KPMG

ASEAN + 2 Indirect Taxation Country Overview

2010

TAX

AUDIT ▪ TAX ▪ ADVISORY

Thinking beyond the present

The emerging economies that make up ASEAN + 2 (People's Republic of China and India) offer forward looking companies unique opportunities for growth and diversity. However, with these opportunities also arise unique challenges due to increased reliance by governments in the region on revenues from indirect taxes such as Value Added Tax (VAT) and Goods and Services Tax (GST).

This guide provides valuable information to help firms identify potential indirect tax issues from conducting business in the region. KPMG has a network of professionals throughout the ASEAN + 2 countries ready to assist companies in navigating the regional indirect tax environment by providing business solutions that think into the future and look beyond borders.

Contents

KPMG's ASEAN + 2 Indirect Taxation Summary 1

Brunei Darussalam 5

Cambodia 6

India 8

Indonesia 10

Laos 11

Malaysia 13

Myanmar 15

People's Republic of China 17

- China 18
- Hong Kong 20

Philippines 21

Singapore 23

Thailand 25

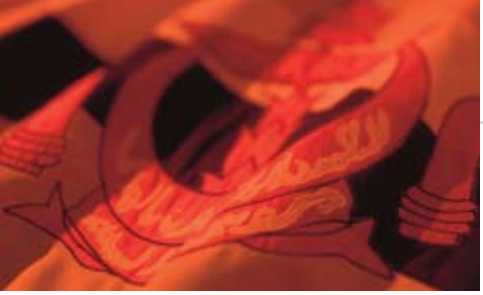
Vietnam 27

ASEAN + 2 Indirect Taxation Summary

Country	Type of indirect tax (VAT/GST/Other)	Standard VAT/ GST rate	Reduced rates, zero rates or exemptions	Voluntary VAT/ GST registration possible for an overseas company?	Does an overseas company need to appoint a fiscal representative?
Brunei Darussalam	None	Not applicable	Not applicable	Not applicable	Not applicable
Cambodia	VAT	10%	Zero-rated supplies Exempt supplies	No	No
China	VAT and Business Tax	17%	Reduced rate of 13 percent Zero-rated supplies Exempt supplies	No	No
Hong Kong	None	Not applicable	Not applicable	Not applicable	Not applicable
India	VAT/Central Sales Tax (CST) Service Tax	VAT - 12.5% / CST - 2% Service Tax - 10.3%	Reduced rates Zero-rated supplies Exempt supplies	Yes	Yes
Indonesia	VAT	10%	Zero-rated supplies Exempt supplies	No	No
Laos	VAT	10%	Zero-rated supplies Exempt supplies	No	No
Malaysia			See page 13		
Myanmar	Commercial Tax	5% - 200%	Reduced rates and exemptions	Not applicable	Not applicable
Philippines	VAT	12%	Zero-rated supplies Exempt supplies	No	No
Singapore	GST	7%	Zero-rated supplies Exempt supplies	Yes	Yes
Thailand	VAT	7%	Reduced rate of 7 percent Zero-rated supplies Exempt supplies	Yes	No
Vietnam	VAT	10%	Reduced rate of 0 percent and 5 percent Exempt supplies	Yes	Yes

VAT/GST grouping possible?	How frequently are VAT/ GST returns submitted?	Can an overseas company recover VAT/ GST if it is not registered for VAT/GST locally?	Is a business required to issue tax invoices (or other special invoices for indirect tax purposes)?	Is it possible to issue invoices electronically?	Is it possible to issue recipient/ buyer created tax invoices	Does a reverse charge mechanism on imported services apply?
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
No	Monthly	No	Yes (to VAT registered buyers)	No	No	No
No	Daily, three daily, five daily ten daily, fifteen daily, monthly, quarterly	No	Yes	Yes	No	No
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
No	VAT/CST return - monthly/ quarterly depending on the State involved Service Tax return - half yearly	No	Yes	No	No	VAT - No Service Tax -Yes
No	Monthly	No	Yes	No	No	Yes
No	Monthly	No	Yes	No	No	Yes
See page 13						
Not applicable	Monthly, Quarterly, Annually	Not applicable	No or Yes		Not applicable	Not applicable
No	Monthly, Quarterly	No	Yes	Yes	No	No
Yes	Monthly, Quarterly, six-monthly	No	Yes	Yes	Yes	Yes (but not applied in practice)
No	Monthly	No	Yes for non-export supplies	Yes	No	Yes
No	Ad hoc, monthly, annually	No	Yes	No	Yes	Yes

