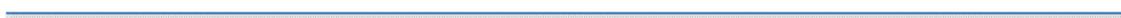




INLAND REVENUE
AUTHORITY
OF SINGAPORE

IRAS e-Tax Guide

GST: Guide On Exports
(Sixth Edition)



Published by
Inland Revenue Authority of Singapore

Published on 27 Nov 2019

First edition on 31 Dec 2013
Second edition on 11 Feb 2016
Third edition on 19 Sep 2016
Fourth edition on 1 Jul 2017
Fifth edition on 1 Nov 2018

Disclaimers: IRAS shall not be responsible or held accountable in any way for any damage, loss or expense whatsoever, arising directly or indirectly from any inaccuracy or incompleteness in the Contents of this e-Tax Guide, or errors or omissions in the transmission of the Contents. IRAS shall not be responsible or held accountable in any way for any decision made or action taken by you or any third party in reliance upon the Contents in this e-Tax Guide. This information aims to provide a better general understanding of taxpayers' tax obligations and is not intended to comprehensively address all possible tax issues that may arise. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, IRAS reserves the right to vary its position accordingly.

© Inland Revenue Authority of Singapore

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording without the written permission of the copyright holder, application for which should be addressed to the publisher. Such written permission must also be obtained before any part of this publication is stored in a retrieval system of any nature.

Table of Contents

	Page
1 Aim	1
2 At a glance	1
3 Glossary	2
3.1 Cargo Manifest.....	2
3.2 Handling agent.....	2
3.3 Harmonised System Code (HS Code)	2
3.4 Mate’s Receipt	2
3.5 Subsidiary Export Certificate and Note of Shipment	2
3.5.1 Details required in a Subsidiary Export Certificate	2
3.5.2 Details required in a Note of Shipment.....	3
4 Basic concepts	4
4.1 Direct export.....	4
4.2 Indirect export	4
4.3 Zero-rating of goods hand-carried out of Singapore	5
4.4 60-day rule	5
5 Situations where supplies of goods do not qualify for zero-rating ...7	
6 Direct Export	9
6.1 Local supplier exports the goods and invoices an overseas customer	9
6.2 Local supplier delivers goods out of Singapore and invoices a local customer	12
6.3 Consolidated Exports.....	16
7 Indirect Export	18
7.1 Local supplier invoices an overseas customer but deliver goods to a local freight forwarder/ handling agent appointed by the overseas customer	18
7.2 Local buyer instructs local supplier to deliver goods out of Singapore, and local buyer invoices its overseas customers	23
8 Goods hand-carried out of Singapore	31
8.1 Local supplier invoices its overseas customer who is not a tourist, and the goods are hand-carried out of Singapore by individual(s)	31
8.2 Local supplier sells goods to tourist who will bring the goods out of Singapore via Changi International Airport or Seletar Airport.....	34
9 Zero-rating the supply of goods to ships	35
10 Extension of the 60-day rule	35
10.1 Goods delivered for kitting/ packing/ assembling/ dismantling before final products are exported	35

10.2	Construction and supply of oilfield and gasfield equipment.....	38
10.3	Construction and supply of oilfield and gasfield equipment to local customers	41
10.4	Manufacture of customised equipment and machinery	42
10.5	Manufacture of customised equipment and machinery for local customers	44
10.6	Procurement of specific goods for overseas customers.....	45
11	Exports of goods not supported by sales at the point of exports ..	47
11.1	Examples of goods exported from Singapore not supported by sales.....	47
11.2	Export of gold.....	48
11.3	Exception	48
12	Frequently asked questions	49
13	Contact information	51
14	Updates and amendments.....	52
	Appendix 1 – Declaration of Carrier for Goods Hand-carried out of Singapore by Individual Carrier.....	54

1 Aim

This e-Tax Guide provides details on the various circumstances and documentary requirements for which a supply of goods can be zero-rated. It aims to provide general guidance to assist GST-registered businesses to comply with the zero-rating provisions on exports of goods.

2 At a glance

A general principle for zero-rating exports of goods is that the supplier must, at the point of supply (to be determined based on the time of supply rules), be certain¹ that the goods supplied will be/ has been exported, and the supplier has/ will have the required export evidence to substantiate the zero-rating of this supply.

The onus is on the supplier who zero-rates his exports of goods to support his GST declarations with export evidence. This includes:

- (a) Commercial transaction documents (e.g. customer's order, sale invoice, delivery note, packing list, insurance documents, and payment received); and
- (b) Commercial transport documents (e.g. bill of lading, air waybill, export permit², or any other documents specified by the Comptroller in this guide).

However, the Comptroller may request for documents and/ or impose conditions not specified in this guide to support the zero-rating of supplies if it is assessed to be necessary.

The scenarios cited in this guide are not exhaustive. For scenarios not covered in this guide, or in situations of ambiguity, businesses are advised to write to the Comptroller, providing full details of the transaction.

**The Comptroller of Goods and Services Tax
Goods and Services Tax Division
55 Newton Road
Revenue House
Singapore 307987**

¹ This should be proven by documentary evidence such as instruction issued by the customer via contract, purchase order, letter, email, etc.

² Export permit is also known as "Out Permit" or "Cargo Clearance Permit".

3 Glossary

3.1 Cargo Manifest

A transport document that serves as a tally-sheet, and gives a detailed summary of all bills of lading/ air waybills issued by a carrier (or its agent) for a particular voyage.

3.2 Handling agent

A person who may not necessarily be in the business of providing or arranging the international transportation of goods, but has been appointed for the purposes of a specific transaction to export the goods on behalf of another person.

3.3 Harmonised System Code (HS Code)

HS Code is an internationally standardised system of names and numbers for the classification of goods. For more details, refer to Singapore Customs website (www.customs.gov.sg).

3.4 Mate's Receipt

A declaration issued by an officer of a vessel stating that specified goods have been received onboard his vessel.

3.5 Subsidiary Export Certificate and Note of Shipment

Documents specified by the Comptroller of GST that can be issued by a freight forwarder or handling agent (as defined under paragraph 3.2) to individual exporters or suppliers of goods in situations where the primary export evidence such as air waybill/ bill of lading is not in their name.

