

# **IRAS e-Tax Guide**

## **GST: Guide on Hand-Carried Exports Scheme (3<sup>rd</sup> Edition)**



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OF SINGAPORE

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## **Table of Contents**

1	Overview.....	1
2	Hand-Carried Exports Scheme.....	1
2.1	What are the objectives of the Hand-Carried Exports Scheme? .....	1
2.2	How does the Scheme work? .....	1
2.3	What are the conditions of the Scheme?.....	2
2.4	Who can hand-carry the goods out of Singapore under the Scheme?.....	3
3	Making a sale under the Scheme and reporting the sale in the GST return .....	3
3.1	What must the GST-registered person do at the time of sale and how should he report the sale in his GST return? .....	3
3.2	What must the carrier do at the airport? .....	5
4	Declaring exports of goods under the Scheme .....	6
4.1	What information is required on the export permit? .....	6
5	Zero-rating a supply under the Scheme.....	7
5.1	What must the local supplier do when he receives the export permit endorsed by SC? .....	7
5.2	If the local supplier has charged and collected GST from the customer at the time of sale, what must he do to claim back the output tax which he has already accounted to the Comptroller for the sale?.....	7
5.3	What types of documents and records need to be maintained?.....	8
6	Offences.....	8
6.1	What are the offences under this Scheme? .....	8
7	Exemption from the Scheme.....	9
7.1	What can the local supplier do if for business reasons, the goods that have to be hand-carried out of Singapore cannot be inspected by Singapore Customs at the airport? .....	9
8	Contact information.....	10
	Appendix 1: Summary on what the local supplier should do when he files his GST return for the prescribed accounting period in which the sale takes place .....	11
	Appendix 2: GST F17 – Application for Exemption from Hand-Carried Exports Scheme.....	12
	Appendix 3: List of compulsory documents to be maintained by GST-registered persons who are exempted from the Scheme.....	16
	Appendix 4: Specimen format of the carrier’s declaration for goods hand-carried out of Singapore via Changi International Airport.....	17
	Appendix 5: Frequently Asked Questions (FAQ).....	18

### 1 Overview

- 1.1 With effect from 1 April 2009, the zero-rating of supply of goods hand-carried out of Singapore via Changi International Airport is governed under section 21(7) of the GST Act and Regulation 105A of the GST (General) Regulations; this will be known as the Hand-Carried Exports Scheme (referred to as “the Scheme” in this guide). Such supplies of hand-carried goods will no longer be allowed to be zero-rated under section 21(6) of the GST Act.
- 1.2 This guide sets out the kinds of documentary evidence needed for goods hand-carried out of Singapore via Changi International Airport, before the supplies of such goods can be zero-rated for GST purposes. This Scheme is **compulsory** for all GST-registered persons who export their goods by hand-carrying them out of Singapore via Changi International Airport and wish to zero-rate the supplies of such goods.
- 1.3 This guide:
- (a) explains the objectives of the Scheme;
  - (b) describes how the Scheme works;
  - (c) states the export documents to be maintained under this Scheme to support the zero-rating of supplies for GST purposes; and
  - (d) should be read together with the e-Tax Guide “A Guide on Exports”<sup>1</sup>.

### 2 Hand-Carried Exports Scheme

- 2.1 What are the objectives of the Hand-Carried Exports Scheme?
- 2.1.1 The Hand-Carried Exports Scheme is introduced to meet the following objectives:
- (a) To guide GST-registered persons in obtaining the required documentary proof that goods are hand-carried out of Singapore via Changi International Airport; and
  - (b) To assure the Comptroller of GST that the goods are indeed exported out of Singapore via Changi International Airport.
- 2.2 How does the Scheme work?
- 2.2.1 Under this Scheme, the hand-carried goods must be supported by a valid export permit<sup>2</sup>. The same goods must also be presented to the designated counters of Singapore Customs (referred to as “SC” in this guide) at the

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<sup>1</sup> This guide states the export documents that are required to be maintained to support the zero-rating of supplies for GST purposes under different export scenarios. For more information, please refer to the guide that is available on <http://www.iras.gov.sg>.

<sup>2</sup> Export permit is also known as “Out Permit” or “Cargo Clearance Permit”.

## **GST: Guide on Hand-Carried Exports Scheme**

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airport for inspection. After SC has inspected the goods, SC will endorse on the export permit if SC is satisfied that the goods tally with the quantity and description declared in the permit.

- 2.2.2 GST-registered persons who zero-rate their supplies of hand-carried goods under this Scheme must retain the export permit endorsed by SC as proof of their exports.
- 2.2.3 As compliance with this Scheme is mandatory for the zero-rating of all hand-carried exports via Changi International Airport, GST-registered persons would need to apply to the Comptroller for exemption from the Scheme if they meet the qualifying conditions (see paragraph 7) and wish to be exempted from the Scheme.
- 2.2.4 This Scheme is compulsory for goods hand-carried out of Singapore via Changi International Airport. It does not apply to:
- (a) goods that are hand-carried out of Singapore via Seletar Airport, sea or land. GST-registered persons are required to maintain the export documents listed in the e-Tax Guide “A Guide on Exports” for their hand-carried exports made via Changi International Airport before 1 April 2009, Seletar Airport, sea or land.
  - (b) goods that are purchased by departing passengers from shops located after the immigration check-in area of Changi International Airport<sup>3</sup>.