ASEAN + 2
Indirect Taxation Country Overview



Brunei Darussalam

General	Type of Indirect tax (VAT/GST/other)	Brunei has very few indirect taxes and no VAT/GST.
	What is the standard VAT/GST rate?	Not applicable
	Who is required to register?	Not applicable
	Are there any reduced rates, zero rates or exemptions?	Not applicable
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	Not applicable
	Does an overseas company need to appoint a fiscal representative?	Not applicable
	Is VAT/GST grouping possible?	Not applicable
VAT/GST compliance	How frequently are VAT/GST returns submitted?	Not applicable
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	Not applicable
Invoices	Is a business required to issue tax invoices?	Not applicable
	Is it possible to issue invoices electronically?	Not applicable
	Is it possible to issue recipient created tax invoices?	Not applicable
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	Not applicable
	Does reverse charge mechanism apply?	Not applicable
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Not applicable
Other indirect taxes	Are there other indirect taxes not commented on above?	• Stamp duty • Customs duty • Property and land taxes.

Cambodia

General	Type of Indirect tax (VAT/GST)	VAT
	What is the standard VAT/GST rate?	10 percent
	Who is required to register for VAT/GST?	An enterprise which makes taxable supplies of goods and services is required to register for VAT if the enterprise meets one of the following criteria: • All types of corporations and importer-exporter and investment enterprises • Any other enterprise with turnover in respect of goods sold exceeding KHR 125 million in a three-month period • Any other enterprise with turnover in respect of services provided exceeding KHR 60 million in a three-month period • Any enterprise which, at the beginning of any three consecutive months, has any government contracts which will produce taxable turnover exceeding KHR 30 million.
	Are there any reduced rates, zero rates or exemptions?	There are no reduced rates. A zero rate applies to goods exported from the Kingdom of Cambodia, services rendered outside the Kingdom of Cambodia and on certain charges in relation to international transportation of people and goods. Exemptions apply to the following: • Public postal services • Certain medical and dental goods and services • Transportation of passengers by a wholly state owned public transportation system • Insurance services • Primary financial services • Articles imported for personal use that are exempt from customs duties • Non-profit activities in the public interest recognized by the Ministry of Economy and Finance.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	No. From a practical point of view, this is not possible.

	Does an overseas company need to appoint a fiscal representative?	No.
	Is VAT/GST grouping possible?	No.
VAT/GST compliance	How frequently are VAT/GST returns submitted?	VAT returns are required to be lodged and paid on a monthly basis, on or before the 20th day of the following month.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No. An overseas company cannot recover VAT if it is not registered for VAT.
Invoices	Is a business required to issue tax invoices?	Yes, if the buyer is VAT registered.
	Is it possible to issue tax invoices electronically?	No.
	Does reverse charge mechanism apply?	No.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	No.
	Does reverse charge mechanism apply?	No.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	No.
Other indirect taxes	Are there other indirect taxes not commented on above?	Yes, other indirect taxes include: • Customs duty • Property tax • Tax on unused land • Stamp duty • Accommodation tax • Specific tax on certain merchandise and services • Tax on public lighting.

