

IRAS e-Tax Guide

**GST Guide for the
Marine Industry –
2010 Budget Changes
(Third edition)**



**INLAND REVENUE
AUTHORITY
OF SINGAPORE**

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1 Introduction

- 1.1 The Minister for Finance, in his 2010 Budget Statement, announced changes to the GST treatment for ship and ship-related supplies. The changes reflect the international character of supplies relating to ships and facilitate GST compliance for such supplies while maintaining the integrity of the GST system.

2 Overview of GST changes

- 2.1 At a glance, the GST changes involve the following:-
- (i) Expanding the scope of zero-rating of **international transport of passengers/goods by sea**;
 - (ii) Expanding the **definition of 'ship'** for the purposes of zero-rating international services supplied to ships; and
 - (iii) Expanding the scope of zero-rating of **supplies of goods for use or installation on a ship**.
- 2.2 From 1 July 2010 to 31 December 2010, the above GST changes were effected by way of Ministerial remission. To give legislative effect to these GST changes, the following amendments to the GST Act have been made with effect from 1 January 2011:
- a) Section 21(3)(a) and (b) of the GST Act – Zero-rating of international transport of passengers or goods by sea
 - b) Section 21(4) of the GST Act – Definition of 'ship'
 - c) Section 21(6A) and (6B) of the GST Act – Zero-rating of supplies of goods for use or installation on a ship
- 2.3 Please refer to paragraphs 3 to 7 below for more information. A summary of the changes, including the GST treatment before 1 July 2010, is provided in Appendix 1 of this guide.

3 International transport of passengers or goods by sea

- 3.1 Services (not being ancillary transport activities such as loading, unloading and handling) comprising the international transport of passengers or goods can be zero-rated¹.
- 3.2 With regard to the transport of passengers or goods by sea in particular, zero-rating relief will apply to transportation –
- a) from a place outside Singapore to another place outside Singapore; or
 - b) from a place in Singapore or to a place in Singapore, and substantially outside Singapore.

¹ Under section 21(3)(a) of the GST Act.

3.3 Accordingly, the supply of international transport or the arranging² of international transport of passengers or goods qualifies for zero-rating in the following situations-

- i) where the transporting vessel is bound for or returning from a fixed port of call outside Singapore, that is to say -
 - from a place outside Singapore to another place outside Singapore;
 - from a place in Singapore to a place outside Singapore; or
 - from a place outside Singapore to a place in Singapore;
- ii) where the transporting vessel sails to or from international waters and the course of transportation occurs “substantially outside of Singapore”.

3.4 The Comptroller will consider a course of transportation to be “substantially outside Singapore” if the travel in Singapore waters is only necessary for the purposes of departing to or returning from international waters.

Example 1

Supplies of “cruise-to-nowhere” i.e. cruises in international waters packages by cruise operators can be zero-rated. However, cruise-to-nowhere packages comprising cruises within Singapore waters only will continue to be standard-rated.

3.5 Zero-rating is also extended to the supplies of domestic transport of goods i.e. from a place in Singapore to another place in Singapore³. This is when the domestic transport is provided as part of the international transportation of goods by sea and provided that the domestic transport is supplied by the same supplier. The supplier however, does not need to perform the ancillary transport activities himself, but must be contracted to provide both the international and domestic leg of transportation. Zero-rating does not extend to domestic transport of passengers.

Documentary requirements

3.6 To substantiate that your supply of international transport of passengers or goods qualifies for zero-rating, the Comptroller will rely on your existing commercial transaction documents such as, your invoice, written instructions from customers, evidence of payment received, etc.

² Section 21(3)(c) of the GST Act.

³ Section 21(3)(b) of the GST Act.

4 Definition of 'ship'

4.1 Supplies of services relating to ships that can qualify for zero-rating must meet the following criteria:

- (a) The services are prescribed as "international services"⁴ (for a list of international services relating to ships, please refer to Appendix 2). Examples of prescribed services are ship repair and maintenance, ship management and ship handling.
- (b) The supplies are made to a ship defined for the purpose of GST⁵ [referred to as 'qualifying ship' in this guide].

4.2 Recognising Singapore's limited territorial waters and most ships (whether commercial or private) are internationally bound, the definition of 'ship' for the purpose of GST⁶ is revised to mean:

"any ship (including an oil rig) but does not include any ship —

- (i) that is licensed under the Maritime and Port Authority of Singapore (MPA) Act (Cap. 170A) as a passenger harbour craft or pleasure craft;
- (ii) in respect of which a vessel permit has been granted by the Public Utilities Board (PUB) under regulations made under the Public Utilities Act (Cap. 261); or
- (iii) that is designed or adapted for use for recreation or pleasure and is so used within Singapore (unless the use within Singapore is for such purpose that is incidental to its use outside Singapore as the Comptroller may allow)."

4.3 "Qualifying ship" therefore includes most commercial ships (other than those licensed as passenger harbour craft by MPA) as well as ships designed or adapted for use for recreation or pleasure which is wholly used for international travel. Consequently, zero-rating of prescribed services will apply to these ships.