### **2.3 What are the conditions of the Scheme?**

The GST-registered person, as a local supplier, must comply with all the conditions set out in this guide when selling the goods to an overseas customer. The conditions of this Scheme are as follows:

- (a) The goods must be hand-carried out of Singapore via the Changi International Airport.
- (b) The GST-registered person must take up a valid export permit for the goods to be hand-carried out of Singapore. (See paragraph 4)
- (c) The person bringing the goods out of Singapore (referred to as “the carrier” in this guide) must produce the valid export permit together with the goods and the supporting invoice(s) / tax invoice(s) to SC at the airport.
- (d) The carrier must bring the goods with him out of Singapore either in his hand luggage or check-in luggage.

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<sup>3</sup> GST-registered persons operating retail shop(s) in the restricted area of the airport can zero-rate their supplies of goods made to departing passengers. Such retailers must sight the passenger's passport and boarding pass at the time of sale to verify that the passenger is indeed departing Singapore, before the sale can be zero-rated.

- (e) The carrier must depart from Singapore within 12 hours after getting the endorsement by SC on the export permit.
- (f) The GST-registered person must obtain the export permit bearing the original endorsement of SC within 60 days of the date of the supply of his goods (to be determined based on the time of supply rules) and maintain this document to support the zero-rating of his supplies.
- (g) If the GST-registered person has charged and collected GST from the customer for the sale but has yet to receive the endorsed export permit at the time of filing his GST return for the prescribed accounting period in which the sale takes place, he must account for output tax on the sale in his GST return. He can only reduce his output tax in the GST return when he receives the endorsed export permit and has refunded the tax to the overseas customer. (See paragraph 3.1 and 5.2)
- (h) The GST-registered person must keep the appropriate proof and comply with the accounting and record-keeping requirements. (See paragraph 5.3)

2.4 Who can hand-carry the goods out of Singapore under the Scheme?

2.4.1 Under this Scheme, the carrier of the goods must be 16 years of age or above at the time of presenting the goods to Singapore Customs at the airport.

2.4.2 The carrier who brings the goods out of Singapore can be a local person or a foreign person. He can be:

- (a) the local supplier himself;
- (b) the overseas customer; or
- (c) a person who is appointed and authorised by the GST-registered supplier or the overseas customer to bring the goods out of Singapore (e.g. employee or representative).

### **3 Making a sale under the Scheme and reporting the sale in the GST return**

3.1 What must the GST-registered person do at the time of sale and how should he report the sale in his GST return?

3.1.1 The GST-registered person must issue invoice / tax invoice to the overseas customer for the sale of the goods. The local supplier has the following options:

- (a) Charge GST at the prevailing tax rate and collect the GST from the overseas customer. The local supplier must issue invoice / tax invoice to the overseas customer. The supplier must report the value of sale in Box 1 "Total value of standard-rated supplies" and the corresponding GST collected in Box 6 "Output tax due" of his GST return for the

prescribed accounting period in which the sale takes place if he has not received the endorsed export permit at the time of filing his GST return.

The supplier should also agree with the customer on whether any administrative fee is involved and how the refund of GST will be made after the supplier receives the export permit endorsed by SC (see paragraph 5 on what the local supplier should do to zero-rate the supply and claim back the output tax previously accounted to the Comptroller upon receiving the export permit endorsed by SC); or

- (b) Not to charge and collect GST from the overseas customer at the time of sale. If the local supplier's GST return is due to be filed within 60 days of the date of his supply, he can report the sale as zero-rated supply provisionally in his GST return for the prescribed accounting period in which the sale takes place.

However, if he does not receive the endorsed export permit within the 60-days period, he must standard-rate the supply and account for the output tax using the tax fraction (7/107) either by filing GST F7 for the prescribed accounting period in which the sale takes place or in his next GST return (subject to the conditions for filing GST F7).

Appendix 1 summarizes what the local supplier should do when he files his GST return for the prescribed accounting period in which the sale takes place.

3.1.2 After issuing the invoice(s) / tax invoice(s) to the overseas customer, the local supplier should:

- (a) confirm that the carrier is leaving Singapore with the goods via the airport;
- (b) declare the goods in an export permit via TradeNet. The local supplier should give the carrier both his invoice(s) / tax invoice(s) and the completed export permit. He should also keep a copy of these documents as his records;
- (c) provide the carrier a self-addressed envelope with prepaid postage for the carrier to return the export permit endorsed by SC;
- (d) inform the carrier to produce the goods together with the invoice(s) / tax invoice(s) and the export permit to SC at the airport for inspection and endorsement (see paragraph 3.2);
- (e) advise the carrier to arrive earlier at the airport to allow sufficient time for the inspection of goods and endorsement of the export permit by SC prior to departure;
- (f) advise the carrier to carry small items especially those of high value as hand luggage (see paragraph 3.2); and
- (g) advise the carrier to return the endorsed export permit to him within 60 days of the date of the supply of his goods.

