

IRAS e-Tax Guide

**GST: Guide for Retailers participating in
Tourist Refund Scheme
(4th Edition)**



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GST: Guide for Retailers participating in Tourist Refund Scheme

Preamble

The Tourist Refund Scheme was introduced in April 1994 to ensure that the imposition of GST will not adversely affect Singapore as a shopping destination for tourists. Under the scheme, tourists may obtain a refund of GST on goods purchased from GST-registered retailers who participate in the scheme. Currently it applies only to goods brought out of Singapore via Changi International Airport or Seletar Airport within 2 months from the date of purchase, subject to the conditions of the scheme.

The scheme is not mandatory. Retailers who wish to participate in the scheme can either administer the scheme themselves or engage the services of the Central Refund Agencies.

Prior to 18 May 2011, the scheme is administered through paper refund forms issued by the retailers to the tourists. To offer tourists a hassle free shopping experience and easy refund claim process, IRAS has introduced an Electronic Tourist Refund Scheme ("eTRS").

The new electronic system will be implemented in phases. The initial phase, which will last six months, commenced on 18 May 2011 and full implementation is targeted in the 3rd quarter of 2012. Once eTRS is fully implemented, the paper-based system will cease. All GST-registered retailers and Central Refund Agencies operating the paper-based Tourist Refund Scheme must transit to the eTRS.

For more details on eTRS, retailers can refer to the e-tax guide: GST Guide On The Electronic Tourist Refund Scheme (eTRS) on IRAS website (<http://www.iras.gov.sg>).

Regulations 47 to 50F of the Goods and Services Tax (General) Regulations lay down the conditions for the Tourist Refund Scheme under both the paper-based and electronic system. Central Refund Agencies and retailers who choose to participate in the scheme must comply with the conditions set out in this guide.

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1 Introduction

1.1 What is this guide about?

1.1.1 This guide serves to:

- (a) explain the features and the refund mechanism of the Tourist Refund Scheme; and
- (b) detail the conditions that retailers participating in the Tourist Refund Scheme must comply with.

1.2 Who should read this guide?

1.2.1 You should read this guide if you are participating or intend to participate in the Tourist Refund Scheme either by joining a Central Refund Agency or on your own.

2 Features of Tourist Refund Scheme

2.1 What is the Tourist Refund Scheme?

2.1.1 The Tourist Refund Scheme (referred to as “the Scheme” in this guide) allows eligible customers (see paragraph 2.3) to receive a refund of GST paid on goods they have purchased and brought out of Singapore. Retailers and Central Refund Agencies who have refunded the GST to the customers would then recover the tax from the Comptroller of GST. (see paragraph 5)

2.1.2 This is a voluntary scheme where retailers participating in the scheme will issue paper refund forms to the tourists for their application of GST refunds. Retailers do not need to register with the Comptroller to participate in the Scheme. However, this scheme will cease upon the full implementation of eTRS in 3rd quarter 2012.

2.2 What is a Central Refund Agency?

2.2.1 A Central Refund Agency (referred to as “CRA” in this guide) helps to make refunds to the tourists on behalf of a retailer. Hence, if you engage the services of a CRA, your eligible customers will obtain their tax refunds from the CRA directly. The CRA in turn will claim the tax from the Comptroller of GST. Presently, there are 2 CRAs. For more information on the application procedures, please contact them or visit their website:

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Fax: +65 6225 5773

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Website: www.global-blue.com

(b) Premier Tax Free (Singapore) Pte Ltd (“PTF”)

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Singapore 199597

DID: +65 6293 3811

Fax: +65 6293 3011

Email: info@sg.premiertaxfree.com

Website: www.premiertaxfree.com

2.3 Who can obtain a refund of GST under the scheme?

2.3.1 A visitor to Singapore may obtain a refund of GST under the scheme on the goods purchased provided that he meets the following criteria:

- (a) spends less than 365 days in Singapore in the last 24 months before the date of purchase;
- (b) is not a Singapore citizen or permanent resident;
- (c) is not a member of the cabin or flight crew of the aircraft on which he is departing from Singapore;
- (d) has not, in the last 6 months before the date of purchase been at any time employed in Singapore; and
- (e) is 16 years of age or above at the time of purchase of goods.

