collected by the OVR Vendor and the two GST information mentioned in Paragraph 4 are available, Transporters may apply for an In-Non-Payment permit for the LVG (excluding intoxicating liquors and tobacco).

13 Please apply for a TradeNet® import permit with the Message Type “In-Non-Payment” and Declaration Type “Approved Premises/Schemes” (APS) for each consignment and declare the GSTN of the OVR Vendor in the “CA/SC Code 1” field to account for the importation of LVG. Refer to Table 1 for the information required for LVG imported under the OVR regime. Please note that an import permit (with Message Type = In-Payment and Declaration Type = Duty & GST) is still required for imports of intoxicating liquors and tobacco.

Table 1: Permit requirements for LVG in a consignment with a Total CIF value exceeding S\$400 [e.g. 3 x S\$150 LVG] and GST has been collected by OVR Vendor

S/N	Permit Field	Input Value
1	Message Type	In-Non-Payment (INP)
2	Declaration Type	Approved Premises/Schemes (APS)
3	Place of Receipt Code	OVR
4	CA/SC Product Code	OVR
5	CA/SC Code 1	GSTN of the OVR Vendor (e.g. XXXXXXXXXXXX)

14 If GST had been collected by the OVR Vendor for the LVG, and GST were paid again during the importation of the LVG, refund of GST for such scenarios will need to be sought from the OVR Vendor by default.

15 A list of frequently asked questions (FAQs) is attached at **Annex C** for your reference.

More Information

16 For more information on the OVR regime and GST on imports of LVG, please refer to Inland Revenue Authority of Singapore (IRAS) website at [https://www.iras.gov.sg/taxes/goods-services-tax-\(gst\)/gst-and-digital-economy/gst-on-imports-of-low-value-goods](https://www.iras.gov.sg/taxes/goods-services-tax-(gst)/gst-and-digital-economy/gst-on-imports-of-low-value-goods)

Yours faithfully

Raine Ng
Head Procedures & Systems
for Director-General of Customs
Singapore Customs

(This is a computer-generated circular. No signature is required.)

We hope that this circular has been written in a way that is clear to you. If not, please let us have suggestions on how to improve this circular at customs_documentation@customs.gov.sg.

Import Procedure for Goods Supplied by OVR Vendors and non-OVR Vendors

Table 2: Summary of import procedure for goods supplied by OVR Vendors and non-OVR Vendors

Type of Goods	GST collected by OVR vendor?	Total Value of Consignment	CIF of	GST Payable	Permit Requirement
Goods supplied by OVR Vendor (Non-dutiable, non-controlled)	Yes	< or = S\$400 (Delivery by air freight)		No	No. Air couriers to use the Advance Manifest or hardcopy summary listing for import clearance.
		> S\$400 [E.g. 3 x S\$150 LVG]		No	Yes. In-Non-Payment (Approved Premises/Schemes) permit ² [Refer to Table 1]
Goods supplied by OVR Vendor (Non-dutiable, controlled)	Yes	< or = S\$400 (Delivery by air freight)		No	Yes. In-Non-Payment (Approved Premises/Schemes) permit [Refer to Table 1]
		> S\$400 [E.g. 3 x S\$150 LVG]		No	Yes. In-Non-Payment (Approved Premises/Schemes) permit [Refer to Table 1]
Goods supplied by non-OVR Vendors (Non-dutiable, non-controlled)	No	< or = S\$400 (Delivery by air freight)		No	No. Air couriers to use the Advance Manifest or hardcopy summary listing for import clearance.

Type of Goods	GST collected by OVR vendor?	Total Value of Consignment	GST Payable	Permit Requirement
Goods supplied by non-OVR Vendors (Non-dutiable, non-controlled)	No	> S\$400 [E.g. 3 x S\$150 LVG]	Yes	Yes. In-Payment (GST including Duty exemption) permit
Goods supplied by non-OVR Vendors (Non-dutiable, controlled)	No	< or = S\$400 (Delivery by air freight)	No	Yes. In-Non-Payment (GST Relief and/or duty exemption) permit
		>S\$400 [E.g. 3 x S\$150 LVG]	Yes	Yes. In-Payment (GST including Duty exemption) permit

Submission of Advance Manifest/Hardcopy Summary Listing for Cargo Clearance of Air Imports that are granted GST Relief at Changi Airfreight Centre (CAC) Checkpoint

Currently, Transporters are required to produce a summary listing of all the non-controlled, non-dutiable goods where GST relief is granted on the parcel/consignment where the total CIF value does not exceed S\$400 for clearance at the CAC checkpoint.