It is usually issued when goods received from a few local exporters/ suppliers are consolidated before export, or that the goods received are subsequently delivered to another freight forwarder for co-loading before export. Under such circumstances, a Subsidiary Export Certificate/ Note of Shipment replaces the primary export evidence as proof of export to substantiate zero-rating.

This guide specifies scenarios where the Comptroller is prepared to accept a Subsidiary Export Certificate/ Note of Shipment in lieu of primary export evidence. For other export arrangements, the supplier is required to maintain the primary export evidence to substantiate zero-rating unless prior approval of the Comptroller has been obtained.

3.5.1 Details required in a Subsidiary Export Certificate

- (a) The words "Subsidiary Export Certificate";
- (b) Serial number of the certificate;
- (c) Export permit number, including the date of departure;
- (d) Exporter's/ Supplier's name and address;

- (e) Air waybill/ bill of lading number/ vehicle number (for export by land);
- (f) Description and quantity of goods;
- (g) Mode of export (e.g. air/ sea/ land); and
- (h) Name and signature of authorized person (not necessary if the certificate is computer generated).

In instances where the freight forwarder or handling agent issuing the Subsidiary Export Certificate is different from the freight forwarder or handling agent who is acting on behalf of the local supplier, the certificate must also include:

- (i) Name, address, and GST registration number (if applicable) of the freight forwarder or handling agent acting for the local supplier.

Such arrangements are common for co-loading export scenario stated under Scenario 7.1C.

3.5.2 Details required in a Note of Shipment

A tax invoice/ invoice/ delivery note/ packing list from the exporter (i.e. the local supplier) may act as a Note of Shipment, provided it states the following information.

- (a) Freight forwarder's or handling agent's name, address, and GST registration number (if applicable), with the signature and designation of the person who issues it;
- (b) Details of goods received from exporter. A copy of tax invoice/ invoice or delivery note can be attached instead of repeating these details. In such instance, the Note of Shipment must make clear reference to the document attached (e.g. to document the reference number and date);
- (c) The words, "For Export Only"; and
- (d) Details of shipment as follows:
 - (i) Name of exporter/ supplier;
 - (ii) Flight number/ vessel number/ vehicle number (for export by land); and
 - (iii) Air waybill/ bill of lading number.

4 Basic concepts

This section explains the concepts that are relevant to the zero-rating of goods, including direct exports governed under section 21(6) of the GST Act, and indirect exports governed under section 21(7) of the GST Act and read together with regulation 105 of the GST (General) Regulations.

4.1 Direct export

A direct export situation occurs when the supplier has custody of the goods to be exported and control over the export arrangement. Such transactions are accorded zero-rating relief under section 21(6) of the GST Act.

Specifically under section 21(6) of the GST Act, a supply of goods is zero-rated where the Comptroller is satisfied that the person supplying the goods (i.e. the supplier) has:

- (a) Exported them; or
- (b) Shipped them for use as stores on a voyage/ flight to or from a destination outside Singapore, or as merchandise for sale by retail to persons carried on such a voyage/ flight in a ship/ aircraft.

Paragraph 6 provides scenarios of direct exports and export evidence that a supplier is required to maintain in order to zero-rate a supply. In the event that the supplier is unable to obtain the required export evidence, the supplier must standard-rate the supply and account for GST based on the prevailing rate.

4.2 Indirect export

An indirect export refers to instances where a supplier does not have custody of the goods to be exported, or control over the export arrangement. Consequently, the supplier may not be able to produce commercial transport documents (e.g. bill of lading/ air waybill) stating that he is the exporter in order to zero-rate his supply.

Section 21(7) of the GST Act read together with regulation 105 of the GST (General) Regulations provides that where the Comptroller is satisfied that goods supplied by a taxable person (i.e. the supplier) are to be exported, the supply shall be zero-rated if the taxable person:

- (a) Has obtained the prior approval of the Comptroller in relation to that supply;
- (b) Produces such evidence of export as the Comptroller may require generally or in any particular case; and
- (c) Complies with such other condition of restriction as the Comptroller may impose for the protection of the revenue.

To provide greater transparency and certainty to businesses, the Comptroller has published approved indirect export scenarios under paragraph 7.

Businesses with transaction scenarios provided for under paragraph 7 are deemed to have obtained the prior approval from the Comptroller, and are not required to seek separate approval - as long as these businesses comply with the conditions and maintain the required export evidence.

4.3 Zero-rating of goods hand-carried out of Singapore

Where a supplier or the supplier's overseas customer hand-carries or arranges to have the goods hand-carried out of Singapore by air, sea or land, the supplier may not have the necessary commercial transport documents such as air waybill/ bill of lading to substantiate zero-rating of his supplies.

The Comptroller will allow zero-rating if the conditions are met and required export evidence listed in paragraph 8 are maintained.

Under the Hand-Carried Exports Scheme (HCES) - governed under section 21(7) of the GST Act and regulation 105A of the GST (General) Regulations, a supplier can zero-rate his supply of goods hand-carried out of Singapore by an individual on an aircraft departing from the Changi International Airport - provided he complies with conditions stated under that scheme. For more details, refer to e-Tax Guide "GST: Guide on Hand-Carried Exports Scheme".

4.4 60-day rule

One of the conditions that the Comptroller imposes in order for zero-rating relief to be accorded is the 60-day rule. A supplier has up to 60 days from the time of supply to export the goods and collate the required export evidence.

For most transactions, the time of supply occurs at the earlier of the following events for the purposes of zero-rating:

- (a) When an invoice is issued; or
- (b) When payment is received.

For zero-rated supplies, a GST-registered business may issue either a tax invoice or a commercial invoice. In the event that the supplier fails to export the goods and obtain required export evidence within 60-day period, the supplier is required to standard-rate the supply and account for GST.

To rectify the error, the supplier must submit a GST F7 "Disclosure of Errors on GST Return" if the tax involved exceeds \$1,500. Otherwise, the supplier should account for the GST in his next GST return. For more information on correcting GST errors, refer to our website at

www.iras.gov.sg > GST > GST-registered businesses > Filing your Taxes > Correcting Errors made in GST return (Filing GST F7).

Illustration on 60-day rule

Supplier (X) exports goods to his customer in Thailand. To zero-rate the supply, X must export the goods and obtain the required export evidence within 60 days from the time of supply.



From the illustration above, the time of supply is triggered on 02 January 2018 when X receives payment for the goods from his customer. As X has exported the goods and obtained all the documents within 60 days from the time of supply, X can zero-rate his supply.