## **GST: Guide on Hand-Carried Exports Scheme**

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- 3.2 What must the carrier do at the airport?
- 3.2.1 The carrier is required to produce the goods together with the invoice(s) / tax invoice(s) and the export permit to SC at the airport. He is also required to show his passport and travel documents such as boarding pass or confirmed air-ticket as proof of his intention to depart from Singapore.
- 3.2.2 The carrier must present the goods and the above documents to SC at the GST Hand-carried Exports Inspection Counter in the airport. These counters are located before and after the immigration check-in area in all airport terminals. They can be found next to the GST Refund Inspection Counters for tourists claiming GST refunds on goods purchased in Singapore from retailers operating the Tourist Refund Scheme.
- 3.2.3 For bulky items or goods packed into luggage to be checked in, they must be produced to SC for inspection and endorsement at the counter before the immigration check-in area. For small items that can be hand-carried, SC reserves the right to request that these be produced for verification after the immigration check-in area, located in the Departure Lounge.
- 3.2.4 After getting the export permit endorsed by SC, the carrier must check in the goods or hand-carry the goods with him on a departing flight.
- 3.2.5 The export permit bearing the original endorsement of SC must be returned to the local supplier within 60 days of the date of his supply. Below are some examples on how the carrier can return the endorsed export permit to the local supplier (if the carrier is the overseas customer himself or the representative of the overseas customer):
- (a) The carrier may enclose the endorsed export permit in an envelope addressed to the local supplier and with prepaid postage (see paragraph 3.1.2c), and drop it in the mailbox located next to the GST Hand-carried Exports Inspection Counter at the airport.
  - (b) The carrier may mail the endorsed export permit back to the local supplier from overseas.
  - (c) The carrier or his representative may bring the endorsed export permit back to the local supplier on his next visit to Singapore.
- 3.2.6 It is important for the local supplier to take note of and communicate the following to his overseas customers and the carriers:
- (a) When the carrier presents the export permit to SC, he is making a declaration that he is bringing the goods out of Singapore. It is an offence to make a false declaration.
  - (b) The carrier must produce the goods to SC for inspection and for the export permit to be endorsed. The Comptroller of GST **does not** accept endorsement by any other authorities.

- (c) The carrier must check in the goods or bring the goods out with him on his departing flight after getting the export permit endorsed by SC. It is a serious offence for him to pass the goods to another person or bring the goods back to Singapore after the export permit is endorsed.
- (d) The carrier must depart from Singapore within 12 hours after getting the endorsement by SC on the export permit.

### 4 Declaring exports of goods under the Scheme

#### 4.1 What information is required on the export permit?

4.1.1 It is a requirement under this Scheme that an export permit<sup>4</sup> must be obtained for all goods to be hand-carried out of Singapore, regardless of the value and quantity of goods.

4.1.2 The local supplier may subscribe for TradeNet and declare for the export permit on his own. If the local supplier is not a TradeNet user, he can obtain the export permit by appointing a TradeNet declaring agent such as TradeNet Service Centre, freight forwarder or cargo agent to declare his export.

4.1.3 The export permit declared under this Scheme must contain the following information:

S/N	Compulsory details to be shown on the export permit:	To be shown in this field of the export permit:
1	Business name of the local supplier	"Exporter"
2	The carrier's name, passport number, date of birth and the scheduled departure time of his flight	"Trader's remarks"
3	Date of the carrier's departure from Singapore	"Departure date"
4	Flight number that the carrier is departing on	"Voyage/Flight number"
5	Destination country for the hand-carried goods	"Country of final destination"
6	Invoice / Tax invoice number for the hand-carried goods	"Trader's remarks"
7	Description for each type of the hand-carried goods	"Description"
8	Total units for each type of the hand-carried goods	"HS quantity & unit"
9	Total value for each type of the hand-carried goods	"FOB value"

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<sup>4</sup> For more information on the export procedures and requirements, please visit the website of Singapore Customs on <http://www.customs.gov.sg> and <https://www.tradexchange.gov.sg>.

- 4.1.4 It is important for the local supplier to ensure that:
- (a) all information declared in the export permit are accurate;
  - (b) he is declared as the exporter in the export permit; and
  - (c) the description of his goods declared in the export permit is adequate for SC to identify and inspect the goods. The quantity of his hand-carried goods must also be correctly declared in the export permit. SC will not endorse on the export permit when the goods presented for inspection do not tally with the quantity or description of the goods declared in the export permit, or when there is manual alteration made to the quantity or description of goods in the export permit.

## **5 Zero-rating a supply under the Scheme**

5.1 What must the local supplier do when he receives the export permit endorsed by SC?

5.1.1 The local supplier must:

- (a) check that the export permit contains the original endorsement of SC; and
- (b) ensure that the endorsed export permit is received within 60 days of the date of his supply of goods.

5.2 If the local supplier has charged and collected GST from the customer at the time of sale, what must he do to claim back the output tax which he has already accounted to the Comptroller for the sale?

5.2.1 The local supplier must have done all the following before he can claim back the output tax previously accounted to the Comptroller:

- (a) Has originally accounted for the output tax on the sale at the prevailing tax rate in his GST return (see paragraph 3.1.1a);
- (b) Has already received the endorsed export permit within 60 days of the date of his supply of goods;
- (c) Has already refunded the tax to his overseas customer. If the supplier refunds the tax via cheque to his customer, he can recover the tax from the Comptroller of GST only after the cheque has been encashed by the customer; and
- (d) Maintain documents and records to show that the above conditions have been satisfied (see paragraph 5.3).