2 Through the Screening of Advance Manifest (SAM) initiative which streamlines the clearance process at the CAC checkpoint, companies can:

- a) Perform submission of manifests to ICA electronically, and allow pre-clearance to be performed before the goods arrive at the checkpoint;
- b) Avoid printing thick stacks of manifest. Present just a single page of consolidated declaration when seeking clearance at the Air Cargo checkpoints;
- c) Receive faster clearance if you are in Tier 1. This would require inspection items needed by ICA to be sorted out and presented during clearance; and
- d) Receive clearance priority over non-SAM participating companies as pre-clearance can be performed earlier.

3 Companies are encouraged to participate in SAM (which is a voluntary scheme) to enjoy the benefits. For companies who are interested to find out more about SAM, please contact Toh_Ah_Sia@ica.gov.sg or Yeoh_Weihong@ica.gov.sg.

4 Please refer to Table 3 for the declaration fields required in the Advance Manifest. These fields are also required in the existing Summary Listing used for cargo clearance at Changi Airfreight Centre:

Table 3: Declaration fields for Advance Manifest and Summary Listing

S/N	Declaration Field
1	Transporter Name
2	Transporter UEN
3	Import Clearance Date
4	Tracking No./HAWB/Reference No.
5	Outer Packing No.
6	Supplier Name
7	Supplier Address
8	Supplier GSTN (<i>Applicable to LVG only</i>)
9	Consignee Name
10	Consignee Address
11	Consignee Postcode
12	Consignee Tel

S/N	Declaration Field
13	Consignee Email
14	Description
15	Item CIF Value (SGD)
16	Total CIF Value Under Same Tracking No./HAWB/ Reference No. (SGD)
17	Country of Origin
18	Port of Loading

FREQUENTLY ASKED QUESTIONS

Q1: Will the current import GST relief for air and post be removed from 1 Jan 2023?

A1: No. The current import GST relief for goods imported by air or post (excluding intoxicating liquors and tobacco) with a total Cost, Insurance and Freight (CIF) value not exceeding S\$400 will remain.

Q2: I have a parcel consigned to a local consignee and the total CIF value exceeds S\$400. Which permit should I apply for if it contains goods from OVR Vendors and non-OVR Vendors?

A2: If a consignment consists of LVG and non-LVG for a consignee, separate In-Non-Payment (Approved Premises/Schemes) permit and In-Payment (GST) permit will be required to account for the importation of the LVG and non-LVG respectively.

OVR Vendors are encouraged to separate the LVG items from non-LVG items during shipment for ease of compliance and to minimise double taxation at the border. For the LVG items, OVR Vendors are required to pass the relevant GST information down the logistics chain to facilitate the submission of the correct import permit application(s).

Q3: I have a shipment of LVG which is controlled by a Competent Authority. Which permit should I apply for if the CIF value of the consignment does not exceed S\$400?

A3: Please comply with the Competent Authority's requirements and submit an In-Non-Payment (Approved Premises/Schemes) permit application with the relevant GST information provided by the OVR Vendor.

Q4: Can LVG be imported via land or sea?

A4: An OVR Vendor may be granted approval to collect GST on LVG imported via sea and land (referred to as the "Approved OVR Vendor") on a case-by-case basis.

If the relevant GST information was provided by an Approved OVR Vendor on the supporting documents as evidence that GST has been charged, import GST will not be applicable and the Transporter may obtain an In-Non-Payment (Approved Premises/Schemes) permit to account for the importation of the LVG via land or sea.

If the relevant GST information is not available, the Transporter is required to obtain a payment permit to account for the importation and GST payment for the goods via land or sea. Transporters should approach the OVR Vendor should you have questions.

Q5: I have a consignment with total CIF value exceeding S\$400. How can I determine if the GST information that have been passed down to me accounts for LVG or non-LVG items?

A5: You may apply the best practice threshold which will serve as a “red flag” that the two pieces of GST information may have been erroneously passed down by the OVR Vendor.

To help you identify non-LVG items in a consignment exceeding S\$400 where the two pieces of relevant GST Information are present but may have been passed down erroneously, we suggest that you perform the following checks:

- a) Check if the CIF value of any item is > S\$600 (best practice threshold).
 - i) If the CIF value of any item is \leq S\$600, to declare a non-payment permit unless you have information that the item is non-LVG; or
 - ii) If the CIF value of item is > S\$600, to declare a payment permit unless you have information that the item is actually a LVG.
- b) If only the total CIF value of the consignment is available and not a breakdown by item, you may compute a total CIF threshold based on the number of items in the consignment (e.g. S\$600 x no. of items).