India

General	Type of Indirect tax (VAT/GST)	• A federal GST is proposed to be introduced in 2011 • VAT/Central Sales Tax('CST') - On local/interstate sales of goods in India • Service Tax - On supply of specified services in India.[3]
	What is the standard VAT/GST rate?	• VAT - 12.5 percent[4]/CST - 2 percent[5] • Service Tax - 10.3 percent.
	Who is required to register?	Generally, any person selling goods or providing services beyond the specific threshold (VAT - approx. INR 500,000[6], CST - Nil, Service Tax - INR 900,000) is liable to register.
	Are there any reduced rates, zero rates or exemptions?	• Reduced rates are applicable to the sale of specified goods, e.g. industrial inputs and software • Exemption ('nil' rate) is applicable to the sale of specified goods such as vegetables, books and specified services such as road building and bridges • Exports of goods and services are zero rated • Input tax credit (set off) is available for VAT paid against VAT/CST liability in the same State. Input tax credit is also available for Service Tax, excise duty (duty on manufacture) and specified components of customs duty against Service Tax liability.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	Yes. Overseas companies can generally register voluntarily through an agent in India (fiscal representative) - see below.
	Does an overseas company need to appoint a fiscal representative?	Generally, yes.
	Is VAT/GST grouping possible?	No.
VAT/GST compliance	How frequently are VAT/GST returns submitted?	VAT/CST return - monthly/quarterly depending on the State involved. Service Tax return - half yearly.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No.
Invoices	Is a business required to issue tax invoices?	Yes.
	Is it possible to issue invoices electronically?	No.
	Is it possible to issue recipient created tax invoices?	No.

3 Service Tax is applicable on more than 100 types of services. A few services are currently not taxed, e.g. medical services, legal services rendered in court.
4 A few States have increased the general rate to 15%.
5 The 2% CST rate is applicable on specified interstate transactions, e.g. purchase for resale, manufacture, use in telecom network, etc. In other cases, CST is applicable at the rate of VAT applicable on the goods in the State of dispatch.
6 Threshold for the purpose of VAT varies as per the State VAT laws.

Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	• Input tax credit deduction rules under VAT differ depending on the State VAT laws. Some State VAT laws have comparatively more liberal provisions than others. • No input tax credit for CST is available. • Input tax credit for VAT paid on goods used in providing services cannot be utilized against Service Tax liability and vice versa.
	Does reverse charge mechanism apply?	• VAT - No. • Service Tax - Yes.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	• VAT - Reduced rates, exemptions and zero rating may apply for sales from specified areas for specified period, products, capacity, etc. • Service Tax - Reduced rates and exemptions may apply for provision of specified services.
Other indirect taxes	Are there other indirect taxes not commented on above?	Yes, other indirect taxes include: • Excise duty • Customs duty • Entry Tax/Octroi (i.e. municipal levy) • Other local levies including stamp duty, Entertainment Tax and Luxury Tax. **India is proposing to introduce a comprehensive Goods and Service Tax (GST) regime in 2011, which would incorporate most of the taxes/duties mentioned above.**

Indonesia

General	Type of Indirect tax (VAT/GST)	VAT
	What is the standard VAT/GST rate?	10 percent
	Who is required to register for VAT/GST?	Indonesian taxpayers (individuals and companies) carrying out business (that is subject to VAT) with a turnover of more than IDR60 million are required to be registered as a VAT liable company.
	Are there any reduced rates, zero rates or exemptions?	A zero rate is applicable to export of VAT liable goods. An exemption is possible based on Government Regulation and / or Ministry of Finance Regulation for certain businesses and conditions. Certain essential goods and services are exempt from VAT, as well as certain other goods and services.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	No.
	Does an overseas company need to appoint a fiscal representative?	No.
	Is VAT/GST grouping possible?	No. However, a company which has a branch or other offices in Indonesia can centralize its VAT reporting through its head office.
VAT/GST compliance	How frequently are VAT/GST returns submitted?	The VAT return is lodged on a monthly basis no later than the 20th of the month. Electronic monthly filing is also available but not compulsory.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No.
Invoices	Is a business required to issue tax invoices?	Yes.
	Is it possible to issue invoices electronically?	No.
	Is it possible to issue recipient created tax invoices?	No.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	Yes, financial services (banking and financial leasing) are not subject to VAT, therefore a company that is licensed as a bank or a financial leasing company is a non taxable company for VAT purposes.
	Does reverse charge mechanism apply?	No.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Yes, for certain businesses and based on Government Regulation or Ministry of Finance Regulation
Other indirect taxes	Are there other indirect taxes not commented on above?	• Sales tax on luxury goods • Stamp duty • Excise.