4.4 With effect from 1 January 2011, the meaning of 'ship' will also exclude ships that are granted vessel permits by the Public Utilities Board. This change is intended to recognise that because such ships are for used for domestic purposes within Singapore inland water ways, zero-rating relief should not apply to them⁷.

⁴ Prescribed in Section 21(3) of the GST Act and its Subsidiary Legislation, Goods and Services Tax (International Services Order)

⁵ As defined in Section 21(4)(a) of the GST Act

⁶ Under Section 21(4)(a) of the GST Act.

⁷ Consequently from 1 July 2010 to 31 December 2010, 'ship' would mean "any ship (including an oil rig) but does not include any ship —

(i) that is licensed under the Maritime and Port Authority of Singapore (MPA) Act (Cap. 170A) as a passenger harbour craft or pleasure craft; or

Recreation and Pleasure ships: Meaning of ‘wholly for international travel’

- 4.5 Riding on the requirement that ships which are intended for sail in international waters must be registered under a country’s flag, any pleasure and recreation ship that is either *Singapore-flagged or foreign-flagged will be treated* as a ship which is wholly used for international travel. This is provided that the ship is not -
- (a) concurrently licensed as a pleasure craft with MPA or, if applicable, granted a vessel permit by PUB⁸;
 - (b) used as the permanent or long-term living accommodation of persons who reside in Singapore. This excludes visiting foreign owned yachts which are used as accommodation of the crew or passengers whilst the yacht is temporary berthed in Singapore; or
 - (c) concurrently used for travelling or other activities within Singapore waters (for instance, your yacht is also used for day trips or entertainment activities within Singapore waters), with the exception of temporary and limited movement of ships within Singapore waters such as for the purposes of moving from one marina to another.

Identifying ships that are ‘wholly for international travel’

- 4.6 Administratively, the Comptroller is prepared to accept the following as indicators that a recreation and pleasure ship is wholly intended for international travel -
- (a) You, as the supplier, have verified/sighted that there is no MPA⁹ pleasure craft licence number displayed on the ship; and
 - (b) You have obtained written declaration from the customer that the conditions in paragraph 4.5 are satisfied. This written declaration may be incorporated into your customer’s purchase order/written instruction to you or your delivery order to your customer provided that the customer endorses [name, designation, signature and company stamp (where applicable)] the delivery order.
- 4.7 If you have applied the indicators above and assessed that the ship is a qualifying ship, you can zero-rate your supplies, as applicable.

(ii) that is designed or adapted for use for recreation or pleasure and is so used within Singapore (unless the use within Singapore is for such purpose that is incidental to its use outside Singapore as the Comptroller may allow).”

⁸ The exclusion will be effective from 1 January 2011.

⁹ As explained in MPA’s website, ship owners are required by to display the licence number on both sides of the bow, above the water line. The presence of a SZ (pleasure craft licence prefix) or SP (passenger harbour craft licence prefix) licence number serves as an easy and transparent identifier that the ship may not fall within the definition of qualifying ship

- 4.8 However, if you have any reason to believe that the ship may not fall within the definition of qualifying ship despite having applied the indicators above, for example, you observe that the customer's residential address is that of the ship, then you should standard-rated the supply instead.

Example 2.1

You have applied the indicators in paragraph 4.6 and assessed that the repair services you have performed are on a yacht that falls within the definition of qualifying ship. Hence you can now zero-rate your repair service.

Example 2.2

You are engaged to perform repair services for a yacht belonging to a local expatriate. You note that your customer's billing address is that of the ship you have repaired and that he has no other Singapore address. Accordingly, you cannot zero-rate your repair services despite the fact that your customer claims that the ship is wholly only used for international travel.

Documentary requirements for zero-rating of prescribed services to qualifying ship

- 4.9 To substantiate that your ship-related services qualifies for zero-rating, you should maintain the following documents:-
- Work order or purchase order from your customer, indicating the type and name of vessel in which the work relates to, and a detailed description of the services provided. For ships designed or adapted for use for recreation or pleasure, the written declaration as explained in paragraph 4.6 to prove that the ship is a qualifying ship;
 - Invoice to your customer;
 - Evidence of payment received from your customer;
 - Your in-house documents maintained which substantiate the services provided by you, if any. For example, service reports.

5 Supplies of goods for use or installation on a ship located in Singapore

5.1 Most goods supplied to ships located in Singapore¹⁰ are generally international in character. Therefore to ease compliance for the industry, new provisions made under sections 21(6A) and 21(6B) will provide for the zero-rating of a supply relating to goods (supply by sale or lease) where the Comptroller (subject to conditions) is satisfied that the goods are for –

- (i) use as stores or fuel on a ship;
- (ii) installation on a ship or a ship under construction;
- (iii) use in the maintenance or operation of a ship; or
- (iv) sale by retail as merchandise to persons carried on a ship.

Meaning of ‘Ship’

5.2 For the purposes of zero-rating under sections 21(6A) and 21(6B), ‘ship’ has the same meaning as ‘qualifying ship’ as explained in paragraph 4 above.