Q6: Can LVG purchased from different OVR Vendors be declared in the same In-Non-Payment (Approved Premises/Schemes) permit application?

A6: If a consignment consists of goods from multiple OVR Vendors, you may declare the GSTN of the respective OVR Vendors in the “CA/SC Code 1” field of each line item in the same permit application.

Q7: What if the OVR Vendor has passed down its GST registration number but there is no indication to show whether GST is charged for each item of goods for a consignment exceeding CIF value S\$400?

A7: Where any of the two pieces of relevant GST information is not presented, Transporters should declare GST payment permit instead of a non-payment permit.

Q8: Which permit should I apply for if the GST registration number presented by the OVR Vendor is invalid but there is a GST paid indicator on the item?

A8: If you have information that GST registration number presented is invalid, you should verify the GST registration number with the OVR Vendor (where possible) before applying for a permit.

If you are unable to obtain a valid GST registration number from the OVR Vendor, you should declare GST payment permit where import relief is not applicable (i.e., imports > S\$400 via air or post and all imports via sea or land).

Q9: What should I do if the importer informs that he/she has paid GST twice on the same goods (i.e., GST was charged on sale of goods by OVR Vendor and importation of goods was subject to GST payment again at border)?

A9: The Transporter should advise the importer to seek a reimbursement of GST from the OVR Vendor. The importer should provide the following evidence to the OVR Vendor which substantiates that import GST was paid to Singapore Customs:

- a) Tax invoice or permit notification issued by the air courier;
- b) Import permit; or
- c) GST payment receipt issued by SingPost.

The Transporter can refer the importer to Paragraph 8.4 of IRAS e-Tax Guide “GST: Taxing imported low-value goods by way of the overseas vendor registration regime”. (www.iras.gov.sg > Quick links > e-Tax Guides).

The Transporter should also advise the importer to maintain the following documents:

- a) Commercial invoice or any other supporting document (e.g., email correspondence from supplier, order form etc.) to show that the OVR Vendor has charged GST at the point of sale of the LVG
- b) Shipping document for the importation of LVG (e.g., Delivery/Consignment Note)
- c) Evidence of payment in relation to commercial invoice, e.g., credit card statement

Q10: What should I do if the importer refuses to pay import GST as he/she has already paid GST on goods at the point of sale?

A10: The Transporter should advise the importer to pay import GST as import relief does not apply. If importer has paid GST on goods at the point of sale, he/ she should seek a reimbursement of GST from the OVR Vendor.

If importer still refuses to pay import GST despite the abovementioned advice, then you should follow your existing procedures for handling default payment for import GST (e.g., returned goods to seller). Refer to Q12 if you have borne the import GST in this case.

Q11: What should I do if the importer informs that double taxation has occurred, but the OVR Vendor has refused to reimburse the GST on the sale?

A11: In the event of double taxation, importer informs that OVR Vendor has refused to reimburse the GST, as a last resort, the Transporter can assist the importer to submit a refund application to Singapore Customs for assessment. More information on the required supporting documents can be obtained from Singapore Customs website with effect from 1 Jan 23.

Q12: What should I do if import GST cannot be recovered from the importer in the event of double taxation on LVG?

A12: If you have resorted to all means but you are unable to recover the import GST paid to Singapore Customs, you can submit a refund application to Singapore Customs for assessment. More information on the required supporting documents can be obtained from Singapore Customs website with effect from 1 Jan 23.

Q13: Will I be exempted from penalties for any errors in the import permit if I had followed Best Practices?

A13: The Best Practices are guidelines meant to help the Transporters identify non-LVG. By following the guidelines, it may reduce the Transporters' risk of having to rectify for errors and pay import GST subsequently for non-payment permits taken up.

Investigations would be conducted on the errors made and the outcome of the investigations, including imposition of penalties, would be determined on a case by case basis.

Q14: I am a consumer who has purchased some items from overseas. Where can I find more information on GST on Imported Low-Value Goods?

A14: You may refer to IRAS webpage on GST on Imported Low-Value Goods: [https://www.iras.gov.sg/taxes/goods-services-tax-\(gst\)/consumers/gst-on-imported-low-value-goods](https://www.iras.gov.sg/taxes/goods-services-tax-(gst)/consumers/gst-on-imported-low-value-goods)