2.3.2 A visitor entering or staying in Singapore on student pass is entitled to obtain a refund of GST under the scheme on goods purchased not more than 4 months before the expiry of his student pass and he must:

- (a) satisfy all the criteria stated in paragraph 2.3.1; and
- (b) intend to depart with the goods and remain outside Singapore for a minimum period of 12 months.

2.4 What are the conditions of the scheme?

2.4.1 To participate in the scheme, you must be GST-registered. You must also comply with all the conditions set out in this guide. The conditions are as follows:

- (a) Your customer must be entitled to use the scheme. (see paragraph 2.3)
- (b) The goods you sell must be eligible under the scheme. (see paragraph 2.5)

- (c) You must not claim any GST refund until you receive the endorsed refund form and have refunded the tax to your customer.
- (d) You must refund the tax to your customer within 3 months of SC endorsement of the refund form.
- (e) You must keep the appropriate proof and comply with the accounting and record-keeping requirements. (see paragraph 5.3)

2.5 What goods are eligible for a refund under the scheme?

2.5.1 All standard-rated goods with the exception of the following:

- (a) goods wholly or partly consumed in Singapore;
- (b) goods exported for business or commercial purpose¹;
- (c) goods that will be exported by freight; and
- (d) accommodation in a hotel, hostel, boarding house or similar establishments.

2.5.2 The tourist must bring the goods out of Singapore via Changi International Airport or Seletar Airport within 2 months from the date of purchase. The tourist must bring these goods out with him either in his hand luggage or check-in luggage. The tourist must return the refund form to you within 2 months of Singapore Customs (referred to as “SC” in this guide) endorsement of the refund form.

2.5.3 To qualify for a refund, the tourist must also spend at least \$100 (including GST) in a single receipt or invoice. As an administrative concession, the Comptroller allows the tourist to accumulate up to 3 receipts to meet the \$100 threshold for purchases made on the same day from the same retailer. This concession also applies to purchases made from different retail outlets which bear the same GST registration number. However, you must have proper controls in place to ensure that the tourist does not make duplicate claims for the same receipt.

2.6 Can the scheme be used for services?

2.6.1 The scheme is strictly for the sale of goods only. It cannot be used for services supplied to customers even if these customers meet all the conditions set out in paragraph 2.3.

2.7 What is the Electronic Tourist Refund Scheme (eTRS)?

2.7.1 To offer tourists a seamless shopping and refund experience, IRAS is introducing an Electronic Tourist Refund Scheme (‘eTRS’). This is being implemented in phases commencing on 18 May 2011. The current paper-

¹ You may zero-rate (i.e. GST at 0%) the supply of goods that would be exported for business or commercial purposes. For such goods that are hand-carried out of Singapore, you are required to maintain the necessary supporting documents. For more information, please refer to “A Guide on Exports” that is available on <http://www.iras.gov.sg>

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based refund system will continue until the eTRS is fully implemented by the 3rd quarter of 2012.

- 2.7.2 Retailers affiliated to a CRA participating in the eTRS will be informed by their CRA on how they can transit to the electronic system. Retailers who are not affiliated to any CRA can continue to operate the Tourist Refund Scheme until 3rd quarter 2012, but they may also now connect directly to the electronic system as an Independent Retailer ('IR') or affiliating themselves with a participating CRA.
- 2.7.3 Retailers who wish to connect directly to the electronic system as an IR are required to seek prior approval from the Comptroller. There are additional criteria and conditions that the retailers need to satisfy before they can participate under eTRS. For information on participation conditions under eTRS, please refer to the e-Tax Guide: GST Guide On The Electronic Tourist Refund Scheme (eTRS).
- 2.7.4 Under eTRS, the main conditions under the scheme remain unchanged. Retailers are still required to verify your customer's eligibility by checking his passport and issue a document to him confirming his request for a refund. Your customer's purchases may still be subject to inspection by Customs at the airport and the refund will only be made to him if he satisfies all conditions of the scheme.
- 2.7.5 The key differences between the eTRS and the paper-based tourist refund system are:
- (a) There will be no more form filling by tourists or retailers. Participating retailers shall capture tourist's passport number and purchase details relating to the refund claim electronically using a retail end issuing solution. These data will be sent to and stored in a central system, known as the Central Clearing House ("CCH");
 - (b) Tourist can use a Token (i.e. credit card) as his unique identifier to link all his purchases made from any eTRS retailers. Only credit cards are accepted as a Token;
 - (c) Retailers have to issue an Electronic Tourist Refund Ticket ("ticket") to the tourist whether or not he uses a Token to link purchases, just like they are now issuing receipts or invoices for every purchase. With either the Token used, or the ticket issued to him at the shop, the tourist can retrieve his eTRS transactions at any of the self-help kiosk located in the airport;
 - (d) At the airport, the tourist can self-help at the self-help kiosk to check and confirm the purchases for which he wishes to claim a GST refund on;

