GST Registration: Retrospective vs Prospective Tests

Description

The retrospective test looks back at taxable turnover for a calendar year; the prospective test applies when the business reasonably expects taxable turnover to exceed S$1 million in the next 12 months. Both require a documented calculation, but their trigger and effective dates differ.

Start with the decision table

Situation	Decision signal
2026 calendar-year taxable turnover exceeds S$1 million	Retrospective liability at year end; apply within IRASâ??s window
Signed contracts make the next 12 months exceed S$1 million	Prospective test can trigger before year end
Forecast is only an unsupported sales target	Document why the expectation is reasonable
Revenue includes exempt or out-of-scope items	Classify before treating all revenue as taxable turnover
Business crosses threshold late	Do not start charging GST before the effective registration date

Separate the two tests

IRAS GST registration liability gives distinct retrospective and prospective rules. Run both each month near the threshold so a forward-looking contract is not missed while finance waits for year-end accounts.

Taxable turnover is a classification exercise

IRAS GST registration form guide distinguishes taxable, exempt and out-of-scope supplies and supplies to include across relevant business activities. Map every revenue line to evidence.

A forecast needs objective support

Use signed contracts, accepted orders, recurring revenue and a defendable pipeline. Keep the version and date when management could reasonably expect the threshold to be exceeded.

Application and charging dates are not the same concept

Apply within the published deadline. IRAS determines the effective registration date; invoices before and after that date must be handled correctly.

Late detection has customer consequences

A backdated liability can require GST to be accounted for even where it was not collected. Escalate immediately to a qualified tax adviser and IRAS rather than quietly changing later invoices.

Worked application

Worked case: S$920,000 of taxable turnover in the last calendar year does not trigger the retrospective limb. If confirmed contracts now support S$1.08 million over the coming 12 months, the prospective limb may trigger. The two numbers answer different questions; retain the contract schedule and calculation date.

Action checklist

1. Classify every revenue stream
2. Aggregate the correct businesses and activities
3. Run retrospective and prospective calculations
4. Save contracts supporting the forecast
5. Record the trigger and application deadline
6. Wait for the effective date before charging
7. Reconcile invoices and InvoiceNow obligations

Keep a decision record another person can audit

The reader task is specific: identify which compulsory-registration test is triggered and act by the correct date. Create a short file showing the controlling fact, when it was checked, the evidence retained and who owns the next action. A changed date, amount, person, address, service screen or eligibility result can alter the outcome even when the broad rule stays the same.

#	Control	Evidence	Failure signal

1	Classify every revenue stream	Authority readback	Using total accounting revenue blindly
2	Aggregate the correct businesses and activities	Dated statement or screen	Checking only at year end
3	Run retrospective and prospective calculations	Calculation inputs	Treating a budget as proof
4	Save contracts supporting the forecast	Written approval	Charging GST before registration
5	Record the trigger and application deadline	Receipt or reference	Ignoring a late-registration exposure
6	Wait for the effective date before charging	Photo or versioned document	Using total accounting revenue blindly
7	Reconcile invoices and InvoiceNow obligations	Outcome check	Checking only at year end

The two original tools in this guideâ??a two-limb threshold worksheet and a s$920,000 versus s$1.08 million worked caseâ??do different jobs. The first structures the choice; the second tests it against a concrete case. Neither should be copied into another case without refreshing every input and recording the extraction date.

What the primary sources establish

Source	Claim used	Freshness control
IRAS GST registration liability	S$1 million tests, application periods and effective-date treatment.	Checked 2026-07-18; re-open before acting
IRAS GST registration form guide	Taxable-supply classification, evidence and application inputs.	Checked 2026-07-18; re-open before acting

These sources are linked beside the claims they support. If a live service, formal notice, contract or officerâ??s written response differs from a general page, keep both and ask which newer fact or rule produces the difference. Do not choose the more convenient answer without resolving that conflict.

For adjacent questions, continue with our key employment terms checklist and company-secretary deadline guide. Each serves a separate next-step intent.

Run a final verification before committing

Start with the first decision signal in the table: **2026 calendar-year taxable turnover exceeds S$1 million**. Confirm whether the present facts really support â??retrospective liability at year end; apply within irasâ??s windowâ?•. Then test the opposite edge caseâ??**Business crosses threshold late** â??because that is where an apparently simple plan can fail. Write the answer in plain language and attach the dated evidence; do not leave an unspoken assumption in a spreadsheet cell.

Next, ask another adult or colleague to reproduce the worked application without seeing the result. Give that person only the source links and inputs. If the answer changes, identify whether the difference comes from arithmetic, definition, timing or judgement. Recalculate using the live figure, retain both versions and state why the later one controls. This check is especially important when the choice depends on IRAS GST registration liability and IRAS GST registration form guide.

Finally, rehearse the first three actionsâ??classify every revenue stream; aggregate the correct businesses and activities; run retrospective and prospective calculationsâ??and set a stop point before any payment, filing, booking, upload or irreversible instruction. The stop point is reached if a required approval is absent, a source has changed, the named person cannot confirm the facts, or the downside in â??using total accounting revenue blindlyâ?• is still possible. This makes the guide usable under pressure and gives the next person enough context to continue without guessing.

Errors that change the outcome

- Using total accounting revenue blindly
- Checking only at year end
- Treating a budget as proof
- Charging GST before registration
- Ignoring a late-registration exposure

Keep the dated authority pages, calculation inputs, confirmations and advice used for the decision. This article applies public information to a general fact pattern and does not determine an individual application, contract, tax position, medical need or legal dispute. Recheck the primary source immediately before acting.

Questions readers ask

Is the threshold S$1 million?

IRASâ??s compulsory tests use taxable turnover exceeding S$1 million, subject to the stated rules.

Can the forward test trigger before sales occur?

Yes, where the business can reasonably expect the next 12 months to exceed the threshold.

Should I charge GST as soon as I apply?

Use the effective registration date communicated under IRASâ??s rules, not the application date by assumption.

Date Created
19/07/2026
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