UPDATE OF CIRCULAR BY SINGAPORE CUSTOMS

Circular No. 10/2022: IMPLEMENTATION OF OVERSEAS VENDOR REGISTRATION (OVR) REGIME (dated 21/10/2022)			
Paragraph	Current Details	Updated Details	Date of Update
Annex FAQs Q9	<p>Q9: What should I do if the importer informs that he/she has paid GST twice on the same goods (i.e., GST was charged on sale of goods by OVR Vendor and importation of goods was subject to GST payment again at border)?</p> <p>A9: The Transporter should advise the importer to seek a reimbursement of GST from the OVR Vendor. The importer should provide the following evidence to the OVR Vendor which substantiates that import GST was paid to Singapore Customs:</p> <ul style="list-style-type: none"> a) Tax invoice or permit notification issued by the air courier; b) Import permit; or 	<p>Q9: What should I do if the importer informs that he/she has paid GST twice on the same goods (i.e., GST was charged on sale of goods by OVR Vendor and importation of goods was subject to GST payment again at border)?</p> <p>A9: To avoid an incidence of double payment of GST, the Transporter requesting for GST payment from the importer should indicate in a note upfront (e.g. in the invoice that the transporter issued to an importer) that the importer should verify that they had not paid any GST to the OVR vendor. In the event that the importer has paid GST twice, the Transporter should advise the importer to seek a reimbursement of GST from the OVR Vendor. The importer should provide the following evidence to the OVR Vendor which substantiates that import GST was paid to Singapore Customs:</p>	23 Dec 2022

	<p>c) GST payment receipt issued by SingPost.</p> <p>The Transporter can refer the importer to Paragraph 8.4 of IRAS e-Tax Guide “GST: Taxing imported low-value goods by way of the overseas vendor registration regime”. (www.iras.gov.sg > Quick links > e-Tax Guides).</p> <p>The Transporter should also advise the importer to maintain the following documents:</p> <ul style="list-style-type: none"> a) Commercial invoice or any other supporting document (e.g., email correspondence from supplier, order form etc.) to show that the OVR Vendor has charged GST at the point of sale of the LVG b) Shipping document for the importation of LVG (e.g., Delivery/Consignment Note) c) Evidence of payment in relation to commercial invoice, e.g., credit card statement 	<ul style="list-style-type: none"> a) Tax invoice or permit notification issued by the air courier; b) Import permit; or c) GST payment receipt issued by SingPost. <p>The Transporter can refer the importer to Paragraph 8.4 of IRAS e-Tax Guide “GST: Taxing imported low-value goods by way of the overseas vendor registration regime”. (www.iras.gov.sg > Quick links > e-Tax Guides).</p> <p>The Transporter should also advise the importer to maintain the following documents:</p> <ul style="list-style-type: none"> a) Commercial invoice or any other supporting document (e.g., email correspondence from supplier, order form etc.) to show that the OVR Vendor has charged GST at the point of sale of the LVG b) Shipping document for the importation of LVG (e.g., Delivery/Consignment Note) c) Evidence of payment in relation to commercial invoice, e.g., credit card statement 	
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Annex FAQs (new)	-	<p>Q15: Can I make use of the Miscellaneous UEN (9999999000C) when declaring the importer for an In-Non-Payment permit containing LVG consignments?</p> <p>A15: The Miscellaneous UEN is not allowed to be declared in the importer field for In-Non-Payment permits relating to OVR. You are advised to use the Transporter's UEN for the declaration.</p> <p>Q16: Are OVR vendors allowed to charge GST on all goods shipped to Singapore, regardless of value?</p> <p>A16: Suppliers under the OVR regime are not allowed to charge GST on item with sales value exceeding S\$400 imported into Singapore, so as not to affect existing Customs processes.</p> <p>Sales value refers to the selling price of the goods, which is the amount of consideration received or receivable for the supply but excluding any amounts charged for:</p> <ul style="list-style-type: none"> a) Transportation and insurance costs (i.e., fees charged to customer for transportation and insurance) for transporting the goods from overseas to the place of delivery in Singapore; 	23 Dec 2022
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		<p>b) Any GST chargeable on the supply of LVG; and</p> <p>c) Any duties payable to Singapore Customs.</p> <p>Q17: Is the transporter responsible for the failure or late notification for GST registration of the overseas vendor selling low value goods?</p> <p>A17: The liability to register for GST lies with the overseas vendor and not the transporters. However, as the transporter, you can inform your overseas vendors that they are liable to register for GST in Singapore if they:</p> <p>a) have an annual global turnover exceeding \$1 million; and</p> <p>b) make B2C supplies of low-value goods to Singapore exceeding \$100,000.</p> <p>Q18: Is there a way to check whether the GST registration number of the OVR vendor provided to me is valid?</p> <p>A18: To check if a business is GST-registered, a search can be performed using the “GST Registered Business Search” found on IRAS’s website</p>	
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		(www.iras.gov.sg > Digital Services > GST > GST Registered Business Search).	
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