Meaning of ‘Goods which are for use or installation on the ship’

5.3 Examples of goods considered as being for use or installation on a qualifying ship include:-

- Machinery, equipment or other goods which are installed and become part of the ship;
- Machinery, equipment or other goods for use on the ship for its operations.

5.4 However, the following types of goods are excluded from this category, i.e. zero-rating will not apply under this section even if the goods are for use on the ‘qualifying ship’:

- Cargo carried on board a ship for the purposes of being transported to another destination. Although cargo carried on board a ship is not regarded as ‘goods which are for use or installation on the ship’, the supplier can zero-rate this supply of goods if he can obtain proof of export. For more information, please refer to the e-tax guide ‘GST: A Guide on Exports’, which explains the circumstances and documentary requirements for which a supply of goods can be zero-rated.
- Goods that are purchased by ship’s crew for their own use, such as televisions, audio visual or electronic equipment or devices. Such goods will continue to be excluded from zero-rating as such goods are considered to have been supplied to the crew and not to the ship. This is even if the crew purchases these personal items through a ship agent/chandler for convenience.

¹⁰ Where the ship is located outside Singapore, the normal export rules apply. Please refer to the e-Tax Guide ‘GST: A Guide on Exports’.

Example 3

Some crew members would like to purchase personal items e.g. cigarettes. They place their orders through the ship agent. The ship agent delivers the general ship stores, together with the crews' personal purchases on board the ship. In this instance, zero-rating will only apply to the general ship stores but not to the crews' personal purchases. This is notwithstanding that the Master/Chief Engineer of the Vessel acknowledges delivery of the cigarettes on behalf of the crew.

- 5.5 The specific scenarios where the Comptroller considers that the goods have been supplied for use or installation on the qualifying ship are set out in paragraph 6 below. The flowchart in Appendix 3 illustrates the general factors you would have to consider for zero-rating goods supplied to qualifying ships in Singapore.

Exception to this relief

- 5.6 There are certain supplies of goods which cannot be zero-rated. This applies to supplies of goods to Singapore-flagged or foreign-flagged **pleasure and recreation ships** falling within the definition of qualifying ship where the goods purchased are wholly consumed whilst the ship is in Singapore. These supplies are considered as private end consumption in Singapore and as such, should be subject to GST.

Examples of such supplies of goods include

- electricity or fuel supplied to berthed ships,
- water and food provisions consumed entirely in Singapore by the crew or passengers of the ship.

- 5.7 However, where it can be clearly identified that such goods (as applicable), for example, food and water provisions, are purchased for use on an international voyage provided that the supporting evidence is maintained or for the upkeep or use within the ship itself (e.g. lubricants, paint and spare parts etc) the supply would still qualify for zero-rating. The flowchart in Appendix 4 illustrates how you as the supplier, can determine whether your supplies fall within this exception.

6 Specific scenarios of supplies of goods for use or installed on a qualifying ship which can be zero-rated

- 6.1 As mentioned in paragraph 5, you can zero-rate the supply (whether by way of sale or lease whichever is applicable) of goods for use or installation on any qualifying ship if they fall within the specified scenarios illustrated below, and provided you have the specified documents spelt out in Appendix 5.

Scenario 1:

Goods delivered directly on board the qualifying ship in Singapore, subject to the exception for goods supplied to qualifying pleasure and recreation ship which are wholly consumed in Singapore

Scenario 2:

Goods delivered to a named place as instructed by your customer to facilitate the subsequent delivery of the goods directly to the qualifying ship in Singapore, subject to the exception for goods supplied to qualifying pleasure and recreation ship which are wholly consumed in Singapore

Scenario 3:

Goods delivered to a shipyard for a ship under construction in Singapore with no Master of vessel prior to commissioning

Scenario 4:

Goods are sold and delivered directly to shipyard in Singapore

Scenario 5:

Goods are sold to a 3rd party contractor (your customer) but delivered directly to shipyard in Singapore

- 6.2 The documents set out in Appendix 5 are simplified requirements, and most of these are regular commercial documents that you also need to maintain in the normal course of your business.
- 6.3 You will note that the belonging status of your customer is not relevant for the purposes of zero-rating your supplies of goods to ships.

60-day Rule

- 6.4 You are required to collate the required export evidence within 60 days from the time of supply. In the event that you fail to obtain all the required evidence within the 60-day period, you should standard-rate the supply.
- 6.5 However, we understand that there may be instances when you may not be able to comply with this 60-day rule. For example, when the ship is delayed. In such circumstances, you may write in to obtain the Comptroller's approval

to zero-rate the supply before the goods are delivered. You may also note that the Comptroller has published in the e-tax guide 'GST: A Guide on Exports' the scenarios where the Comptroller is prepared to extend the 60-day period. If your supply satisfies any of the scenarios in the e-tax guide, you do not have to write in for approval.