## **GST: Guide on Hand-Carried Exports Scheme**

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5.2.2 If the local supplier satisfies all the above conditions, he can proceed to make the following adjustments in his GST return for the prescribed accounting period in which he has refunded the tax to the customer:

- (a) Include the value of the sale in Box 2 “Total value of zero-rated supplies”;
- (b) Reduce by the value of this sale from Box 1 “Total value of standard-rated supplies”; and
- (c) Reduce by the amount of GST that he has refunded to his customer on this sale in Box 6 “Output tax due”.

5.2.3 The local supplier may issue a credit note to the overseas customer for the amount of GST that he has refunded to the latter.

5.3 What types of documents and records need to be maintained?

5.3.1 To qualify for zero-rating of hand-carried goods under this Scheme, it is important to maintain the following documents for at least 5 years:

- (a) A list of the invoices / tax invoices and export permits issued under the Scheme;
- (b) Copies of the invoices / tax invoices issued for the goods sold;
- (c) Original copy of the export permits endorsed by SC; and
- (d) Evidence of payment made to the customer for the refund of GST that is previously charged and collected from the customer at the time of sale (this is relevant for instances where the local supplier has previously standard-rated the supply and subsequently made a refund of GST to the customer upon receiving the export permit that contains the original endorsement of SC).

## **6 Offences**

6.1 What are the offences under this Scheme?

6.1.1 All GST-registered persons who zero-rate their supplies of hand-carried goods under this Scheme must comply with the conditions laid out in Regulation 105A of the GST (General) Regulations and this e-Tax Guide. Please note that failure to comply with the regulations will lead to the zero-rating of supplies being denied and the GST-registered person will have to account for the GST on the supplies. Penalties will also be imposed on the GST-registered person.

- 6.1.2 Any person (including the GST-registered person and the carrier) who is guilty of an offence made under the Scheme shall be liable, on conviction, to a fine not exceeding \$5,000 and an imprisonment term not exceeding 6 months in default of payment.

## **7 Exemption from the Scheme**

- 7.1 What can the local supplier do if for business reasons, the goods that have to be hand-carried out of Singapore cannot be inspected by Singapore Customs at the airport?

- 7.1.1 The local supplier may apply to be exempted from this Scheme by completing an application form (see Appendix 2)<sup>5</sup> and submit his application to the Comptroller of GST.

- 7.1.2 To qualify for the exemption, the local supplier must satisfy all of the following criteria:

- (a) He must satisfy the Comptroller of GST that there are valid commercial reasons for not being able to present the goods for inspection at the airport. These commercial reasons must also be consistent with international practices and norms related to the particular trade.
- (b) He must have good compliance records for GST and Income Tax (e.g. good filing and payment records). He must continue to have good compliance records for GST and Income Tax.
- (c) He must maintain a comprehensive list of documents as required by the Comptroller in Appendix 3 of this guide.

- 7.1.3 For the protection of revenue, the Comptroller of GST may exercise his discretion to vary the requirements or impose additional requirements for the approval of the exemption.

- 7.1.4 Prior to receiving a written approval on the exemption from the Comptroller of GST, the local supplier must adhere to the requirements of the Scheme for all of his hand-carried exports.

- 7.1.5 Upon obtaining a written approval from the Comptroller of GST on his application for exemption from the Scheme, the local supplier will not need to present the hand-carried goods and export permits to SC for inspection and endorsement at the airport.

- 7.1.6 To support the zero-rating of his hand-carried items that are exempted from this Scheme, the local supplier must obtain the documents as listed in Appendix 3 within 60 days of the date of his supply of goods.

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<sup>5</sup> This application form "GST F17: Application for Exemption from Hand-Carried Exports Scheme" can also be downloaded from IRAS website at <http://www.iras.gov.sg>.

**8 Contact information**

For any clarifications on this e-Tax Guide or the Hand-Carried Exports Scheme, please contact:

Goods & Services Tax Division  
Inland Revenue Authority of Singapore  
55 Newton Road  
Singapore 307987

Tel: 1800 356 8633

Fax: (+65) 6351 3553

Email: [gst@iras.gov.sg](mailto:gst@iras.gov.sg)

## GST: Guide on Hand-Carried Exports Scheme

### Appendix 1: Summary on what the local supplier should do when he files his GST return for the prescribed accounting period in which the sale takes place

		When it is less than 60 days of the date of supply	When it is more than 60 days of the date of supply
<b>Scenario 1</b> At the time when the local supplier files his GST return, he has not received the endorsed export permit and:	(a) did not charge and collect GST from the overseas customer.	To report as zero-rated supply provisionally <sup>6</sup> .	To report as standard-rated supply and account for the output tax.
	(b) has charged and collected GST from the overseas customer.	To report as standard-rated supply and account for the output tax.  Please refer to paragraph 5.2 on what the local supplier should do if he receives the endorsed export permit (within 60 days of the date of supply) after he has filed his GST return.	
<b>Scenario 2</b> At the time when the local supplier files his GST return, he has received the endorsed export permit and:	(a) did not charge and collect GST from the overseas customer.	To report as zero-rated supply.	To report as standard-rated supply and account for the output tax if he receives the endorsed export permit after 60 days of the date of supply.  In the event that the supplier receives the endorsed export permit after 60 days due to unforeseen circumstances that are beyond his control, IRAS may make an exception and allow him to zero-rate his supply of goods. The exception shall be granted on a case-by-case basis and the supplier should write in to IRAS for approval.
	(b) has charged and collected GST from the overseas customer.	To report as zero-rated supply. The local supplier does not need to report as standard-rated supply and account for output tax in his GST return first.  The local supplier should refund the GST back to the overseas customer. He may issue a credit note to the overseas customer. (See paragraph 5.2.1c and 5.2.3)	