- (e) The tourists do not need to queue many times for their refund at the airports as all refunds will be made to them by the Central Refund Counter on behalf of all CRAs and IRs; and
- (f) Approval from IRAS is required for CRAs and IRs to participate in the electronic system.

3 Making a sale under the scheme

3.1 What must you do at the time of sale?

Retailers under paper-based tourist refund system

- 3.1.1 Issue an invoice or receipt with GST at the prevailing tax rate to your customer. When a customer requests for a GST refund under the scheme, you must:
- (a) Verify that he is entitled to use the scheme (see paragraph 2.3) by checking his passport or other identification papers. If your customer is a student pass holder, check the expiry date of the pass, which is contained in the passport. You may issue a refund form only if the pass is expiring in not more than 4 months' time (otherwise, he will not be entitled to the GST refund under the scheme). You must remind the tourist to bring the goods out of Singapore within 2 months from date of purchase.
 - (b) Check with the tourist that he intends to leave Singapore via the airports within 2 months.
 - (c) Complete a refund form (see paragraph 4.5). You should give both the completed original form and the invoice or receipt for the purchase to the tourist and keep copies of these documents as records.
 - (d) If you are operating the scheme yourself, provide the tourist a self-addressed envelope with prepaid postage for him to return the refund form endorsed by SC to you.
 - (e) Agree with the tourist on how the refund will be made.
 - (f) Explain to the tourist any administrative fee charged for use of the scheme.
 - (g) Stamp or otherwise, on the invoice or receipt to indicate that a refund form has been issued.
 - (h) Inform the tourist to produce the goods purchased together with the invoice or receipt and refund form to SC at the airport for inspection and endorsement of the refund form. (see paragraph 3.2)

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- (i) Advise the tourist to check in earlier at the Airports to allow sufficient time for the inspection of goods and endorsement of documents by SC prior to departure.
- (j) Advise the tourist to carry small items especially those of high value in his hand luggage. (see paragraph 3.2)
- (k) Advise the tourist to return the endorsed refund form to you within 2 months from SC endorsement at the airport. (see paragraph 2.4)

Retailers under eTRS

3.1.2 You must issue an invoice or receipt with GST at the prevailing tax rate to your customer. When a customer requests for a GST refund under the scheme, you must:

- (a) Verify that your customer is eligible for tourist refund, check his passport and ensure that the tourist refund conditions² are satisfied;
- (b) Ask the tourist for a Token (i.e. credit card) to link his purchases details. Advise the tourist to use the same Token to link all his purchases for easy retrieval of his purchase details at the airport;
- (c) Capture the Token (if provided), tourist's passport number and purchase details electronically;
- (d) Issue an eTRS ticket regardless whether a Token is provided or not;
- (e) Indicate on the invoice or receipt that a ticket was issued;
- (f) Advise the tourist to keep the ticket and invoice/receipt as he may be required to produce these documents with the goods for Customs' inspection at the airport;
- (g) Inform the tourist to use the self-help kiosk in Departure Check-in Hall at the airport for check-in goods purchased from eTRS retailers. All his purchase transactions can be retrieved instantly if the transactions are linked to a single Token. For hand-carry purchases, the tourist can use the self-help kiosk in Departure Transit Lounge after clearing the immigration. eTRS self-help kiosks are operational from 18 May 2011 at Changi International Airport Terminal 3 and from mid-August 2011 at Changi International Airport Terminal 1, 2, Budget Terminal and Seletar Airport. Prior to mid August 2011, tourists departing from Terminal 1, 2, Budget Terminal and Seletar Airport are required to apply for GST refund for goods purchased from eTRS retailers at SC³.