The Comptroller recognizes that there are situations where businesses may not be able to comply with the 60-day rule. Paragraph 10 states the scenarios where the Comptroller is prepared to extend the 60-day period.

Suppliers with business scenarios that are different from that covered under paragraph 10 must obtain the Comptroller's prior approval before zero-rating their supplies.

For more details on time of supply rules, refer to e-Tax Guide "GST: Time of Supply Rules".

5 Situations where supplies of goods do not qualify for zero-rating

There are instances where a customer contemplates exporting some or all of the goods purchased from his supplier; or would only know whether the goods purchased would be exported after receiving instructions from his own customers.

In these situations, his supplier cannot, at the point of supply, be certain that the goods supplied will be exported. Hence, even though the supplier is able to obtain the required export evidence subsequently, he cannot zero-rate the supply of goods.

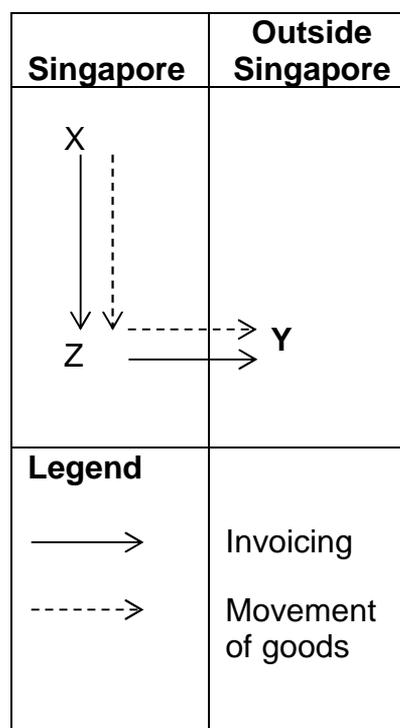
Scenario 5.1

Local supplier (X) delivers goods to his local customer (Z). Z informs X that he will export the goods, and promises to furnish X with transport documents bearing X's name as the exporter.

In this case, X is supplying and delivering the goods to Z in Singapore. X must standard-rate his supply to Z, even though Z represents that he may subsequently export the goods.

Z can claim the GST charged by X as his input tax if he is a GST-registered business.

Z can zero-rate his supply to his overseas customer (Y) if Z exports the goods and maintains all the required export evidence stated under paragraph 6.1.

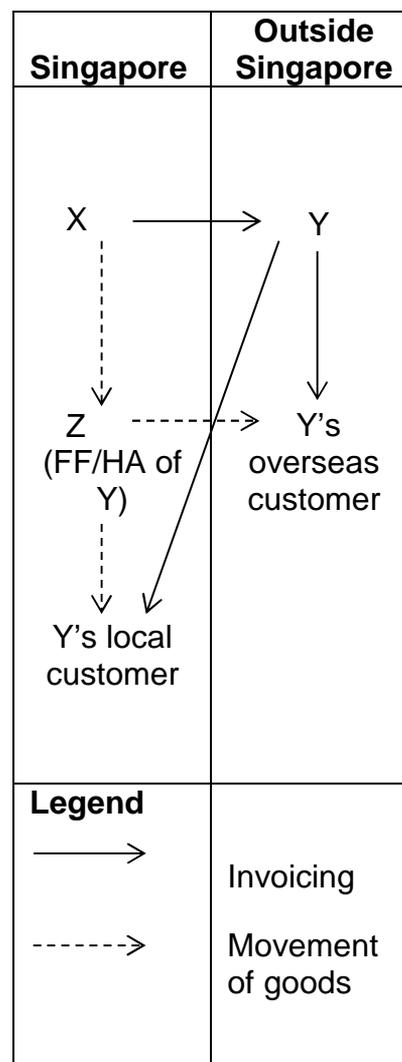


Scenario 5.2

Local supplier (X) sells goods to overseas customer (Y). The goods are delivered and stored in the warehouse of Y's local freight forwarder (FF) or handling agent (HA) (Z) awaiting instruction from Y to onward deliver the goods to Y's customers who may be located in Singapore or overseas. Y agrees to advise X, and will furnish X with the transport documents bearing X's name as the exporter if the goods purchased are exported subsequently.

X is making supplies to Y and delivering goods to Z. X must standard-rate his supply to Y, even though Z may subsequently export some of the goods purchased. This is because the export of the goods is not known at the time of supply.

Note: Scenario 7.1B provides an exception to this treatment, where X can zero-rate the supply to Y. This is because at the time of supply, X is certain that the goods delivered to Z will be exported.



6 Direct Export

If a supplier has custody of the goods to be exported and control over the export arrangement, he can zero-rate his supplies if he has the necessary export evidence.

Scenarios stated under paragraph 6 do not apply to goods hand-carried out of Singapore. Such export is discussed under paragraph 8.

6.1 Local supplier exports the goods and invoices an overseas customer

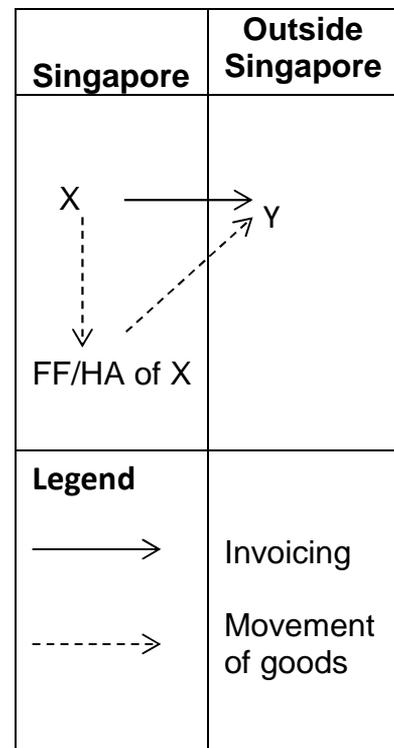
Scenario 6.1A

Local supplier (X) exports goods via his freight forwarder (FF) or handling agent (HA) and invoices his overseas customer (Y).