<sup>6</sup> In the event that the local supplier has reported the sale as zero-rated supply in his GST return and did not receive the endorsed export permit within 60 days of the date of his supply, he must standard-rate the supply and account for the output tax using the tax fraction (7/107) either by filing GST F7 for the prescribed accounting period in which the sale takes place or in his next GST return (subject to the conditions for filing GST F7). (See paragraph 3.1.1b)

**Appendix 2:**

**GST F17  
APPLICATION FOR EXEMPTION FROM  
HAND-CARRIED EXPORTS SCHEME**



The Comptroller of Goods and Services Tax  
55 Newton Road, Revenue House, Singapore 307987. Tel: 1800-356 8633  
For more information, please visit IRAS website at <http://www.iras.gov.sg>

**Important Notes:**

- (1) This form may take 20 minutes to complete.
- (2) To qualify for the exemption, you must satisfy the Comptroller of GST that there are valid commercial reasons for not being able to present the goods for inspection at the airport. These commercial reasons must also be consistent with international practices and norms related to the particular trade. In addition, you must have good compliance records for GST and Income Tax (e.g. good filing and payment records).
- (3) You do not need to attach any document to this application form.
- (4) You will be notified in writing when your application has been approved.
- (5) Prior to receiving a written approval on the exemption from the Comptroller of GST, you are still required to adhere to the requirements of the Hand-Carried Exports Scheme for all of your hand-carried exports.
- (6) You are required to notify IRAS if you no longer require the exemption after your application has been approved.
- (7) Please send this completed form by post or submit it at IRAS Taxpayer Services Centre.

Please complete the form and indicate 'NA' where not applicable.

**SECTION 1: APPLICANT'S PARTICULARS**

Full name of the applicant (as registered for GST)			
Address of correspondences			
Block/House	#	Storey	Unit
	-		
Street Name			
			Postal code
Business Registration Number / Unique Entity Number			
Name of contact		Designation	
Email Address		Office Number	
Company website (if any)		Mobile Number	
		Fax Number	

# GST: Guide on Hand-Carried Exports Scheme

## SECTION 2: BUSINESS DETAILS OF APPLICANT

(i) Please give a brief description of the business activities carried out by you (including how the transactions are being carried out to give rise to your making of zero-rated supplies).

(ii) Country where most of your goods are exported to via Changi International Airport:

1 _____	5 _____
2 _____	6 _____
3 _____	7 _____
4 _____	8 _____

(iii) Products that you are dealing in (please tick accordingly):

1  Jewellery

Please elaborate:

2  Loose Diamonds

3  Luxury Watches

Please state 3 major brands:

a) \_\_\_\_\_  
b) \_\_\_\_\_  
c) \_\_\_\_\_

4  Other products

Please elaborate:

(iv) Average number of hand-carried exports via Changi International Airport made per month for the past 12 months:

1 to 5     5-10     More than 10

(v) Percentage of total value of hand-carried exports via Changi International Airport to total value of zero-rated supplies for the past 12 months:

(vi) Average value of hand-carried exports via Changi International Airport made per month for the past 12 months:

\$

**SECTION 3: REASON FOR EXEMPTION**

(i) Please state the reason(s) for applying for the exemption.

(ii) Please explain the problems/difficulties you would face if the exemption is not granted.

(iii) Please state the product type on which you would like to apply for exemption.

1  Jewellery

Please elaborate:

2  Diamond Jewellery

3  Loose Diamonds

4  Luxury Watches

5  Other products

Please specify the 'other products' here:

## GST: Guide on Hand-Carried Exports Scheme

### SECTION 4: DECLARATION

I, \_\_\_\_\_ NRIC / Passport / Fin Number \_\_\_\_\_  
(Full Name of Signatory)

declare that all the details and information given in this form and in any accompanying document are true and complete.

**I understand that once my application has been approved, I am required to maintain the documents as stipulated in Appendix 3 of the e-Tax Guide “GST: Guide on Hand-Carried Exports Scheme” to prove my hand-carried exports and fulfill any conditions as imposed by the Comptroller of Goods and Services Tax.**

Signature \_\_\_\_\_ Date \_\_\_\_\_

Designation (Please tick the appropriate box):  
(For sole-proprietor / partnership, it must be signed by the sole-proprietor / partner.)

Sole-proprietor  Partner  Director  Company Secretary  Authorized Official

Please ensure that this form is fully completed and duly signed before submission.