Exceptions under the Approved Marine Customer Scheme (AMCS)

- 6.6 The Approved Marine Customer Scheme (AMCS) was introduced by the Minister for Finance in his 2011 Budget Speech.
- 6.7 Under the scheme, approved businesses in the shipping and marine industries (i.e. Approved Marine Customers or AMCs) are eligible to purchase or rent goods for use or installation on internationally bound commercial ships at zero percent GST. The documentary requirements imposed on suppliers making these zero-rated supplies to the AMC are simplified, such that the supplier does not need to maintain all the documentary evidence spelt out in Appendix 5 of this guide.
- 6.8 In addition to the benefit of simplified documentary requirements, the 60-day requirement to obtain these documents is also relaxed for AMCs.

AMCs and their suppliers should refer to the e-Tax Guide "[GST Guide for the Marine Industry – 2011 Budget Changes](#)" for more details.

7 Supplies of stores, bunker fuel and merchandise for sale by retail to non-qualifying ships

- 7.1 Zero-rating will continue to apply to non-qualifying ships if you supply stores, bunker fuel or merchandise for sale by retail to these ships (e.g. a ship which is licensed by MPA as a passenger harbour craft or pleasure craft), provided that the non-qualifying ship is bound for a destination outside of Singapore. You can zero-rate these supplies if you maintain the following documents:-

For goods delivered directly on board the vessel

- (a) purchase order from your customer that goods purchased are to be used as stores, bunker fuel or merchandise for sale by retail on board the departing vessel. The purchase order should indicate the name of the vessel, date of departure and next destination from Singapore;
- (b) written instructions from your customer to deliver the goods to the vessel (this may be included in the purchase order);
- (c) sales invoice to your customer;
- (d) for the supply of stores and merchandise for sale by retail, delivery note endorsed by the Master/Chief Engineer of the ship that the goods

delivered are used as stores on a voyage to or from a destination outside Singapore, and showing the date of receipt of goods and the place of next destination;

- (e) for the supply of bunker fuel, bunker delivery note endorsed by the Master/Chief Engineer of the vessel
- (f) evidence of payment received from your customer.

For stores delivered to a named destination as instructed by your customer

- (a) purchase order from your customer that goods purchased are to be used as stores on board the departing vessel. The purchase order should indicate the name of the vessel, date of departure and next destination from Singapore;
- (b) written instructions from your customer to deliver the goods to a named destination (this may be included in the purchase order);
- (c) sales invoice to your customer;
- (d) delivery note endorsed by your customer that the goods delivered to the named destination are used as stores on a voyage to or from a destination outside Singapore, and showing the date of receipt of goods and the place of next destination;
- (e) evidence of payment received from your customer.

7.2 It should be noted that the zero-rating relief to non-qualifying ships only applies to the supply of stores, bunker fuel and merchandise for sale by retail within the context of the scenarios explained in paragraph 7.1.

7.3 Goods which do not fall within the definition of 'stores', 'bunker fuel' or 'merchandise for sale by retail' should be standard-rated as it is supplied to a non-qualifying ship unless you have written in to request for prior approval from the Comptroller to zero-rate the supply.

8 Contact information

If you have any enquiries on this e-Tax Guide, please contact:

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9 Updates and amendments

	Date of amendment	Amendments made
1	1 Jan 2011	This guide replaces the e-tax guide "GST and the Marine and Shipping Industries"
2	10 Jan 2012	Revisions made to take into account legislative amendments

Appendix 1 – Summary of changes

Scope	Prior to 1 July 2010	GST changes with effect from 1 July 2010	Additional refinements
<p>1. International transport of goods/passengers</p>	<p>The international transport of goods/passengers is zero-rated if it is:- (i) from a place outside Singapore to another place outside Singapore; (ii) from a place in Singapore to a place outside Singapore; or (iii) from a place outside Singapore to a place in Singapore;"</p> <p>'Place outside Singapore' is taken to mean that the transporting vessel must be bound for a fixed destination outside Singapore. Therefore, supplies of "cruise-to-nowhere" packages would have to be standard-rated as the vessel would not call at any port once it leaves Singapore.</p>	<p>The international transport (and arranging of transport) of goods/passengers <u>via sea</u> is zero-rated if it is:- (i) from a place outside Singapore to another place outside Singapore; or (ii) from a place in Singapore or to a place in Singapore, and substantially outside Singapore;</p> <p>Consequently, the ship no longer has to call at a place outside Singapore in order for the supplier to zero-rate the transportation services, as long as its course of transportation occurs "substantially outside of Singapore".</p> <p>Zero-rating will also be extended to the supplies of domestic transport of goods i.e. from a place in Singapore to another place in Singapore. This is when the domestic transport is provided as part of the international transportation of goods on a vessel that sails to or from international waters and provided that the domestic transport is supplied by the same supplier.</p>	<p>The Comptroller will consider a course of transportation to be "substantially outside Singapore" if the travel in Singapore waters is only necessary for the purposes of departing to or returning from international waters.</p>