To zero-rate the supply to Y, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Y;
- (b) X's sales invoice to Y;
- (c) X's delivery note/ packing list endorsed by the freight forwarder or handling agent with the following details:
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of the freight forwarder or handling agent; and
 - (iii) Date of collection of goods.
- (d) Insurance documents (if applicable) with details of the shipment;
- (e) Evidence of payment received from Y; and



Transport documents:

- (a) For exports via sea/ air:
 - Bill of lading/air waybill stating details of X's goods exported and bearing X's name as the exporter.
- (b) For exports via land:
 - Export permit stating X as exporter, and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Scenario 6.1B

Local supplier (X) exports the goods via a Singapore-based postal/ courier company to his overseas customer (Y) and invoices Y.

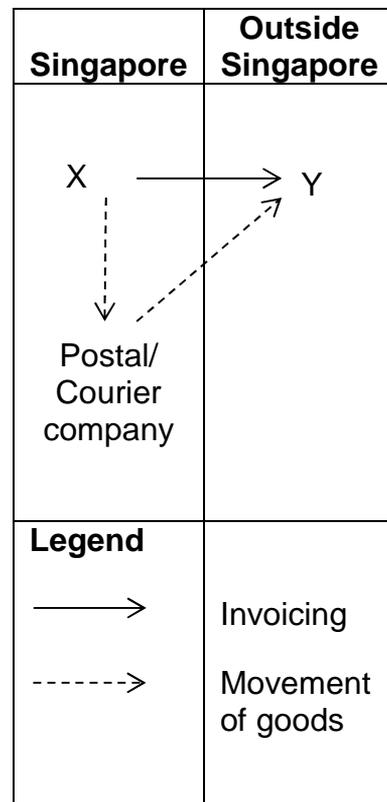
To zero-rate the supply to Y, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Y;
- (b) X's sales invoice to Y;
- (c) Insurance documents (if applicable) with details of the shipment;
- (d) Evidence of payment received from Y; and

Transport documents:

- (a) Parcel despatch note/courier consignment note/air waybill (if applicable) endorsed by the courier company bearing X's name as exporter/ sender and stating details of goods exported.



Scenario 6.1C

Local supplier (X) supplies goods to overseas customer (Y) in one of the neighbouring countries (e.g. Batam). The goods are delivered by sea via boats/ small vessels operated by shipping companies.

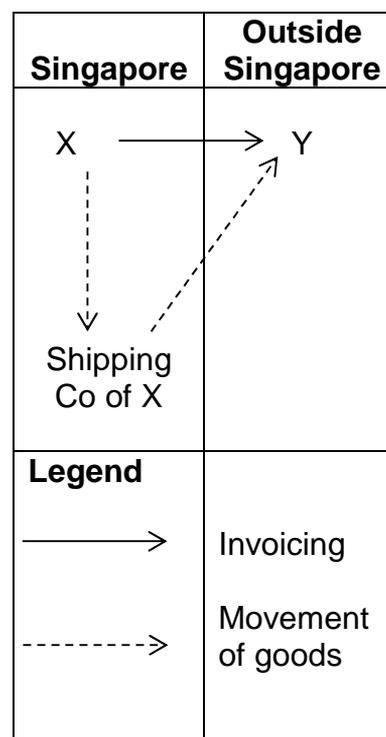
To zero-rate the supply to Y, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Y;
- (b) X's sales invoice to Y;
- (c) X's delivery note/ packing list endorsed by shipping company with the following details:
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of the shipping company; and
 - (iii) Date of collection of goods
- (d) Insurance documents (if applicable);
- (e) Evidence of payment received from Y; and

Transport documents:

- (a) Bill of lading/ cargo manifest/ mate's receipt bearing X's name as the exporter and stating details of X's goods exported, name of vessel, destination, and estimated date and time of departure.



6.2 Local supplier delivers goods out of Singapore and invoices a local customer

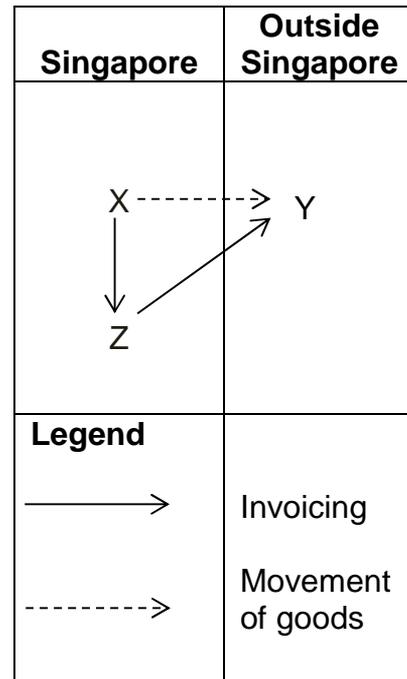
Scenario 6.2A

Local supplier (X) delivers goods out of Singapore on the instruction of its local customer (Z) and invoices Z.

X can zero-rate this supply to Z because X exports the goods. To substantiate the zero-rating, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Z;
- (b) Written instructions from Z that the goods purchased are to be exported to Z's overseas customer, Y (this may be included in the purchase order);
- (c) X's sales invoice to Z;
- (d) X's delivery note/ packing list endorsed by his freight forwarder or handling agent with the following details:
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of the freight forwarder or handling agent; and
 - (iii) Date of collection of goods.
- (e) Insurance documents (if applicable) with details of the shipment;
- (f) Evidence of payment received from Z; and



Transport documents:

- (a) For exports via sea/air:
 - Bill of lading/ air waybill stating details of X's goods exported, and bearing X's name as the exporter.

- (b) For exports via land:
 - Export permit stating Z as exporter, and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Note: Scenario 7.2A describes the supply from Z to Y. For permit declaration, refer to paragraph 12.10.

Scenario 6.2B

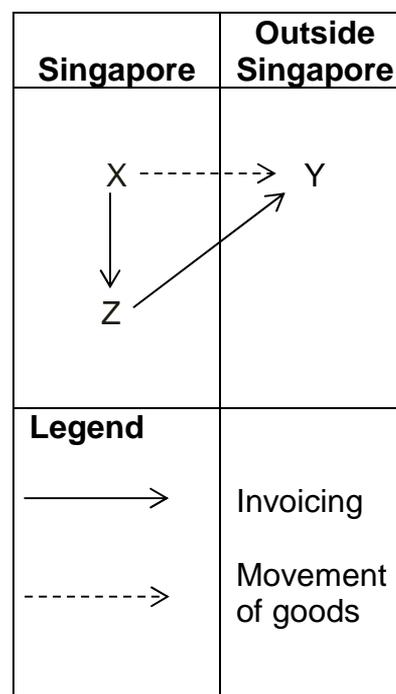
For business reasons, the export evidence stated under Scenario 6.2A states Z as the exporter even though X arranges for the export of goods.

