



Cheng & Co
GROUP



Simplified Guide To The Transition Of

Sales And Service Tax Rate Changes

SCENARIO 1

In the case where the entire taxable service is provided **before 1/3/2024**, and the entire payment is received **before 1/3/2024**.

Before 1/3/2024			On/ after 1/3/2024			SST Rate Applied
Service provided	Total invoice issued	Total payment received	Service provided	Total invoice issued	Total payment received	
10,000	10,000	10,000				6%

SCENARIO 2

In the case where the entire taxable service is **provided before 1/3/2024**, and the entire payment is received on or after 1/3/2024.

Before 1/3/2024			On/after 1/3/2024			SST Rate Applied
Service provided	Total invoice issued	Total payment received	Service provided	Total invoice issued	Total payment received	
10,000	10,000				10,000	6%

SCENARIO 3

In the case where the entire taxable service is provided before 1/3/2024:

- a. A portion of the payment is received **before 1/3/2024**.
- b. A portion of the payment is received **on or after 1/3/2024**.

Before 1/3/2024			On/after 1/3/2024			SST Rate Applied
Service provided	Total invoice issued	Total payment received	Service provided	Total invoice issued	Total payment received	
10,000	6,000	6,000		4,000	4,000	6%

SCENARIO 4

In the case where the entire taxable service is **fully provided on or after 1/3/2024**, and the entire payment is **received before 1/3/2024**.

Before 1/3/2024			On/after 1/3/2024			SST Rate Applied
Service provided	Total invoice issued	Total payment received	Service provided	Total invoice issued	Total payment received	
	10,000	10,000	10,000			6%

SCENARIO 5

In the case where the entire taxable service is **fully provided on or after 1/3/2024**, and the entire payment **is received on or after 1/3/2024**.

Before 1/3/2024			On/after 1/3/2024			SST Rate Applied
Service provided	Total invoice issued	Total payment received	Service provided	Total invoice issued	Total payment received	
	10,000		10,000		10,000	8%

SCENARIO 6

In the case where the entire taxable service is fully provided on or after 1/3/2024:

- a. A portion of the payment is **received before 1/3/2024**.
- b. A portion of the payment is **received on or after 1/3/2024**.

Before 1/3/2024			On/after 1/3/2024			SST Rate Applied
Service provided	Total invoice issued	Total payment received	Service provided	Total invoice issued	Total payment received	
	10,000	4,000 (6%)	10,000		6,000 (8%)	Apportionment

SCENARIO 7

In the case where taxable services are **provided before 1/3/2024, and extend beyond 1/3/2024**, SST is applied on an apportionment basis as follows:

- a. For taxable services **provided before 1/3/2024**, SST is applied at a rate of 6%; and
- b. For taxable services **provided on or after 1/3/2024**, service tax is applied at a rate of 8%.

However, **any payment received before 1/3/2024**, for services provided on or after 1/3/2024, is subject to a service tax at a rate of 6% on the value of the payment received before 1/3/2024.

Before 1/3/2024			On/after 1/3/2024			SST Rate Applied
Service provided	Total invoice issued	Total payment received	Service provided	Total invoice issued	Total payment received	
2,000	12,000	12,000 (6%)	10,000			Apportionment
6,000 (6%)	36,000	18,000 (Balance 12,000 @ 6%)	30,000		18,000 (8%)	
2,000 (6%)	12,000		10,000 (8%)		12,000	
6,000 (6%)	36,000		30,000 (8%)		36,000	