² Please refer to Paragraph 2.3 and 2.4 for the eligibility criteria of a tourist and conditions under the scheme.

³ TRS counter at Seletar Airport is manned by Immigration and Checkpoints Authority ('ICA').

3.2 What must the tourist do at the airport?

Purchases with Paper Refund Forms

- 3.2.1 The tourist is required to produce the goods purchased together with the refund form, invoice or receipt 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 eligibility and his departure from Singapore.
- 3.2.2 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.
- 3.2.3 After getting the refund form endorsed by SC, the tourist must check in the goods or bring the goods with him on the departing plane.
- 3.2.4 If you have signed up with either GB or PTF, you may advise the tourists to proceed to the respective CRA's counter located in the Departure Lounge at the airport to cash the refund cheques. If you are operating the Scheme yourself, you may wish to inform the tourists to mail back the endorsed form to you by dropping it in the mailbox located next to the GST Refund Inspection Counter.

Purchases with eTRS tickets

- 3.2.5 Before checking in his purchases in Departure Check-in Hall at the airport, the tourist will self-help at the kiosk to retrieve all his purchase transactions. If the transactions are linked to a single Token, all the transactions will be retrieved instantly. Otherwise, the tourist can still retrieve the transactions individually using the ticket issued. The tourist needs to have the invoice or receipt, Token or tickets, goods, passport and air ticket with him. For hand-carry purchases, the tourist can use the self-help kiosk in Departure Transit Lounge after clearing the immigration.
- 3.2.6 At the self-help kiosk, the tourist will be asked to:
- (a) Declare his eligibility and acceptance of the conditions under the scheme;
 - (b) Swipe his passport;
 - (c) Swipe his Token or scan the barcode on the ticket;
 - (d) Review the transactions that he wishes to claim a refund on;

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- (e) Select his refund options⁴ – whether he wants his refund to be made in cash or through his credit card.
- 3.2.7 After the above steps are completed, the tourist will see the status of his refund request on the kiosk screen and a Notification Slip will also be printed. If physical inspection of the goods is required before the refund request can be processed, the tourist will see the message on the kiosk screen and on the Notification Slip printed.
- 3.2.8 At Customs Inspection counter, the tourist will be asked to present his goods that he wishes to claim a refund on to Customs officer for inspection. After the Customs officer is satisfied that the claims are in order, a Notification Slip will be issued to the tourist.
- 3.2.9 After getting the Notification Slip, if the tourist requested for the refund to be made to his credit card, the amount will be credited to the specified credit card directly. If he had chosen for cash refund, he needs to proceed to the Central Refund Counter (“CRC”) to collect his cash.
- 3.2.10 It is important to note and communicate the following to the tourists.
- (a) When the tourist presents the refund form to SC or apply for GST refund at the self-help kiosk, 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 tourist must produce the goods to SC for inspection and for the refund form to be endorsed under the paper-based system. We **do not** accept endorsement by any other authorities.
 - (c) The tourist must bring the goods out with him on his departing flight after submitting his refund claims through the self-help kiosk or getting the form 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 form is endorsed.
 - (d) The tourist must depart Singapore within 12 hours after the submission of claims at the self-help kiosk and/or endorsement of the refund forms at the airport.

3.3 How do you account for the sale made under the scheme?

- 3.3.1 You must charge GST at the prevailing GST rate on all sales made under the scheme.

⁴ Only non-cash refund options (i.e. credit card and bank cheque) will be available at the Seletar Airport.

3.3.2 Even if you choose to absorb the GST on the sale, you must still account for output tax using the tax fraction (7/107) in your GST return for the prescribed accounting period in which the sale takes place.

3.3.3 You 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”.

4 Making a refund to the tourist under the scheme

4.1 What is a refund form?

4.1.1 If you are operating the paper-based refund system (i.e. not on eTRS yet) and your customer asks for a GST refund on the goods purchased from you, to enable him to claim the tax refund, you need to issue a refund form. The refund form, after being endorsed by SC shall serve as a proof that the goods have been brought out of Singapore.