Although the transport documents state Z as the exporter, X can zero-rate the supply to Z because X has custody of the goods and control over the export arrangement.

To zero-rate the supply to Z, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Z;
- (b) Written instructions from Z that the goods purchased are to be exported to Z's overseas customer, Y (this may be included in the purchase order);
- (c) X's sales invoice to Z;
- (d) X's delivery note/ packing list endorsed by his freight forwarder or handling agent with the following details:
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of the freight forwarder or handling agent; and
 - (iii) Date of collection of goods;
- (e) Insurance documents (if applicable) with details of the shipment;
- (f) Evidence of payment received from Z; and



Transport documents:

- (a) For exports via sea/air:
 - Bill of lading/air waybill stating details of X's goods exported and bearing Z's name as exporter.

- (b) For exports via land:
 - Export permit stating Z as the exporter, and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Note: Scenarios 7.2A and 7.2B describe the supply from Z to Y.

6.3 Consolidated Exports

Where the local supplier's (X's) goods are consolidated by his freight forwarder (FF) or handling agent (HA) before the goods are exported to an overseas customer (Y), X is required to maintain the following export evidence to support zero-rating.

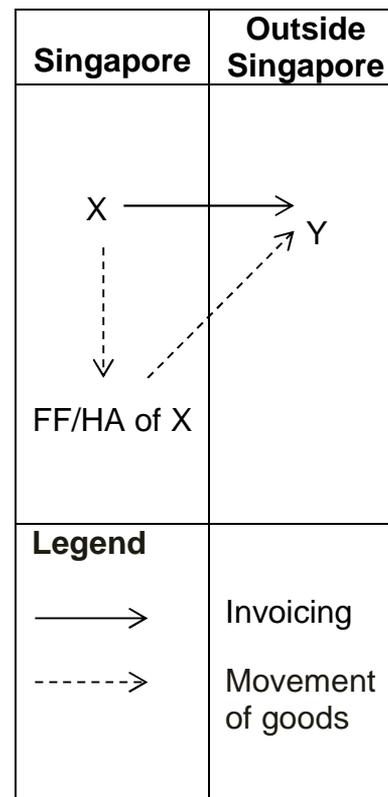
Transaction documents:

- (a) Purchase order or equivalent from Y;
- (b) X's sales invoice to Y;
- (c) X's delivery note/ packing list endorsed by the freight forwarder or handling agent with the following details:
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of the freight forwarder or handling agent; and
 - (iii) Date of collection of goods.
- (d) Insurance documents (if applicable);
- (e) Evidence of payment received from Y; and

Transport documents:

- (a) For exports via sea/ air:
 - Since the master bill of lading/ air waybill may not state X as the exporter, X is required to maintain the house bill of lading/ air waybill stating details of X's goods exported, and bearing X's name as the exporter.

Alternatively, the freight forwarder or handling agent can issue a Subsidiary Export Certificate/ Note of Shipment to X.



- (b) For exports via land:
- X has to maintain export permit stating X as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

For commercial reasons, if the export permit does not state X as the exporter, X is required to maintain a Subsidiary Export Certificate/ Note of Shipment issued by the freight forwarder or handling agent.

7 Indirect Export

If a supplier does not have custody of the goods to be exported or control over the export arrangement, he must treat the sale as a local supply and charge GST accordingly.

The scenarios stated in this paragraph provides for exception where the supplier can zero-rate the supply of goods when he is, at the time of supply, certain that all the goods will be exported. However, these scenarios do not apply to goods hand-carried out of Singapore. Such export is discussed under paragraph 8.

7.1 Local supplier invoices an overseas customer but deliver goods to a local freight forwarder/ handling agent appointed by the overseas customer

Scenario 7.1A

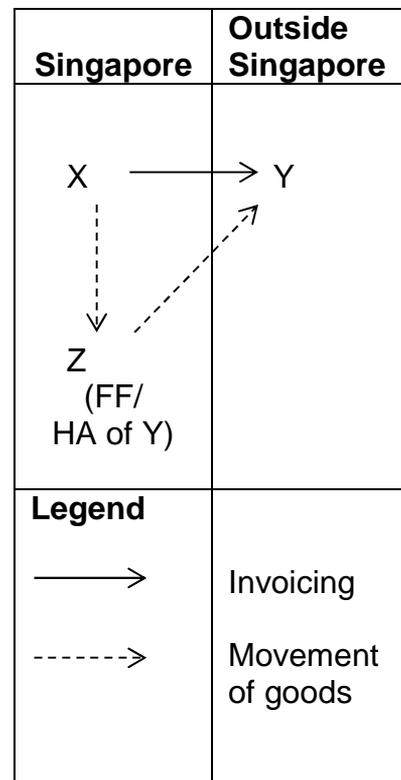
Local supplier (X) invoices overseas customer (Y) and delivers the goods to Y's appointed local freight forwarder (FF) or handling agent (HA) (Z).

Under this scenario, X does not have custody of the goods or control over the export arrangement. Hence, X must treat the sale as a local supply and charge GST accordingly.

The only exception is when X is, at the time of supply, certain that all the goods will be exported. To zero-rate the supply to Y, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Y;
- (b) Written instructions from Y to deliver the goods to Z (this may be included in the purchase order);
- (c) X's sales invoice to Y;
- (d) X's delivery note/ packing list endorsed by Z with the following details:
 - (i) Statement stating "Goods delivered are for export";



- (ii) Name, address and GST registration number (if applicable) of Z; and
 - (iii) Date of collection of goods.
- (e) Insurance documents (if applicable) with details of the shipment;
 - (f) Evidence of payment received from Y; and

Transport documents:

- (a) For exports via sea/ air:
 - Bill of lading/air waybill stating details of X's goods exported and bearing X's name as the exporter.

If the bill of lading/ air waybill does not show X as the exporter, X is required to maintain a Subsidiary Export Certificate/ Note of Shipment issued by Z.