### **Appendix 3: List of compulsory documents to be maintained by GST-registered persons who are exempted from the Scheme**

- a) Invoice / Tax invoice to overseas customer;
- b) One of the following documents listed in (i) to (iv) below;
  - (i) Written declaration by the person who hand-carries the goods that the goods are for export. This declaration should be signed by him and contain his full name, address and passport / NRIC number. A specimen format of the carrier's declaration can be found in Appendix 4.
  - (ii) Extract of the carrier's passport with the relevant immigration endorsement of his exit from Singapore or entry to a foreign country and copy of transport evidence such as the electronic air-ticket or flight itinerary bearing the carrier's name. For goods exported as accompanied baggage, a copy of airline excess baggage receipt (where applicable).
  - (iii) Confirmation of receipt of goods from the overseas customer.
  - (iv) Import permit or other relevant documents to prove that the goods are brought into the country of destination.
- c) Export permit (subject to the requirements of Singapore Customs for export permits); and
- d) Evidence of payment received from the overseas customer.

**Appendix 4: Specimen format of the carrier's declaration for goods hand-carried out of Singapore via Changi International Airport**

**Declaration of Carrier for Goods Hand-Carried Out of Singapore  
(By Individual Carrier)**

To \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*(Name and address of supplier who is exempted from the Hand-Carried Exports Scheme)*

I, \_\_\_\_\_ (name of carrier as shown in passport), hereby confirm that I will be hand-carrying the following goods out of Singapore via Changi International Airport.

**Details of Goods**

Name of Customer (as per invoice) \_\_\_\_\_

Invoice Date \_\_\_\_\_

Invoice Number \_\_\_\_\_

Quantity of Goods \_\_\_\_\_

\* Value of goods hand-carried out by me \_\_\_\_\_

Description of Goods \_\_\_\_\_  
\_\_\_\_\_

**Details of Departure**

Date of Departure \_\_\_\_\_ Flight Number \_\_\_\_\_

Time of Flight \_\_\_\_\_ Name of Airline \_\_\_\_\_

Destination \_\_\_\_\_

**Details of Carrier**

Relationship to customer or seller  
(delete where not applicable) \_\_\_\_\_ Address \_\_\_\_\_

Nationality \_\_\_\_\_

Passport Number \_\_\_\_\_

Signature of carrier \_\_\_\_\_

Date of declaration \_\_\_\_\_

\* If the goods were to be hand-carried out by different carriers, then the value of the goods shown in each carrier's declaration should be the invoiced value for the quantity hand-carried out by the respective carrier.

### **Appendix 5: Frequently Asked Questions (FAQ)**

#### FAQs for the GST-registered local supplier

- Q1 Is there any qualifying threshold on the value or quantity of goods for the Hand-Carried Exports Scheme?
- A1 No. All goods that are hand-carried out of Singapore via Changi International Airport on or after 1 April 2009 must come under the Hand-Carried Exports Scheme if the GST-registered suppliers wish to zero-rate the supplies of such goods. This Scheme is compulsory for all such hand-carried goods regardless of their value and quantity.
- Q2 If I'm selling my goods to a local customer who says that he will be hand-carrying the goods out of Singapore via the airport, can I zero-rate my supply to him under this Scheme?
- A2 No. The Hand-Carried Exports Scheme only applies to goods that are sold to overseas customers. As you are selling your goods to a local customer, you must standard-rate the supply and charge GST on this local sale. This is the case even though your local customer claims that he or his appointed carrier will be bringing your goods out of Singapore.
- Q3 I'm selling my goods to an overseas customer and my goods will be hand-carried out of Singapore via Changi International Airport on or after 1 April 2009. Can I choose to standard-rate my supply and account for the output tax instead of zero-rating the supply under the Hand-Carried Exports Scheme?
- A3 If you wish to treat this as a local sale (notwithstanding that the goods are sold to your overseas customer) and not a zero-rated supply under the Hand-Carried Exports Scheme, then you must standard-rate your supply and account for the output tax in your GST return. In this instance, you do not need to fulfill the conditions of the Hand-Carried Exports Scheme. However to avoid any misunderstanding by the customer, you should inform him that this is a standard-rated local sale and that he is not entitled to claim any GST refund from the Comptroller.
- Q4 What if my hand-carried goods are not exported for sale but are brought to overseas countries for other purposes (e.g. for testing or repair services, as trade samples, for participation in an exhibition etc)? As there is no supply of goods, do I need to report the value of goods exported as zero-rated supply in my GST return? Should I declare for an export permit for these goods and get it endorsed by Singapore Customs at the airport under this Scheme?
- A4 Yes, for GST reporting, you must declare the value of the goods exported as zero-rated supply in your GST return even though you did not make a supply on these goods and may not issue any invoice / tax invoice. You are also required to take up an export permit and get it endorsed by Singapore Customs under the Hand-Carried Exports Scheme so that you can prove to

the Comptroller that the goods are indeed brought out of Singapore. If you subsequently sell these goods when they are outside Singapore, the endorsed export permit will provide evidence that your supply of goods has taken place outside Singapore.

The above requirements would not apply if you are merely bringing the goods (e.g. tools and equipment) for use when you perform services in an overseas location and you intend to bring these goods back to Singapore after your services are performed.

If you wish to export the goods under the Temporary Export Scheme or export goods which are previously imported under the Temporary Import Scheme, please visit the website of Singapore Customs on <http://www.customs.gov.sg> and <https://www.tradexchange.gov.sg> to find out more on the permit requirements.

Q5 What happens if:

- (a) the particulars of the carrier (e.g. his name, passport number, date of departure from Singapore, his departure flight number etc) as required in paragraph 4.1.3 are not available when I declare for an export permit; or
- (b) there is a change in the carrier or in the carrier's flight details after I have declared all the required information in the export permit?