4.1.2 You may print your own refund forms. (see paragraph 4.2)

4.1.3 If you sign up with either GB or PTF, the agency shall provide you with the physical forms or facility to print the forms. The forms provided by these agencies are commonly known as refund cheques or refund vouchers.

4.2 What information is required on a refund form?

4.2.1 If you decide to print your own refund form, it must contain the following:

(a) Part A

- (i) The words “Tourist’s Application for GST Refund” in a prominent place;
- (ii) A serial number;
- (iii) Your name, address and GST registration number;
- (iv) Invoice or receipt number for goods sold under the scheme;
- (v) A description of goods sold⁵;
- (vi) For each description, the quantity of goods and the GST-inclusive price in Singapore dollars⁴;
- (vii) The total amount payable inclusive of tax, expressed in Singapore dollars;
- (viii) Total GST amount payable by customer;
- (ix) Administrative charge (if any);
- (x) Net GST amount refundable to customer; and
- (xi) A declaration made by the retailer.

⁵ Instead of stating these details on the refund form, you may attach the invoice or receipt to the refund form and quote the invoice or receipt number on the refund form.

(b) Part B

- (xii) Particulars of the customer's name, passport number, residential address, date of birth, date of arrival in Singapore, date of departure from Singapore, preferred mode of payment; and
- (xiii) A declaration made by the customer.

(c) Part C

- (xiv) Endorsement made by SC to validate that goods purchased are brought out of Singapore.

4.2.2 You may wish to refer to the appendix A for a specimen format of the refund form. Alternatively, you may also visit our website at www.iras.gov.sg to download a soft-copy of the specimen format of the refund form.

4.2.3 In addition to the required information stated above, you can also customize your refund form by including other information that you deem necessary.

4.3 What is an Electronic Tourist Refund Ticket (“ticket”)

4.3.1 If you are on eTRS, you need to issue an eTRS ticket to the tourist. The ticket contains the Document-Identifier (“Doc-ID”) which is a unique number that uniquely identifies an eTRS transaction within the eTRS system. Every eTRS transaction must be associated with ticket when it is issued in the store. All participating independent retailers or CRA under eTRS must follow number specification in order for the transactions to be processed.

4.4 What information is required on a ticket?

4.4.1 Participating retailers under eTRS must ensure that the ticket has the wordings “Electronic Tourist Refund Ticket”, eTRS logo prominently printed. The ticket must contain the following data fields:

(a) CRA/IR information

- (i) CRA/IR ID, Name and GST registration number
- (ii) CRA/IR address: street, zip, city, country
- (iii) CRA/IR contact number

(b) Affiliated retailer information (Applicable for CRA only)

- (i) Retailer name
- (ii) Retailer GST registration number

(c) Transaction

- (i) Transaction-number (Doc-ID) as barcode

- (ii) Transaction-number (Doc-ID) human readable
- (iii) Transaction issuing date and time
- (iv) Total gross amount
- (v) Admin fee
- (vi) Total GST amount
- (vii) Refund amount
- (viii) Receipt: receipt number and receipt gross amount per GST-rate

(d) Tourist

- (i) Passport number
- (ii) Nationality
- (iii) Token used during issuing
- (iv) The statement "Provisional refund amounts are subject to eligibility check and approval"
- (v) The statement "Please keep this ticket, the receipts and goods for Customs' inspection"

4.4.2 Retailers can refer to the technical specification indicated in Appendix 2 of the e-tax guide: GST Guide On The Electronic Tourist Refund Scheme (eTRS) for more details.

4.5 When to issue a refund form or eTRS ticket?

4.5.1 The refund form or eTRS ticket must be issued on the same day of the sale of goods to the tourist. As an administrative concession, the Comptroller allows you to issue the form or ticket for past sales if you have proper controls in place to prevent abuse of the scheme. This includes having a system, which would allow you to check:

- (a) that the goods were purchased by the same individual who is requesting for a refund form or ticket.
- (b) that receipt or invoice produced is genuine and issued by your shop.
- (c) whether a refund form or ticket has been earlier issued for the receipt or invoice that is produced now.
- (d) for goods returned, whether a refund form or ticket has been previously issued. If a refund form or ticket has been issued, you need to check and ensure no refund is made and invalidate the refund form or ticket.