- (b) For exports via land:
 - Export permit stating X as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

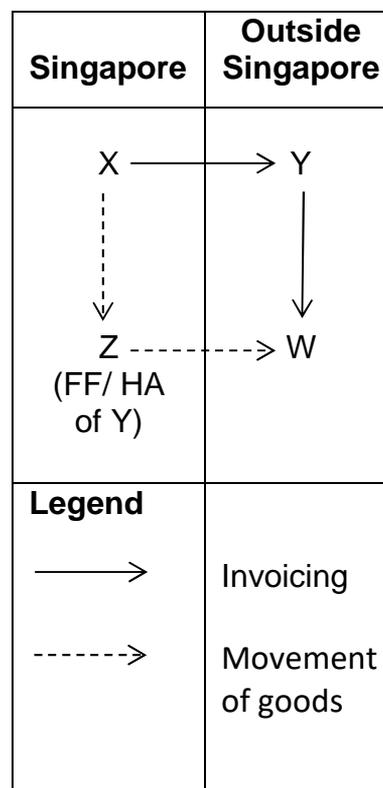
For commercial reasons, if the export permit does not state X as the exporter, X is required to maintain a Subsidiary Export Certificate/ Note of Shipment issued by Z.

Scenario 7.1B

Local supplier (X) invoices its overseas customer (Y) and delivers the goods to Y's appointed freight forwarder (FF) or handling agent (HA) (Z) for export, where Z has already been instructed by Y to export the goods directly to its customer (W) outside Singapore.

Notwithstanding that the goods are not received by Y, X can zero-rate the supply to Y provided X maintains the export evidence stated under Scenario 7.1A.

This scenario should be distinguished from Scenario 5.2 where, at the time of supply, X is not certain whether the goods delivered to Z will be exported.



Scenario 7.1C

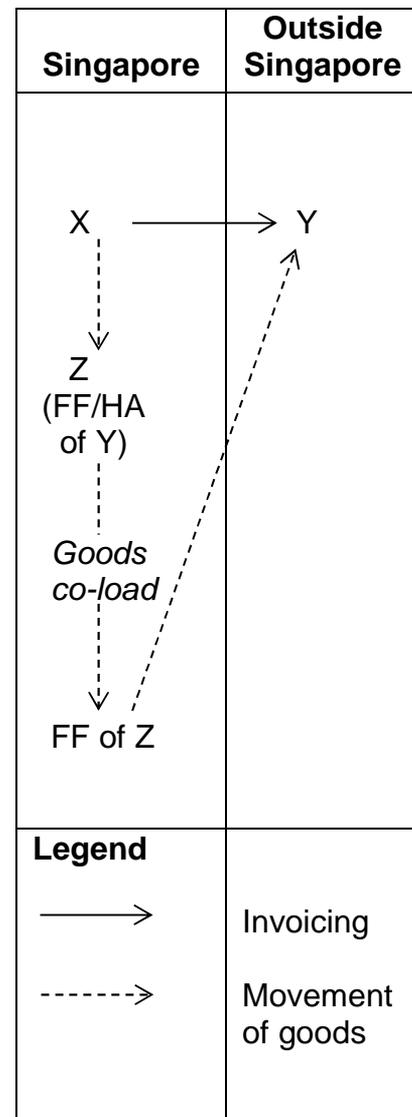
Local supplier (X) invoices its overseas customer (Y) and delivers the goods to Y's appointed local freight forwarder (FF) or handling agent (HA) (Z). The goods are then co-loaded before exporting via Z's freight forwarder.

Under this scenario, X does not have custody of the goods nor control over the export arrangement. Hence, X must treat the sale as a local supply and charge GST accordingly.

The only exception is when X is, at the time of supply, certain that all the goods will be exported. To zero-rate the supply to Y, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Y;
- (b) Written instructions from Y to deliver the goods to Z (this may be included in the purchase order);
- (c) X's sales invoice to Y;
- (d) X's delivery note/ packing list endorsed by Z with the following details.
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of Z; and
 - (iii) Date of collection of goods;
- (e) Insurance documents (if applicable) with details of the shipment;
- (e) Evidence of payment received from Y; and



Transport documents:

- (a) For exports via sea/ air:
- Bill of lading/ air waybill stating details of X's goods exported, and bearing X's name as the exporter.

If the bill of lading/ air waybill does not show X as exporter, X is required to maintain a Subsidiary Export Certificate/ Note of Shipment issued by Z or Z's freight forwarder. In addition, if the Subsidiary Export Certificate/ Note of Shipment is issued by Z's freight forwarder, it must include the particulars of Z for audit trail purposes.

- (b) For exports via land:
- Export permit stating X as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

For commercial reasons, if the export permit does not state X as the exporter, X is required to maintain a Subsidiary Export Certificate/ Note of Shipment issued by Z or Z's freight forwarder.

7.2 Local buyer instructs local supplier to deliver goods out of Singapore, and local buyer invoices its overseas customers

Scenario 7.2A

Local buyer (Z) instructs its local supplier (X) to deliver goods to its overseas customer (Y). X arranges for the export of goods and invoices Z for the goods. Z in turn invoices Y.

For Z to zero-rate its supply to Y under this indirect export arrangement (because Z does not have custody of the goods nor control over the export arrangement), Z is required to maintain the following export evidence.

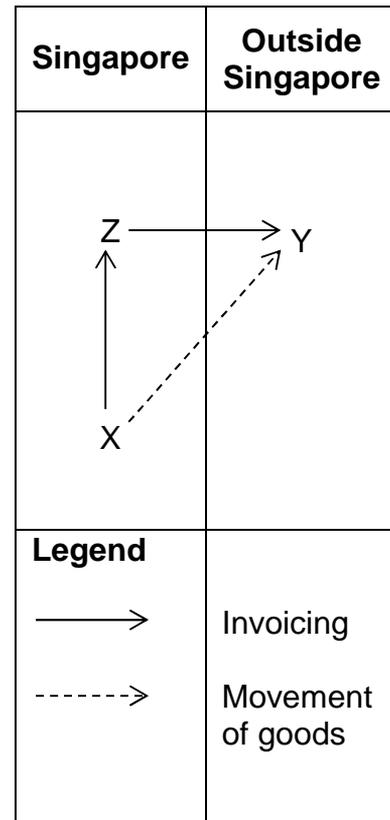
Transaction documents:

- (a) Purchase order from Z to X;
- (b) Written instructions from Z to X that the goods purchased are to be exported to Y (this may be included in the purchase order);
- (c) X's sale invoice to Z;
- (d) Z's sale invoice to Y;
- (e) Evidence of payment received from Y; and

Transport documents:

- (a) For exports via sea/ air:
Bill of lading/ air waybill stating details of X's goods exported, and bearing X's name as the exporter
- (b) For exports via land:
Export permit stating Z as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Note: For permit declaration, refer to paragraph 12.10.



