

GST InvoiceNow Requirement - Key highlights

June 2024

Background

On 15 April 2024, the Inland Revenue Authority of Singapore (“**IRAS**”) announced requirements for businesses which will be applying for voluntary GST registration to transmit invoice data to IRAS using InvoiceNow solutions via the InvoiceNow network (“**GST InvoiceNow Requirement**”).

Since then, there has been much interest as to when this new requirement will also be made mandatory for the rest of the GST-registered businesses.

On 12 June 2024, the IRAS published a draft e-tax guide regarding [GST InvoiceNow Requirement](#) to provide more clarity for businesses adopting e-invoicing using InvoiceNow. It is also seeking feedback by 11 July 2024.

Key highlights

- InvoiceNow is the nationwide e-invoicing network introduced by the Infocomm Media Development Authority (“**IMDA**”) in 2019 and is based on an international standard called “Peppol”.
- The GST InvoiceNow Requirement is a joint initiative between IRAS and IMDA to increase the adoption of InvoiceNow in support of the nationwide InvoiceNow initiative, with the aim to help businesses improve efficiency and with their tax compliance.
- Under the GST InvoiceNow Requirement, there is direct transmission of invoice data in a structured digital format from the finance system of the supplier to the finance system of the customer through the open standard Peppol network. Affected GST registered businesses will be required to transmit their invoice data to the IRAS in addition to transmitting the data to their customers or suppliers.
- To allow sufficient lead time for businesses, GST InvoiceNow Requirement will be rolled out in phases starting with businesses applying for voluntary GST registration. The IRAS plans to implement this new requirement for the remaining GST-registered businesses progressively.
- To ensure a smooth transition for the new voluntary GST-registrants and as part of the IRAS’ review on the implementation plan for the rest of the GST-registered businesses, the IRAS has indicated that it will continue to consult businesses and industry partners and review feedback received.

Who is required to adopt GST InvoiceNow Requirement?

- GST InvoiceNow Requirement will be rolled out in phases as follows:

Businesses affected	Timeline
Early adoption by GST-registered businesses that wish to opt-in	From 1 May 2025
Newly incorporated companies* that voluntarily apply for GST registration	From 1 Nov 2025
All businesses that voluntarily apply for GST registration	From 1 Apr 2026
Rest of the GST-registered businesses	To be advised

** Newly incorporated companies refer to companies that are incorporated within 6 months from the time they submit their application for GST registration.*

- Overseas entities (including overseas vendors that are registered under Overseas Vendor Registration regime) and businesses registered under the Reverse Charge regime are exempted from the GST InvoiceNow Requirement.

What is the scope of GST InvoiceNow Requirement?

- Transactions where invoice data transmission is mandatory under the GST InvoiceNow Requirement include:
 - Standard-rated supplies (exclude reverse charge and deemed supplies);
 - Zero-rated supplies (exclude non-sale exports); and
 - Standard-rated purchases on which input tax claims are made or will be made (exclude transactions such as disallowed expenses and reverse charge purchases)
- For point-of-sale (POS) supplies and petty cash purchases data, businesses can choose to aggregate the transactions before the transmission.
- The transmission due date is at the earlier of the date in which the relevant GST return is filed or the filing due date of the relevant GST return.

What should businesses do in preparation for GST InvoiceNow Requirement?

All businesses

- Considering that the GST InvoiceNow Requirement is intended for all GST-registered businesses eventually (with the roll out in phases), businesses are encouraged to understand the [GST InvoiceNow Requirement](#) in the draft e-tax guide and to proactively share feedback with the IRAS during this public consultation.
- Feedback can be submitted via the FormSG [Feedback on IRAS Draft e-Tax Guide "Adopting InvoiceNow Requirement for GST-registered Businesses"](#).

Businesses that expect to apply for voluntary GST registration from 1 November 2025

- Businesses may set up entities to undertake new business ventures; as part of merger and acquisition deals; or to acquire properties.
- If such new entities apply for voluntary GST registration from 1 November 2025, the IRAS will require them to have a Peppol ID and to adopt InvoiceNow as a condition for approving the voluntary GST registration. As the process to implement InvoiceNow may involve a significant amount of time, businesses should plan early to avoid potential delay in the GST registration of their new entities.
- Businesses can consider implementing an InvoiceNow solution now, so that the lead time to get ready can be shortened for any new entities that are applying for voluntary GST registration. This may be done by:
 - Adopting an [IMDA's pre-approved e-invoicing solution](#);
 - Engaging an [IMDA's pre-approved Access Point Provider](#); or
 - Making changes to your existing accounting systems to be compatible with the GST InvoiceNow Requirement.

Existing GST registered businesses

- Existing GST registered businesses should start assessing how the GST InvoiceNow Requirement might affect them.
- Businesses can consider undertaking an impact assessment to determine and evaluate the extent of changes required with respect to the following areas:
 - **System** – whether the existing system is ready for GST InvoiceNow Requirement, the available options and time/resources required to implement GST InvoiceNow Requirement.
 - **Data** – whether all the mandatory data elements to be reflected on the invoice are available and to review the data collection processes.
 - **GST treatment** – whether the existing GST treatment for transactions is correctly determined and mapped for the invoices issued/received. This is considering that the GST registered business will be required to transmit its invoice data to the IRAS under GST InvoiceNow Requirement, and there will be a wealth of information for the IRAS to conduct data analytics whereby anomalies will need to be explained.
- An impact assessment should enable GST registered businesses to be better prepared and to react promptly to any future announcement of GST InvoiceNow Requirement roll-out for the rest of the GST registered businesses.

Final takeaway: What is your broader data strategy

Digital disruption in the wake of e-invoicing requirements in many jurisdictions provides great opportunities for businesses.

It is not uncommon for companies to have tax data that is fragmented. Data required for tax filing is often found in different parts of an organisation, in different forms, and of varying degree of granularity. As a result, when it comes to a tax return where one cannot afford any lack of precision, companies sometimes need to perform detailed work to reconcile the information used in tax reporting and that in its accounting data. In the context of the new GST InvoiceNow Requirement, fragmented data may also result in material differences between the data transmitted to the IRAS via the InvoiceNow network and the values reported in a GST return which will need to be explained.

This is where data strategy becomes critical.

If companies can structure and organise their data better, they will also be able to harness the power of artificial intelligence in their tax functions, making data-in and insight-out an automated process, integrating finance and tax procedures, and reducing manual input and potential associated errors.

When implementing a solution to meet the GST InvoiceNow Requirement, it would be worthwhile to consider other areas of your tax functions which you wish to improve.

In our Connected Tax Compliance practice, we help companies develop and implement a compliance data strategy to gather, create and use data in a systematic manner which not only prevents material differences, but also allows your data to become an active part of compliance fulfilment as well as a resource that can generate business insights.

Contact us

If you would like to discuss any of the issues raised, please get in touch with your usual PwC contact or any of the individuals listed below.

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