Laos

General	Type of Indirect tax (VAT/GST)	VAT
	What is the standard VAT/GST rate?	10 percent
	Who is required to register for VAT/GST?	Business operators who have a minimum annual business turnover of LAK 400 million are required to register for VAT with the tax authority and are required to file VAT returns from the day they are registered in the VAT system.
	Are there any reduced rates, zero rates or exemptions?	There are three rates: A zero rate applies to goods and services for export. Certain goods and services are exempt from VAT, including: • Crop seeds and animals for breeding, pesticides, vaccines, and organic and chemical fertilizers • Certain imports related to air transport • Certain educational operations • Specified financial services operations • Specified medical services • Certain vehicles for specific purposes.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	No.
	Does an overseas company need to appoint a fiscal representative?	No.
	Is VAT/GST grouping possible?	No.
VAT/GST compliance	How frequently are VAT/GST returns submitted?	Monthly. Importers of goods and services have to declare and pay VAT on every importation, at the same time as the declaration of customs duties.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No.
Invoices	Is a business required to issue tax invoices?	Yes. A company shall complete and submit the tax invoice request form issued by the tax authority. The sale price indicated on the tax invoice is the basis of assessing VAT.
	Is it possible to issue invoices electronically?	No.
	Is it possible to issue recipient created tax invoices?	No.

Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	No.
	Does a reverse charge mechanism apply?	Yes.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Yes. The Foreign Investment Law (FIL) provides special tax incentives for foreign investors in Laos.
Other indirect taxes	Are there other indirect taxes not commented on above?	Yes, other indirect taxes include: • Business turnover tax • Excise tax • Customs duty • Stamp duty.

Malaysia

The Malaysia Government has announced its intention to introduce a comprehensive GST to replace the existing services tax and sales tax on goods. Businesses have been told that they have 12 to 18 months to prepare for the transition. At the time of writing however, the draft GST Bill's second reading, which was scheduled for March 2010, has been postponed. The chairperson of the Tax Review Panel at the Finance Ministry, Datuk Kamariah Hussain, has indicated that the postponement does not mean that the GST will not be implemented, but that the government intends to use the opportunity to undertake more roadshows to raise public awareness of the need for the GST.

General	Type of Indirect tax (VAT/GST)	The Malaysia Goods and Services Tax Bill 2009, which would implement GST and replace the current sales and services tax regimes, has been tabled for a second reading in Parliament. As such, **implementation will likely be delayed until mid to late 2011 or 2012. The comments below assume that this law will come into force in the future.**
	What is the standard VAT/GST rate?	It is anticipated that the standard GST rate will be introduced at 4%.
	Who is required to register for VAT/GST?	Though, the threshold was not included in the Bill; likely, businesses with annual turnover exceeding RM 500,00 will be required to resister for GST.
	Are there any reduced rates, zero rates or exemptions?	Yes. The exceptions are expected to include a range of services provided by financial institutions, educational and health-care organizations and providers of public transport, as well as residential real estate. No GST will be charged on these supplies, but there is no entitlement to an input tax credit for GST incurred either. Small and medium-sized enterprises (revenue below RM 500,000) are expected to be exempt from the GST. In addition to exports of goods and services, certain basic food products and utilities for domestic users (i.e. electricity and water) are expected to be zero-rated in order to minimize the impact of the GST on lower income earners. Suppliers of zero-rated supplies will likely be eligible to claim GST paid on business inputs.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold?	Yes. Voluntary registration is possible for an overseas company if the company satisfies the Director General that the company is carrying on business and the company makes a taxable supply or intends to make a taxable supply.
	Does an overseas company need to appoint a fiscal representative?	No.
	Is VAT/GST grouping possible?	Yes. Companies can be treated as members of a group if certain conditions are met (e.g., each member nominates the same representative). For companies that successfully register as a group, taxable supplies within the group are disregarded.