GST Guide for the Marine Industry - 2010 Budget Changes

Scope	Prior to 1 July 2010	GST changes with effect from 1 July 2010	Additional refinements
2. Definition of "Ship"	A ship which is not designed or adapted for use for recreation or pleasure and excludes any ship licensed under the Maritime and Port Authority of Singapore (MPA) Act as a passenger harbour craft or pleasure craft.	The meaning of 'qualifying ship' will be widened to include ships designed or adapted for use for pleasure and recreation ships provided that such ships are wholly used for international travel. Please refer to paragraphs 4.2 to 4.4 for further details.	
3. Zero-rating of supply of goods to ships	<p>A supply of goods qualifies for zero-rating if the Comptroller is satisfied that the goods have been shipped for use as stores on a voyage to or from a destination outside Singapore or as merchandise for sale by retail to persons carried on such a voyage in a ship.</p> <p>A destination outside Singapore is taken to mean that the ship must call at a port outside Singapore.</p> <p>Consequently, if the stores are used by a ship on a "cruise to nowhere" journey in international waters for instance, the supplies of these stores are to be standard-rated.</p>	<p>Zero-rating will apply to all goods (sale and lease) supplied for use or installation on a qualifying ship', regardless of whether they call on a foreign port outside Singapore.</p> <p>This means:-</p> <ul style="list-style-type: none"> ▪ that the goods supplied is no longer limited to "stores" or "merchandise for sale by retail"; ▪ that the ship does not need to be on a voyage to or from a destination outside Singapore. Zero-rating will apply as long as the ship is a qualifying ship; and ▪ with respect to lease of goods, it no longer needs to be supplied to an overseas person. <p>The exception to this relief is explained in paragraphs 5.6 and 5.7.</p>	This zero-rating relief relates only to supplies to qualifying ships which are located in Singapore, which would otherwise have to be standard-rated on the basis that the goods are delivered locally.

Appendix 2 - List of international services relating to ships

Section 21 of the GST Act provides for zero-rating of exports and international services.

The following is an extract from the GST Act and its Subsidiary Legislation, Goods and Services Tax (International Services) Order which define the scope of international services relating to ships that qualify for zero-rating. Specifically, it lists the zero-rating provisions under Section 21(3)(k), 21(3)(l), 21(3)(m), 21(3)(n), 21(3)(o) and 21(3)(p) of the GST Act.

International Services

Section 21(3):

(k) prescribed services supplied —

- (i) under a contract with a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country outside Singapore; and
- (ii) which directly benefit a person wholly in his business capacity (and not in his private or personal capacity) and who in that capacity belongs in a country other than Singapore;

The prescribed services are services of engineers, lawyers, accountants and other similar consultancy services which are supplied directly in connection with ships within the meaning of section 21(4)(a) of the GST Act.

(l) prescribed services in connection with —

- (i) the handling of ships; or
- (ii) the handling or storage of goods carried in a ship;

The prescribed services are services supplied within any free trade zone or designated area of a port or terminal for —

- (a) the handling of ships; or
- (b) the handling or storage of goods carried in any ship.

(m) pilotage, salvage or towage services performed in relation to ships;

(n) services comprising the surveying of any ship or the classification of any ship for the purposes of any register;

(o) the supply (including the letting on hire) of any ship;

(p) prescribed services comprising the repair, maintenance, broking or management of any ship;

The prescribed services are:

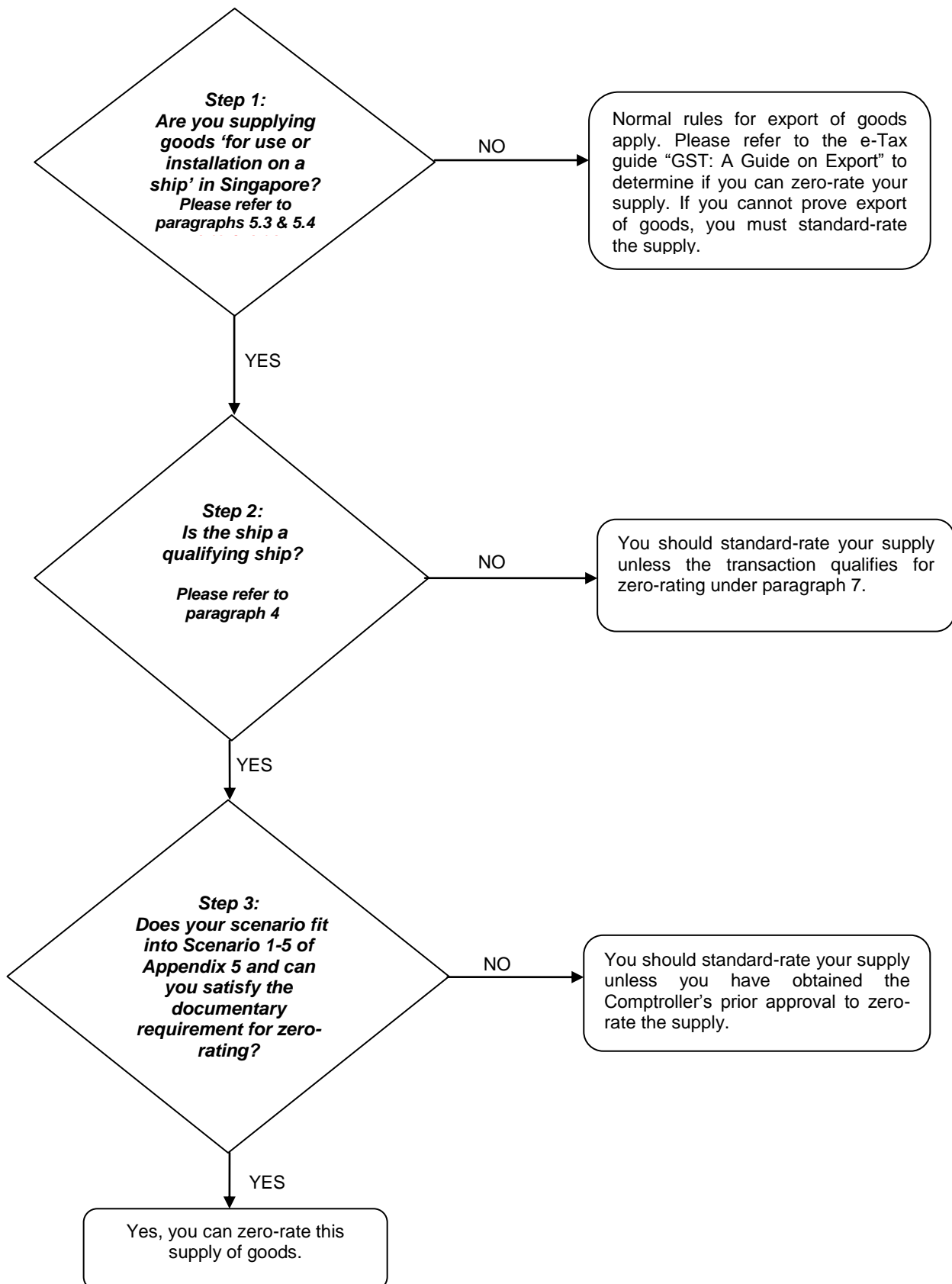
- The repair and maintenance of any ship where —

Prior to 1 Oct 2011	With effect from 1 Oct 2011 ¹¹
<p>(a) the repair or maintenance is carried out on board the ship;</p> <p>(b) any part or component of the ship is removed for repair and reinstalled on the ship;</p> <p>(c) any part or component of the ship is removed for repair and returned to the ship as a spare; or</p> <p>(d) any part or component of the ship is removed and replaced by an identical part or component.</p>	<p>(a) the repair or maintenance is carried out on board the ship;</p> <p>(b) any part or component of the ship is removed for repair and –</p> <p style="padding-left: 20px;">(i) reinstalled on the ship, or returned onto the ship as a spare; or</p> <p style="padding-left: 20px;">(ii) delivered to –</p> <p style="padding-left: 40px;">(B) a shipyard situated in Singapore; or</p> <p style="padding-left: 40px;">(C) an Approved Marine Customer; or</p> <p>(c) any part or component of the ship is removed and repaired by way of an exchange with an identical part or component, with the identical part or component being –</p> <p style="padding-left: 20px;">(i) installed on the ship, or brought onto the ship as a spare; or</p> <p style="padding-left: 20px;">(ii) delivered to –</p> <p style="padding-left: 40px;">(A) a shipyard situated in Singapore; or</p> <p style="padding-left: 40px;">(B) an Approved Marine Customer.</p>