A5 Please refer to paragraph 4.1.3. You will have to declare certain information such as the carrier's departure flight number and date of departure from Singapore for the export permit to be approved. If there is a change in such information, you should amend the information in the export permit via TradeNet before the permit is presented to Singapore Customs for endorsement. Alternatively, you can re-apply a new export permit via TradeNet and present this new permit to Singapore Customs for endorsement.

You may, however, manually correct the information declared in the "Trader's remarks" field.

Q6 My goods are distributed among several carriers to hand-carry out of Singapore via the airport. How should I declare for the export permit?

A6 If all the carriers are departing on the same flight, you only need to declare a single export permit for your hand-carried goods. Preferably, the personal particulars (i.e. name, passport number and date of birth) of all the carriers should be indicated on your export permit. You should also inform the carriers that they must present themselves and the goods together to Singapore Customs at the airport.

On the other hand, if all the carriers are departing on different flights, you should take up different export permits for the goods to be hand-carried out by each individual carrier. Each export permit should show the particulars of the individual carrier as well as the quantity and description of the goods to be

## GST: Guide on Hand-Carried Exports Scheme

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hand-carried by the respective carrier (i.e. the information as required in paragraph 4.1.3).

Please note that Singapore Customs will not endorse on the export permit if the goods presented for inspection do not tally with the quantity or description declared in the export permit. Hence, you are reminded to declare the correct quantity and description of the hand-carried goods in your export permit.

Q7 What if there is a change in the quantity of my goods to be hand-carried out after I have declared for an export permit, say for 10 units of my goods?

A7 You should amend the quantity of your goods in the export permit via TradeNet, before the goods and export permit are presented to Singapore Customs for endorsement. When it is not possible to amend the export permit through TradeNet and:

(a) if the quantity of your goods to be hand-carried out via the airport (e.g. 30 units) is more than what you have declared in the export permit, you should take up another export permit for the additional goods (i.e. the additional units) to be hand-carried out. All export permits declared for the quantity of your hand-carried goods must be presented to Singapore Customs at the airport for endorsement.

(b) if you are exporting a lower quantity of goods (e.g. 8 units), you would have to re-apply a new export permit via TradeNet. You should also cancel the previous export permit via TradeNet if it is within the validity period of the permit.

Please be reminded that the quantity of goods presented to Singapore Customs for inspection must tally with the quantity declared in the export permit(s). The Comptroller of GST and Singapore Customs do not accept any manual alteration made to the quantity of goods in the export permits.

Q8 Must I get the original export permit for Singapore Customs to endorse? Will Singapore Customs endorse on a copy of the export permit?

A8 Whenever possible, you should obtain the original export permit for Singapore Customs to endorse under this Scheme. In the event that you are unable to get the original permit, Singapore Customs will endorse on the copy of export permit (e.g. photocopy, faxed copy or copy of the scanned image) that is presented together with the goods, provided that all information on the copy of export permit is legible.

Q9 What happens if:

(a) the original copy of the export permit endorsed by Singapore Customs is misplaced or lost in mail?

(b) I only received a photocopy instead of the original copy of the endorsed export permit?

## **GST: Guide on Hand-Carried Exports Scheme**

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A9 To zero-rate your supply under this Scheme, you must maintain the export permit which bears the original endorsement made by Singapore Customs. Without the original copy of the endorsed export permit, you cannot zero-rate your supply under this Scheme. Therefore, you must standard-rate your supply and account for the output tax in your GST return.

Q10 Can I zero-rate my supply if I received the endorsed export permit from my overseas customer or the carrier after 60 days of the date of my supply?

A10 Please refer to Appendix 1. In the event that you receive the endorsed export permit after 60 days due to unforeseen circumstances that are beyond your control, you may write in to the Comptroller of GST and request for approval to zero-rate your supply. The Comptroller will review your request on a case-by-case basis.

Q11 Under what circumstances would Singapore Customs not endorse on the export permit?

A11 Examples of the circumstances under which Singapore Customs will not endorse on the export permit under the Hand-Carried Exports Scheme are:

- (a) The person who presents the goods and export permit to Singapore Customs is below 16 years of age.
- (b) The passport or travel document (e.g. boarding pass or confirmed air-ticket) does not belong to the person who presents the goods and export permit to Singapore Customs.
- (c) The travel document shows that the carrier's departing flight is not scheduled to leave Singapore within 12 hours. In this instance, Singapore Customs may request the carrier to come back at a later time for the inspection of goods and endorsement of export permit.
- (d) The quantity of goods presented for inspection does not tally with the quantity declared in export permit.
- (e) The nature of goods presented for inspection is different from the description of goods declared in export permit.
- (f) There is a manual alteration made to the quantity or description of goods in the export permit.
- (g) The carrier arrives late at the airport and there is insufficient time for Singapore Customs to carry out the inspection required.

Please note that the above list is not exhaustive. In the event that Singapore Customs deem that certain condition(s) of the Hand-Carried Exports Scheme is not satisfied, Singapore Customs will not endorse on the export permit and will indicate the reason for rejection on the export permit.

Once Singapore Customs has rejected to endorse on the export permit, no further request or appeal for re-endorsement shall be considered regardless of the reasons cited.