Scenario 7.2B

Local buyer (Z) instructs its local supplier (X) to deliver the goods to Z's freight forwarder (FF) for export to Z's overseas customer (Y). X invoices Z for the goods, and Z in turn invoices Y.

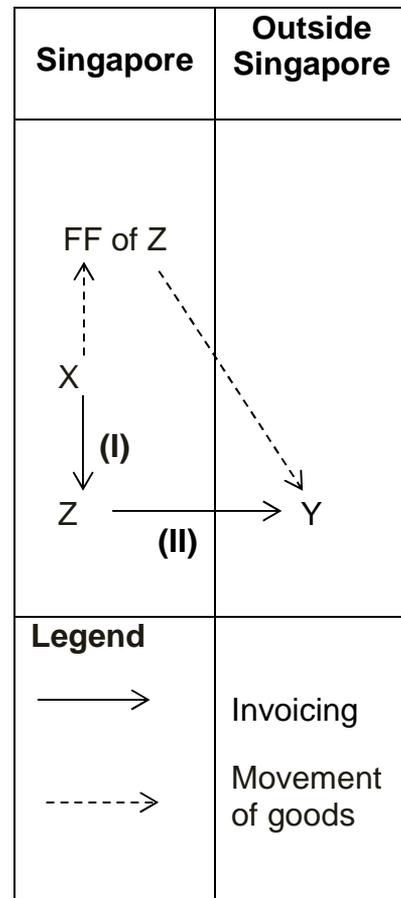
(I) Supply from X to Z (Indirect export)

Under this scenario, X does not have custody of the goods and control over the export arrangement. Hence, X must treat the sale as a local supply and charge GST accordingly.

The only exception is when X is, at the time of supply, certain that all the goods will be exported. To zero-rate the supply to Z, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Z;
- (b) Written instructions from Z to deliver the goods to his freight forwarder (this may be included in the purchase order);
- (c) X's sales invoice to Z;
- (d) X's delivery note/packing list endorsed by freight forwarder with the following details.
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of the freight forwarder; and
 - (iii) Date of collection of goods.
- (e) Insurance documents (if applicable) with details of the shipment;



- (f) Evidence of payment received from Z; and

Transport documents:

- (a) For exports via sea/ air:
- Bill of lading/ air waybill stating details of X's goods exported, and bearing Z's name as the exporter.

Alternatively, the freight forwarder can issue a Subsidiary Export Certificate/ Note of Shipment to X.

- (b) For exports via land:
- Export permit stating Z as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Alternatively, the freight forwarder can issue a Subsidiary Export Certificate/ Note of Shipment to X.

(II) Supply from Z to Y (Direct export)

This can be treated as direct export scenario as the export arrangement is handled by Z's freight forwarder. For Z to zero-rate his supply to Y, Z is required to maintain the export evidence stated under Scenario 6.1A.

Scenario 7.2C

Local buyer (Z) instructs its local supplier (X) to deliver the goods to an overseas person (Y). Y is a customer of local business W. X invoices Z, who in turn invoices another local business (W), and W invoices Y.

(I) Supply from X to Z (Direct export)

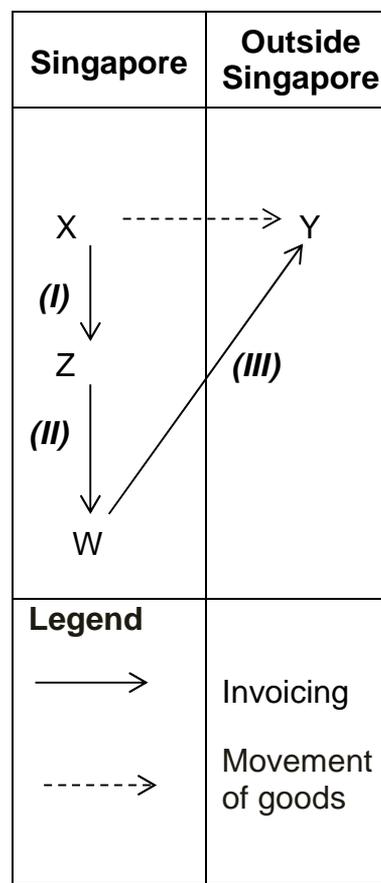
For X to zero-rate his supply to Z, X is required to maintain the following export evidence.

Transaction documents:

- (a) Purchase order or equivalent from Z;
- (b) Written instructions from Z that the goods purchased are to be exported to Y (this may be included in the purchase order);
- (c) X's delivery note/ packing list endorsed by his freight forwarder or handling agent with the following details:

- (i) Statement stating "Goods delivered are for export";
- (ii) Name, address and GST registration number (if applicable) of the freight forwarder or handling agent; and
- (iii) Date of collection of goods.

- (d) X's sales invoice to Z;
- (e) Insurance documents (if applicable) with details of the shipment;
- (f) Evidence of payment received from Z; and



Transport documents:

- (a) For exports via sea/ air:
 - Bill of lading/ air waybill stating details of X's goods exported, and showing X as the exporter.

- (b) For exports via land:
 - Export permit stating W as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Note: For permit declaration, refer to paragraph 12.10.

(II) Supply from Z to W (Indirect export)

The supply from Z to W can be zero-rated on the condition that the dates of the invoices issued by the various parties (i.e. X, Z, & W) are the same (i.e. back-to-back billing exists), and Z maintains all the following export evidence.