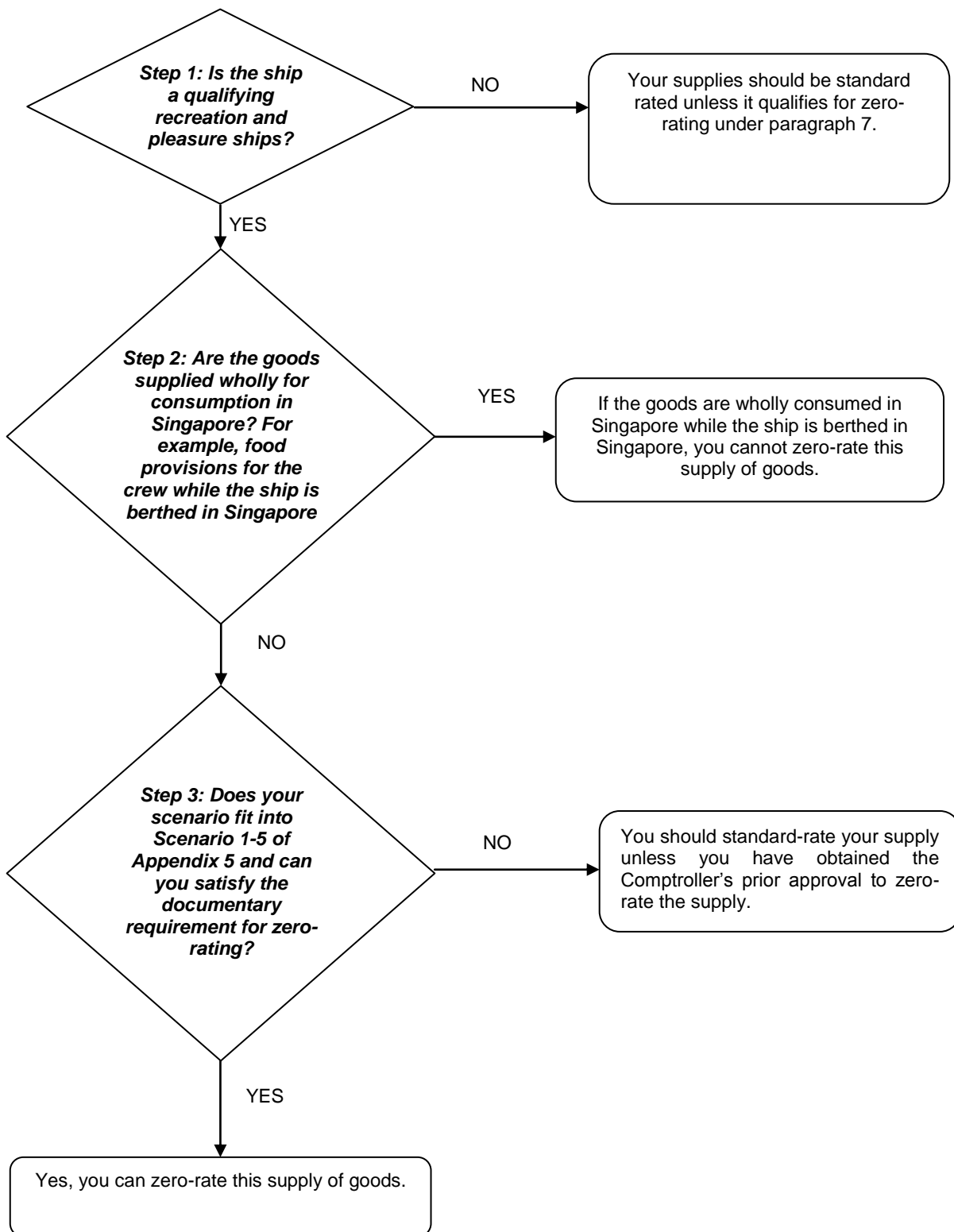
- The making of arrangements for the supply (including the letting on hire) of, or of any space in, any ship.
- Management services, in relation to any ship, provided to the owner, operator or agent of the ship.

¹¹ Please refer to our e-Tax Guide "[GST Guide for the Marine Industry – 2011 Budget Changes](#)" for details of changes.

Appendix 3 – Flowchart on the general factors you would have to consider for zero-rating goods supplied to qualifying ships In Singapore.



Appendix 4 – Flowchart on how you as a supplier can determine whether your supplies fall within the exception for zero-rating the supplies of goods to qualifying recreation and pleasure ships



Appendix 5 – Specific scenarios of supplies of goods to qualifying ship which can be zero-rated

Types of goods /ship	Scenario and documentary requirements
<ul style="list-style-type: none"> - All goods supplied to qualifying ships <u>except:-</u> - goods supplied to qualifying recreation and pleasure ships which are consumed wholly in Singapore 	<p>Scenario 1 - Delivered directly on board the qualifying ship in Singapore</p> <p>You can zero-rate the supply of any goods for use or installation on a qualifying ship if you deliver or arrange for the delivery of the goods directly on board the qualifying ship in Singapore, and you maintain the following documents:-</p> <ul style="list-style-type: none"> • <i>Purchase order (PO) or any other written instruction from your customer indicating that the goods are for the use/installation on a qualifying ship and to be delivered directly to the ship.</i> <p>The PO must indicate the type and name of the vessel. If the vessel is licensed by MPA, the PO should preferably include the license number of the ship (This is an optional requirement but strongly encouraged where possible to maintain this information). The PO must also indicate the place of delivery of the goods as the ship itself.</p> <ul style="list-style-type: none"> • <i>Your invoice to your customer</i> • <i>Evidence of payment received from your customer</i> • <i>For any goods other than bunker fuel, your delivery note must be endorsed by the Master/Chief Engineer of the ship that the goods delivered are for use/installation on the ship. The delivery note must also show the date of receipt of goods; or</i> • <i>For the supply of bunker fuel only, the bunker delivery note must be endorsed by the Master/Chief Engineer of the ship.</i> <p>For qualifying recreation and pleasure ships, you will need to also maintain the following:</p> <ul style="list-style-type: none"> • <i>For the supply of non-ship specific items such as water and food provisions, your customer is also required to undertake that the goods are for consumption during international travel. Zero-rating of such supplies should also be supported with a port clearance certificate indicating that the ship is departing from Singapore within one week from the date of delivery of the goods.</i>