VAT/GST compliance	How frequently are VAT/GST returns submitted?	GST returns should be submitted no later than the last day of the month following the entity's taxable period.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No. The Bill states that "[a]ny taxable person is entitled to a credit for so much of his input...to be deducted from any output tax that is due from him." A "taxable person" is a person who is currently registered or is liable to be registered under the Bill (i.e. a company with annual turnover exceeding RM 500,000).
Invoices	Is a business required to issue tax invoices?	Yes. Generally, every registered person who makes a taxable supply of goods or services in Malaysia must issue a tax invoice.
	Is it possible to issue tax invoices electronically?	Yes. Tax invoices can be issued electronically if all required information is included on the electronic invoice. The invoice must be transmitted or made available to the customer by electronic means or delivered on material other than paper to the customer.
	Is it possible to issue recipient created tax invoices?	Yes, with prior approval of the Director General.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	No.
	Does reverse charge mechanism apply?	Yes. For GST, under the reverse charge mechanism, the recipient of the import services is treated as having made the supply to himself and accounts for the output tax. The recipient may then claim the corresponding input tax incurred by him, subject to certain conditions.
	Are there indirect tax incentives available?	Yes. The Malaysian Government has amended the domestic Income Tax Act, 1967 and issued Statutory Exemption Orders to provide incentives to specified professionals and businesses providing professional services to offshore companies.
Other indirect taxes	Are there indirect tax incentives available?	• Customs duty • Stamp duty • Excise duty.

Myanmar

General	Type of Indirect tax (VAT/GST/other)	Commercial Tax; no VAT/GST
	What is the standard VAT/GST rate?	Varies from 5% to 200% depending on type of goods and services.
	Who is required to register for VAT/GST?	All enterprises engaged in the production of goods and services in Myanmar are required to register.
	Are there any reduced rates, zero rates or exemptions?	Yes. Reduced rate is applied to specific types of goods which are produced from approved industrial zones. The reduced commercial rate would be limited to a maximum of 20%. The exemption from tax or any relief therefrom is limited to three consecutive years. An exemption may be authorized by the Internal Revenue department for newly established businesses or for export businesses as an incentive (granted on case-by-case basis).
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold?	Not applicable
VAT/GST compliance	Does an overseas company need to appoint a fiscal representative?	Not applicable
	Is VAT/GST grouping possible?	Not applicable
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	Not applicable
Invoices	Is a business required to issue tax invoices?	No.
	Is it possible to issue tax invoices electronically?	Not applicable
	Is it possible to issue recipient created tax invoices?	Not applicable
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	For import of goods, commercial tax is collected by the Myanmar Customs Department.
	How frequently are VAT/GST returns submitted?	Monthly, on the tenth day of the following month. Quarterly, within one month of the end of the respective quarter. Annually, within three months of the end of the respective year for the purpose of final assessment.

	Does reverse charge mechanism apply?	Not applicable
	Are there indirect tax incentives available?	Yes. Reduced rates and tax holidays are granted in respect of the production of goods from approved industrial areas. The exemption rate is granted to newly established businesses and exporters.
Other indirect taxes	Are there indirect tax incentives available?	• Customs duty • Stamp duty • Excise duty • Capital duty.

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People’s Republic of China

China

General	Type of Indirect tax (VAT/GST)	VAT
	What is the standard VAT/GST rate?	17 percent
	Who is required to register for VAT/GST?	Entities and individuals who sell goods or provide processing, repair and replacement services and who import goods within China are subject to VAT. There are two kinds of taxpayers - general taxpayers and small-scale taxpayers. A small-scale taxpayer is: • a taxpayer who produces goods or provides taxable services, or who engages mainly in production of goods or provision of taxable services, with an annual taxable turnover of RMB 500,000 or less; or • any taxpayer not covered above, with an annual taxable turnover of RMB 800,000 or less. Taxpayers other than small-scale taxpayers can apply to the tax authorities for certification as a general taxpayer.
	Are there any reduced rates, zero rates or exemption?	A reduced rate of 13 percent applies where a taxpayer sells or imports the following goods: • Foodstuff, edible vegetable oils • Tap water, heating, air conditioning, hot water, coal gas, liquefied petroleum gas, natural gas, methane gas, charcoal products for household use • Books, newspapers, magazines • Forage, chemical fertilizers, pesticides, farm machinery, plastic films for farming • Other goods specified by the State Council. Where a taxpayer exports goods, a zero rate applies, except where the State Council prescribes otherwise. The following items are exempt from VAT: • Agricultural products produced and sold and agriculture producers themselves • Contraceptive medicines and devices • Antique books • Imported instruments and equipment that are directly used for scientific research, scientific experimentation and education • Imported materials and equipment provided by foreign governments and international organizations as free aids • Articles directly imported by organizations for the disabled and for the special use of the disabled.

VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	No.
	Does an overseas company need to appoint a fiscal representative?	No. Where an overseas company or individual provides taxable services in China, and it does not have any business establishments in China, its representative in China is the withholding agent. If the overseas company or individual does not have any representatives in China, the purchaser is the withholding agent.
	Is VAT/GST grouping possible?	No.
VAT/GST compliance	How frequently are VAT/GST returns submitted?	The VAT payment periods range from one day, three days, ten days, 15 days, monthly and quarterly. Where it is impractical for a taxpayer to pay tax based on a fixed payment period, the taxpayer may be entitled to pay tax on an incidental basis. Where a taxpayer's VAT period is monthly or quarterly, VAT has to be paid within 15 days following the end of the VAT period. For all other VAT periods outlined above, provisional VAT has to be paid within five days following the end of the VAT period. Subsequently, the taxpayer has to declare, pay and settle in full the exact VAT due for the preceding month within 15 days from the start of the following month.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No.
Invoices	Is a business required to issue tax invoices?	Yes.
	Is it possible to issue invoices electronically?	Yes, but only via machines purchased from the tax authorities.
	Is it possible to issue recipient created tax invoices?	No.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	Yes, China has a Business Tax (BT) in addition to VAT. A company or individual providing BT taxable services (other than processing and repair services which fall under the VAT regime) or disposal of intangible assets or immovable properties are BT taxpayers. BT rates range from 3 percent to 20 percent depending on the nature of the taxable services. BT returns should be filed and tax payments should be made on a monthly basis, within 15 days after the end of each month.
	Does reverse charge mechanism apply?	No.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	No.
Other indirect taxes	Are there other indirect taxes not commented on above?	Yes, other indirect taxes include: • Consumption tax • Customs duty • Stamp duty.

Hong Kong

General	Type of Indirect tax (VAT/GST/other)	Hong Kong has very few indirect taxes and no VAT/GST.
	What is the standard VAT/GST rate?	Not applicable
	Who is required to register?	Not applicable
	Are there any reduced rates, zero rates or exemptions?	Not applicable
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	Not applicable
	Does an overseas company need to appoint a fiscal representative?	Not applicable
	Is VAT/GST grouping possible?	Not applicable
VAT/GST compliance	How frequently are VAT/GST returns submitted?	Not applicable
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	Not applicable
Invoices	Is a business required to issue tax invoices?	Not applicable
	Is it possible to issue invoices electronically?	Not applicable
	Is it possible to issue recipient created tax invoices?	Not applicable
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	Not applicable
	Does reverse charge mechanism apply?	Not applicable
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Not applicable
Other indirect taxes	Are there other indirect taxes not commented on above?	• Stamp duty • Excise duty • Property taxes.

Philippines

General	Type of Indirect tax (VAT/GST)	VAT
	What is the standard VAT/GST rate?	12 percent
	Who is required to register for VAT/GST?	Any person who, in the course of trade or business in the Philippines, sells, barters or exchanges goods or properties or engages in the sale or exchange of services shall be required to register if: • Gross sales or receipts for the past 12 months have exceeded PHP1.5 million (other than those that are exempt under the Tax Code) or • There are reasonable grounds to believe that gross sales or receipts for the next 12 months, other than those that are exempted under the Tax Code, will exceed PHP1.5 million.
	Are there any reduced rates, zero rates or exemption?	Zero-rated sales include: • Export sales • Foreign currency denominated sales • Sales to persons or entities deemed tax-exempt under special law or international agreement. VAT-exempt sales generally include: • Sale or lease of goods or properties or the performance of services with gross annual sales and/or receipts not exceeding PHP1.5 million • Sales by agriculture cooperatives to their members • Real property not primarily held for sale to customers or held for lease in the ordinary course or trade of business • Real property utilized for low-cost housing and social housing • Leasing of residential units with a monthly rental per unit exceeding PHP 10,000.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	No. Voluntary VAT registration of a non-resident company in the Philippines is not possible, especially if the company does not sell goods or provide services in the Philippines.
	Does an overseas company need to appoint a fiscal representative?	No.
	Is VAT/GST grouping possible?	No, there is no grouping in the Philippines for VAT purposes.