4.5.2 After issuing the refund form or ticket, you should indicate on the receipt or invoice that the form has been issued. For example, by stamping "TRS refund form or ticket issued" and stating the form serial number or Doc-ID.

4.6 What must you do before making a GST refund to the tourist?

4.6.1 Retailers under the paper-based system must:

- (a) check that the form has been duly endorsed by SC.
- (b) ensure that the form is received within 2 months from the date of endorsement by SC.
- (c) check for any alterations to the form. Where any SC officer makes an alteration, he will sign against it. Alterations made by SC are likely to be reduction in the quantities of goods as there could be instances where not all goods are presented to SC. In such instances, you need to re-compute the GST to be refunded to the tourist and allow him GST only for the goods brought out by him. Likewise, you can only claim refund for the reduced amount.

4.6.2 Independent retailers or Central Refund Agencies participating in eTRS are required to engage the services of the CRC where CRC is the paying agent to make refunds to tourists on their behalf.

4.7 What must you do if the tourist returns PARTIAL goods to you BEFORE leaving Singapore?

4.7.1 You must:

- (a) Retrieve the form or ticket from the tourist.
- (b) Void the form or ticket previously issued to the tourist.
- (c) Re-issue a new form or ticket for the remaining purchased item.
- (d) Refund the value of goods returned (including the GST amount) to the tourist.
- (e) Indicate on the invoice or receipt that a form or ticket is issued.

4.8 What must you do if the tourist returns ALL goods to you BEFORE leaving Singapore?

4.8.1 You must:

- (a) Retrieve the form or ticket from the tourist.
- (b) Void the form or ticket previously issued to the tourist.
- (c) Refund the total value of goods returned (including the GST amount) to the tourist.

4.9 What must you do if the tourist returns ALL goods to you AFTER he made a refund claim?

4.9.1 You must:

- (a) Check and confirm (with CRA where necessary) that the tourist has claimed his GST.
- (b) Refund only the value of goods returned (excluding the GST amount) to the tourist since GST refund was already made to the tourist earlier.

5 Claiming a refund from the Comptroller under the scheme

5.1 What must you do to claim a refund from the Comptroller?

5.1.1 You must:

- (a) have accounted output tax at the prevailing tax rate. (see paragraph 3.3)
- (b) have received the refund form endorsed by SC from the tourist within 2 months from SC endorsement of the refund form.
- (c) have refunded the tax to the tourist within 3 months from the date of SC endorsement of the refund form. If you refund the tax via cheque to the tourist, you can recover the tax from the Comptroller only after the cheque has been encashed by the tourist.
- (d) maintain documents and records to show that the above conditions have been satisfied (see paragraph 5.3).

5.2 How can you claim a refund from the Comptroller?

5.2.1 If you have satisfied the conditions for claiming a refund under the Scheme (see paragraph 4.6), you may proceed to claim the refund by entering the amount in Box 7 "Input tax and refunds claimed" on the GST F5 return.

5.2.2 If you are e-filing your returns, you have to indicate the amount of GST that you have refunded to the tourist in the relevant boxes provided (Under the section "Did you make the following claims in Box 7?").

5.2.3 If you are affiliated with GB or PTF, you cannot claim any refund as the CRAs will claim the tax from the Comptroller after refunding the tourist.

5.3 What types of documents and records do you need to maintain?

5.3.1 To qualify for a refund under the scheme, it is important to maintain the following documents for at least 5 years to prove to the Comptroller that you have satisfied all the conditions. (see paragraph 5.1)

- (a) Separate account to record sales and refunds made under the scheme;
- (b) Copies of invoice and receipt issued for the goods sold;
- (c) Endorsed refund forms received from the tourist or reports issued by the CCH; and
- (d) Evidence or CRC report on the payment made to the tourist.

5.3.2 If you are affiliated with GB or PTF, you are required to maintain records of refund vouchers/cheques or reports issued (either in hard copy or soft) as part and parcel of the accounting and business records to be maintained under section 46 of the GST Act.

6 Others

6.1 Can you charge an amount to cover administrative expenses?

6.1.1 If you intend to deduct an amount from the refund due to cover administrative or handling expenses, the amount and the net refund due must be indicated in the refund forms. You should also explain this charge clearly to the tourist at the point of sale to avoid subsequent confusion or complaints.