Types of goods /ship	Scenario and documentary requirements
	<p>Scenario 2 - Delivered to a named place as instructed by your customer to facilitate the subsequent delivery of the goods directly to the qualifying ship in Singapore</p> <p>You can zero-rate the supply of any goods shipped for use or installation on a qualifying ship where the goods are delivered to a named place as instructed by your customer to facilitate the subsequent delivery of the goods directly to the ship in Singapore, provided that you maintain the following documents:-</p> <ul style="list-style-type: none"> • <i>Purchase order (PO) or any other written instruction from your customer indicating that the goods are for the use/installation of a qualifying ship and to be delivered to the named place.</i> <p>The PO must indicate the type and name of the vessel. If the vessel is licensed by MPA, the PO should preferably include the license number of the ship (This is an optional requirement but strongly encouraged where possible to maintain this information). The PO must also indicate the place of delivery of the goods as the named place so as to facilitate subsequent delivery of the goods directly to the ship.</p> <ul style="list-style-type: none"> • <i>Your invoice to your customer</i> • <i>Evidence of payment received from your customer</i> • <i>Your delivery note or your customer's delivery note must be endorsed by the Master/Chief Engineer of the ship that the goods delivered are for use/installation on the ship. The delivery note must also show the date of receipt of goods.</i> <p>For qualifying recreation and pleasure ships, you will need to also maintain the following:</p> <ul style="list-style-type: none"> • <i>For the supply of non-ship specific items such as water and food provisions, your customer is also required to undertake that the goods are for consumption during international travel. Zero-rating of such supplies should also be supported with a port clearance certificate indicating that the ship is departing from Singapore within one week from the date of delivery of the goods.</i>

Types of goods /ship	Scenario and documentary requirements
<p>All goods supplied to qualifying ships</p>	<p>Scenario 3 - Delivered to a shipyard for a ship under construction in Singapore with no Master of vessel prior to commissioning</p> <p>You can also zero-rate the supply of goods to be installed on a ship under construction in Singapore with no Master of ship prior to commissioning if you deliver the goods directly to the shipyard as instructed by your customer provided that you maintain the following documents:-</p> <ul style="list-style-type: none"> • <i>Contract signed with / purchase order from your customer to supply the goods. The contract / purchase order should reflect the hull number of the ship under construction (where possible) and also indicate whether the ship under construction would fall within the meaning of qualifying ship;</i> • <i>Your invoice to your customer;</i> • <i>Written instruction from your customer to deliver the goods directly to a shipyard where the ship is being constructed;</i> • <i>Your delivery order endorsed by the shipyard. The delivery note should also indicate the date of receipt of goods Alternatively you can maintain a copy of your customer's delivery order endorsed by the shipyard provided that it can be clearly identified from your customer's delivery order that the goods delivered were supplied by you. For instance, the description of the goods delivered and hull number indicated on your customer's delivery order matches the information on your own invoice or the contract/purchase order with your customer.</i> • <i>Evidence of payment received from your customer</i> • <i>If the equipment requires classification, you must maintain the class certificate</i> <p>You no longer need to produce evidence that the goods are physically installed on board the ship.</p>

Types of goods /ship	Scenario and documentary requirements
All goods supplied to qualifying ships	<p>Scenario 4 - Goods are sold and delivered directly to shipyard in Singapore</p> <p>You can also zero-rate the supply of goods to be used or installed on a ship in Singapore where the goods are supplied to a shipyard and delivered directly to the shipyard in Singapore, provided that you maintain the following documents:-</p> <ul style="list-style-type: none"> • <i>Work order /purchase order issued by shipyard to supply the goods. The work order/ purchase order should also indicate whether the goods are for use/installation on a qualifying ship;</i> • <i>Your delivery order endorsed by shipyard. The delivery note should also indicate the date of receipt of goods</i> • <i>Your invoice to the shipyard;</i> • <i>Evidence of payment received from shipyard.</i> • <i>If the equipment requires classification, you must maintain the class certificate</i> <p>You no longer need to produce evidence that the goods are physically installed on board the ship.</p>

Types of goods /ship	Scenario and documentary requirements
All goods supplied to qualifying ships	<p>Scenario 5 - Goods are sold to a 3rd party contractor (your customer) but delivered directly to shipyard in Singapore.</p> <p>You can also zero-rate the supply of goods to be used or installed on a ship in Singapore where the goods are supplied to 3rd party contractor (your customer) but delivered directly to shipyard in Singapore provided that you maintain the following documents:</p> <ul style="list-style-type: none"> • <i>Contract signed with / purchase order from your customer to supply the goods. The contract / purchase order should indicate the shipyard as the place of delivery of the goods. The document should also indicate whether the goods are for use/installation on a qualifying ship;</i> • <i>Your delivery order endorsed by the shipyard. The delivery note should also indicate the date of receipt of goods. Alternatively, you can maintain a copy of your customer's delivery order endorsed by the shipyard provided that it can be clearly identified from your customer's delivery order that the goods delivered were supplied by you. For instance, the description of the goods delivered and ship name indicated on your customer's delivery order matches the information on your own invoice or the contract/purchase order with your customer</i> • <i>Your invoice to your customer;</i> • <i>Evidence of payment received from your customer.</i> • <i>If the equipment requires classification, you must maintain the class certificate.</i> <p>You no longer need to produce evidence that the goods are physically installed on board the ship.</p>