## **GST: Guide on Hand-Carried Exports Scheme**

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Q12 What if the export permit is not endorsed by Singapore Customs and I do not find any reason for rejection indicated by Singapore Customs on the permit?

A12 Please refer to A9. It is likely that the export permit is not presented to Singapore Customs for endorsement at the airport.

Q13 I have been granted approval by IRAS to be exempted from this Scheme and I'm required to maintain all the compulsory documents listed in Appendix 3 for my hand-carried exports. What if I'm unable to obtain any of the compulsory documents for my hand-carried exports?

A13 The compulsory documents listed in Appendix 3 are the basic documents for you to prove that the hand-carried goods are brought out of Singapore. If you fail to maintain any of the compulsory documents, you will not be allowed to zero-rate your supply of goods and must charge GST on the supply.

Q14 I understand that the Hand-Carried Exports Scheme does not apply to goods that are hand-carried out of Singapore via:

- Changi International Airport before 1 April 2009;
- Seletar Airport;
- Sea; or
- Land.

What export documents should I maintain to support the zero-rating of my supplies of such hand-carried exports?

A14 For the above hand-carried exports that do not fall under the Hand-Carried Exports Scheme, you are required to maintain the export documents as specified in our e-Tax Guide "A Guide on Exports". You can download a copy of this e-Tax Guide from our website at [www.iras.gov.sg](http://www.iras.gov.sg)

In addition, you should comply with the requirements of Singapore Customs and take up an export permit if necessary. Unlike the Hand-Carried Exports Scheme, such hand-carried exports need not be presented to Singapore Customs for inspection and you do not need to get Singapore Customs to endorse on the export permit (unless you are required by Singapore Customs or other government agency to do so).

Q15 I have been operating the Tourist Refund Scheme to allow my foreign customers to claim back the GST paid on the goods which they have purchased from me and brought out of Singapore. How would the Hand-Carried Exports Scheme affect me? Would the Tourist Refund Scheme still continue after the Hand-Carried Exports Scheme is implemented? If yes, when should I use the Hand-Carried Exports Scheme instead of the Tourist Refund Scheme?

A15 The Tourist Refund Scheme will still continue, even after the Hand-Carried Exports Scheme is implemented on 1 April 2009.

## **GST: Guide on Hand-Carried Exports Scheme**

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As the purpose of the Tourist Refund Scheme is to enable tourists to obtain GST refund on goods which they have purchased in Singapore and brought out of Singapore, you should use the Tourist Refund Scheme only when your customer is a bona fide tourist and satisfies all eligibility criteria under that scheme.

On the other hand, if you are selling goods to an overseas customer whom you know is not a bona fide tourist and your goods are hand-carried out of Singapore via Changi International Airport, you should use the Hand-Carried Exports Scheme if you wish to zero-rate the supplies of such goods. However unlike the Tourist Refund Scheme, there is no facility at Changi International Airport for your overseas customer or the carrier of your goods to obtain the GST refund in cash under the Hand-Carried Exports Scheme. Your overseas customer can only get the GST refund from you if you have collected GST from him on the sale.

For more information on the Tourist Refund Scheme, please refer to our e-Tax Guide "Guide to Retailers Operating Tourist Refund Scheme" which can be downloaded from our website at [www.iras.gov.sg](http://www.iras.gov.sg)

### FAQs for the carrier

Q16 Where are the inspection counters for the Hand-Carried Exports Scheme located in Changi International Airport?

A16 The GST Hand-Carried Exports Inspection Counters are located next to the GST Refund Inspection Counters in all terminals of Changi International Airport (including Budget Terminal).

If your goods are bulky or need to be checked in, you need to present the goods and export permit to Singapore Customs for inspection and endorsement at the inspection counter located in the Departure Check-In Hall before you check in for your flight and clear the departure immigration.

For goods which you hand-carry into the aircraft, please clear the departure immigration and produce your goods and export permit to Singapore Customs at the inspection counter located in the Departure Lounge.

Q17 What should I produce to Singapore Customs at the inspection counters in Changi International Airport?

A17 You should produce all of the following to Singapore Customs at the inspection counters:

- (a) Your passport;
- (b) Your travel document (e.g. boarding pass, confirmed air-ticket, etc) as proof of your intention to depart from Singapore;
- (c) The export permit(s) for the goods which you are bringing out of Singapore;
- (d) The goods; and

- (e) The supporting invoice(s) or tax invoice(s) for the goods which you are bringing out of Singapore.

Q18 What if I turn up at the inspection counter not within 12 hours of the scheduled departure time of my flight?

A18 One of the conditions of this Scheme is that the carrier must depart from Singapore within 12 hours after getting the endorsement by Singapore Customs on the export permit. Hence, if you turn up at the inspection counter not within 12 hours of the scheduled departure time, Singapore Customs will not inspect your goods but will request you to return at a later time for inspection and endorsement.

Q19 What should I do after getting the export permit endorsed by Singapore Customs?

A19 You should either check in your goods or hand-carry the goods with you on your departing flight, and leave Singapore within 12 hours.

If you have an envelope which is addressed to the local supplier and affixed with prepaid postage, you may enclose the endorsed export permit in the envelope and drop it in the mailbox located next to the inspection counters at the airport before boarding the plane.