6.2 Do you have to levy GST on the administrative fees charged to the tourist?

6.2.1 The administrative fee is a consideration for a supply of service to the tourist. Generally, a supply of service can be zero-rated (i.e. GST at 0%) if it qualifies as an international service. You can charge GST at 0% as it is a service that is supplied directly in connection with goods for export outside Singapore and supplied to a person who belongs in a country other than Singapore, at the time the services are performed⁶.

6.3 What do you do with blank refund forms?

6.3.1 You must have proper controls over blank or partially completed refund forms. This will minimize the possibility of illegitimate claims. Stocks of blank forms should be kept secure, for example, under lock and key at the end of each day.

⁶ This is provided for under Section 21(3)(g) of the Goods and Services Tax Act.

6.3.2 If you are affiliated with either one of the CRAs, you would need to put in place controls to ensure that only authorized staff have access to the terminals used to print refund forms.

6.4 Where can tourists obtain further information?

6.4.1 Tourists can refer to:

- (a) IRAS' website at www.iras.gov.sg to download (Quick links > e-Tax Guides > GST) the e-tax guide, "Guide for Visitors on Tourist Refund Scheme"; or
- (b) STB's website at www.yoursingapore.com; or
- (c) Singapore Customs website at www.customs.gov.sg

6.5 What are the offences related to the scheme?

6.5.1 If you choose to participate in the scheme, you must comply with the conditions laid out in the GST (General) Regulations and this e-tax guide. Please note that failure to comply with the regulations will lead to your refund claims being denied and certain penalties being imposed.

6.5.2 If you are guilty of an offence made under the scheme, you shall be liable on conviction to a fine not exceeding \$5,000 and an imprisonment term not exceeding 6 months in default of payment.

Appendix B: Specimen format of the refund form (overleaf)

Conditions of Tourist Refund Scheme

Who is eligible for a refund under the Scheme?

1. A visitor to Singapore who **MUST NOT**:
 - a. spend more than 365 days in Singapore in the 24 months immediately preceding the date of purchase
 - b. be a Singapore Citizen or Permanent Resident of Singapore
 - c. have been employed in Singapore at any time in the past 6 months immediately preceding the date of purchase
 - d. be under the age of 16 at the time of purchase
 - e. be a member of the flight or cabin crew of the aircraft on which you are departing out of Singapore

2. A student pass holder who satisfies **all** the criteria above and intends to depart and remain outside Singapore for a minimum period of 12 months.

What must you do to qualify for a refund under the Scheme?

1. Goods are brought out of Singapore via Changi International Airport or Seletar Airport within 2 months from the date of purchase.
2. For student pass holders, goods must be purchased not more than 4 months before the student pass expiry **and** the goods are brought out of Singapore within 2 months from the date of purchase.
3. You must spend a minimum of S\$100 (including GST) on purchases from the same retailer in the same day before a refund form can be issued to you. You may accumulate a maximum of 3 same-day receipts from the same retailer to meet this minimum purchase amount.
4. You are to carry small items of high value in your hand luggage and produce the goods together with this form and the invoice or receipt to Singapore Customs at the GST Refund Inspection Counter in the Departure Lounge after immigration.
5. If the goods are too bulky to hand-carry on board the aircraft, you are to produce the goods with the form and invoice or receipt to Singapore Customs in the Departure Hall before checking the goods in.
6. You are also required to show your passport and travel documents such as boarding pass or confirmed air-ticket as proof of your eligibility and departure from Singapore.
7. You must seal the endorsed form in the envelope given to you by the retailer and drop it in the mailbox situated at the GST Refund Inspection Counter before leaving Singapore.
8. You must depart from Singapore within 12 hours from the time of Singapore Customs' endorsement as indicated in the form.

How to obtain a refund from the retailer?

You must submit the endorsed form to the retailer within 2 months from the date of Singapore Custom's endorsement as indicated in the form. The retailer must refund you the GST (after deducting administrative charge, if any) within 3 months from the date of Singapore Custom's endorsement on the form.

Important Note

This form is a declaration to Singapore Customs. It is a serious offence to make a false declaration to Singapore Customs.