VAT/GST compliance	How frequently are VAT/GST returns submitted?	VAT returns shall be filed on a monthly and quarterly basis. The monthly VAT declarations are filed for the first two months of each quarter, while the quarterly VAT returns reflect the cumulative figures for the taxable quarter.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No.
Invoices	Is a business required to issue tax invoices?	A VAT-registered person is required to issue: • A VAT invoice for every sale, barter or exchange of goods or properties; or • A VAT official receipt for every lease of goods or properties, and for every sale, barter or exchange of services.
	Is it possible to issue invoices electronically?	Yes, e-invoicing is permitted, including e-credit notes.
	Is it possible to issue recipient created tax invoices?	No.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	• Withholding of VAT on sales to Government • Transitional Input Tax • Presumptive Input Tax.
	Does reverse charge mechanism apply?	No.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Entities registered with the Philippines Economic Zone Authority (PEZA) enjoy a 5 percent preferential tax rate on gross income and are exempt from indirect tax.
Other indirect taxes	Are there other indirect taxes not commented on above?	• Percentage taxes • Excise tax • Customs duties.

Singapore

General	Type of Indirect tax (VAT/GST)	GST
	What is the standard VAT/GST rate?	7 percent
	Who is required to register?	Generally, a person who makes or expects to make more than SGD 1 million of taxable supplies in a 12-month period is required to register for GST.
	Are there any reduced rates, zero rates or exemptions?	Zero-rated supplies include: • Certain international services • Export of goods • Supplies of certain tools, machinery and prototypes. Exempt supplies include a defined set of financial services and the sale or lease of residential property.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	Generally, voluntary GST registration is possible for an overseas company if it makes taxable supplies in Singapore.
	Does an overseas company need to appoint a fiscal representative?	Yes, if the overseas company does not have a branch in Singapore.
	Is VAT/GST grouping possible?	Yes, subject to certain requirements.
VAT/GST compliance	How frequently are VAT/GST returns submitted?	GST returns are lodged quarterly. A request can be made to the Comptroller of GST to allow the GST registered entity to lodge its returns monthly or half-yearly.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No.
Invoices	Is a business required to issue tax invoices?	GST registered businesses are required to issue tax invoices for standard-rated supplies made to a taxable person.
	Is it possible to issue invoices electronically?	Yes, subject to meeting certain requirements.
	Is it possible to issue recipient created tax invoices?	Yes, subject to meeting certain requirements.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	Yes. There are a number of GST schemes that are developed locally to address the concerns faced by GST registered businesses. Please see indirect tax incentives below.
	Does reverse charge mechanism apply?	The GST law provides for a reverse charge mechanism. However, the Ministry for Finance has not prescribed any services for the purpose of the reverse charge.

	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Yes. There are GST schemes in place. For example, some help to alleviate the cash flow problems of GST registered businesses by suspending the payment of GST on importation of goods. Examples include the Major Exporter Scheme (MES), Approved Third Party Logistics Company Scheme (A3PL) as well as the Approved Contract Manufacturer and Trader Scheme (ACMT). The ACMT also allows for value added activities provided by an ACMT trader on goods consigned from an overseas customer to be disregarded for GST purposes. In the case of the Approved Marine Fuel Trader Scheme (AMFT), approved businesses need not pay GST on the local purchase of marine fuel oil.
Other indirect taxes	Are there other indirect taxes not commented on above?	Yes. Other indirect taxes include: • Customs duty • Stamp duty.

Thailand

General	Type of Indirect tax (VAT/GST)	VAT
	What is the standard VAT/GST rate?	7 percent (reduced rate is considered on yearly basis). This is a temporary rate, reduced from the standard rate of 10 percent, introduced by a special Royal Decree valid until September 30, 2010).
	Who is required to register?	A supplier carrying on the businesses of selling goods and providing services must register for VAT if the tax base of its business exceeds THB 1.8 million.
	Are there any reduced rates, zero rates or exemptions?	A zero rate applies to certain transactions, including: • Export sales • Provision of services performed in Thailand and used in foreign countries • Provision of international transport services by aircraft or sea-going vessels • Certain sales of goods or provision of services within customs free zone. Certain supplies are exempt from VAT including: • Fertilizers • Newspaper, magazines or textbooks • Educational services • Healthcare services • Services of domestic transport • Services of international transport by land • Rent of an immovable property • Sales of goods or provision of services by a ministry, sub-ministry or department • Imports of goods brought into a customs free zone.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	Yes.
	Does an overseas company need to appoint a fiscal representative?	Yes.
	Is VAT/GST grouping possible?	No.
VAT/GST compliance	How frequently are VAT/GST returns submitted?	Monthly. All registered VAT operators are required to account for VAT submitting VAT return forms on a monthly basis. Any VAT due is liable to be paid on or before the 15th day of the following month.

VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally?	No.
Invoices	Is a business required to issue tax invoices?	Yes, if is non-export
	Is it possible to issue invoices electronically?	Yes.
	Is it possible to issue recipient created tax invoices?	No.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	No.
	Does reverse charge mechanism apply?	Yes.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Yes.
Other indirect taxes	Are there other indirect taxes not commented on above?	Yes, other indirect taxes include: • Specific Business Tax • Customs duty • Excise duty • Stamp duty

Vietnam

General	Type of Indirect tax (VAT/GST)	VAT
	What is the standard VAT/GST rate?	10 percent
	Who is required to register?	Organizations and individuals: • Producing and trading VAT taxable goods and services in Vietnam, irrespective of the line, form or organization of business • Importing VAT taxable goods or purchasing VAT taxable services from overseas.
	Are there any reduced rates, zero rates or exemptions?	Yes. The reduced rates are as follows: • 0 percent - Goods and services exported or sold to non-tariff zone • 5 percent - 15 categories of goods and services, including fertilizers, fresh foodstuffs, specialized medical equipment, public culture training, and scientific and technological services. Exempt supplies include products of cultivation, aquaculture or fishing, life insurance, financial, medical, public postal or telecommunication services, education and vocational training, publications, and public passenger transportation.
VAT/GST registration	Is voluntary VAT/GST registration possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST registration threshold)?	Yes. An overseas company can register to pay VAT either under the tax credit method (i.e. output less input) or deemed value added method. The overseas company can register under the tax credit method if all of the following apply: • It has a permanent establishment in Vietnam • The period of conducting business in Vietnam pursuant to the contract is 183 days or more • It adopts the Vietnamese Accounting System. Note: this only applies to foreign contractors who have a contract with a Vietnamese entity and are regulated under the withholding tax regulations. A foreign entity cannot register merely for the purpose of claiming refunds.
	Does an overseas company need to appoint a fiscal representative?	Under the deemed value added method, the payer (i.e. the Vietnamese contracting party) is required to register for VAT, calculate the deemed VAT payable based on specific value added base and pay VAT to the tax authorities on behalf of the overseas company, before making any payment to the overseas company.
	Is VAT/GST grouping possible?	No.

VAT/GST compliance	How frequently are VAT/GST returns submitted?	In general: • Monthly VAT returns to be lodged no later than the 20th of the following month under the tax credit method • Annual finalization returns for enterprises adopting the deemed value added method. For overseas companies: • Provisional VAT returns to be lodged by the payer within 10 days from the date of making overseas payment under the deemed value added method • VAT finalization returns to be lodged by the payer within 45 days from end of the contract under the deemed value added method.
VAT/GST recovery	Can an overseas company recover VAT/GST if it is not registered for VAT/GST locally	No.
Invoices	Is a business required to issue tax invoices?	Yes.
	Is it possible to issue invoices electronically?	No. Tax invoices must be either the self-printed invoice registered with tax authorities or standard invoices purchased from tax authorities.
	Is it possible to issue recipient created tax invoices?	Yes, in special circumstances.
Special indirect tax rules	Are there unique country specific indirect tax rules that differ from "standard" indirect tax rules in other jurisdictions?	Export processing enterprises are not subject to the VAT regime. Export services are (effectively) not zero rated.
	Does reverse charge mechanism apply?	Yes, in certain circumstances.
	Are there indirect tax incentives available? (e.g. reduced rates, tax holiday)?	Yes, a company is entitled to indirect tax incentives when exempted from import duties, in accordance with laws and regulations on import and export duty.
Other indirect taxes	Are there other indirect taxes not commented on above?	Yes, other indirect taxes include: • Special sales tax • Import and export duties.

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Publication date: June 2010