Transaction documents:

- (a) Written instruction from W to Z that the goods purchased are to be exported to Y (this may be included in the purchase order);

- (b) Written instruction from Z to X that the goods purchased are to be exported to Y (this may be included in the purchase order);

- (c) X's delivery note/packing list endorsed by the freight forwarder or handling agent with the following details:
 - (i) Statement stating "Goods delivered are for export";

- (ii) Name, address and GST registration number (if applicable) of the freight forwarder or handling agent; and
- (iii) Date of collection of goods
- (d) Insurance documents (if applicable) with details of the shipment;
- (e) Sales invoice from X to Z, and the evidence of payment made by Z to X;
- (f) Sales invoice from Z to W, and evidence of payment made by W to Z; and

Transport documents:

- (a) For exports via sea/ air:
 - Bill of lading / air waybill stating details of X's goods exported, and showing X as the exporter;
- (b) For exports via land:
 - Export permit stating W as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Note: For permit declaration, refer to paragraph 12.10.

(III) Supply from W to Y (Indirect export)

For W to zero-rate his supply to Y under such an indirect export scenario, W is required to maintain the following export evidence.

Transaction documents:

- (a) Written instruction from W to Z that the goods purchased are to be exported to Y (this may be included in the purchase order);
- (b) Written instruction from Z to X that the goods purchased are to be exported to Y (this may be included in the purchase order);
- (c) X's delivery note/ packing list endorsed by freight forwarder or handling agent with the following details.
 - (i) Statement stating "Goods delivered are for export";
 - (ii) Name, address and GST registration number (if applicable) of the freight forwarder or handling agent; and
 - (iii) Date of collection of goods
- (d) W's sales invoice to Y;
- (e) Insurance documents (if applicable) with details of the shipment;
- (f) Evidence of payment received from Y; and

Transport documents:

- (a) For exports via sea/air:
 - Bill of lading/ air waybill stating details of X's goods exported, and showing X as the exporter.

- (b) For exports via land:
- Export permit stating W as the exporter, and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

Note: For permit declaration, refer to paragraph 12.10.

8 Goods hand-carried out of Singapore

The Comptroller recognises that there are instances where goods sold to overseas customers (excluding tourists who are eligible for a refund under the Tourist Refund Scheme) are hand-carried out of Singapore by individuals.

Zero-rating is allowed on such goods hand-carried out of Singapore. The person who hand-carries the goods out of Singapore (referred to as the “carrier” in this paragraph) can be:

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

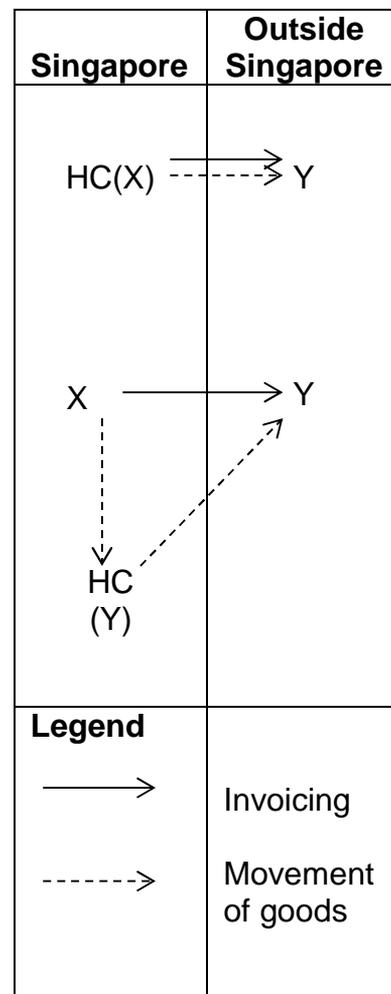
8.1 Local supplier invoices its overseas customer who is not a tourist, and the goods are hand-carried out of Singapore by individual(s)

Scenario 8.1A

For goods that are hand-carried out of Singapore via Changi International Airport, a local supplier (X) must comply with the conditions of HCES if he wish to zero-rate the supply, unless he is exempted from HCES.

Under HCES, the carrier must present an export permit together with the goods to Singapore Customs at Changi International Airport for inspection and endorsement. Upon successful inspection, Singapore Customs will process a digital clearance (if the supplier has subscribed to the HCES digital service) or physically endorse on the export permit (if the supplier has not subscribed to the HCES digital service).

Refer to e-Tax Guide “GST: Guide on Hand-Carried Exports Scheme” for details on the export documentation and conditions to zero-rate a supply of hand-carried export to an overseas customer.



Scenario 8.1B

The HCES does not apply to goods that are hand-carried out of Singapore via:

- Seletar Airport;
- Sea; or
- Land

For such hand-carried exports, X can zero-rate his supply to overseas customer (Y) if he maintains all of the following export evidence.

Transaction documents:

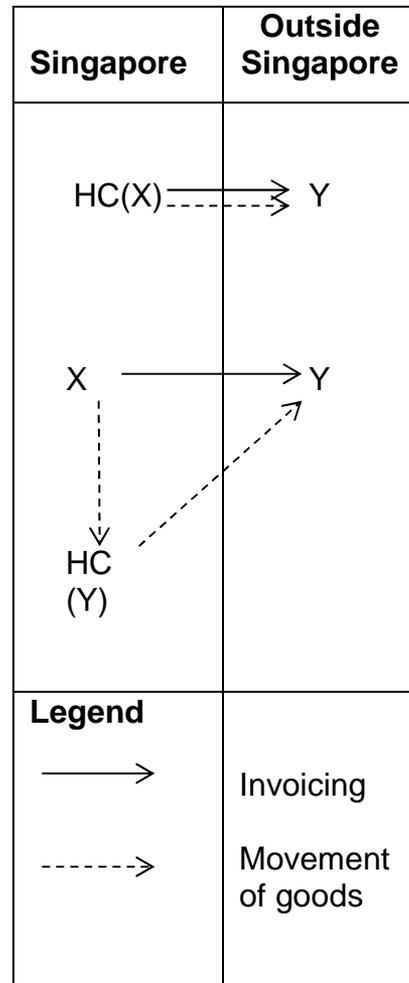
- (a) X's sales invoice to Y;
- (b) Evidence of payment received from Y;
- (c) Confirmation of receipt of goods by Y; and

Transport documents:

- (a) The completed form, "Declaration of Carrier for Goods Hand-carried out of Singapore" (specimen attached as Appendix 1).

The declaration must be endorsed by the carrier and X, stating the date of collection of goods, and the name and passport number of each carrier;

- (b) Copy of transport documents (e.g. confirmed air/ ferry ticket and boarding pass bearing carrier's name as the passenger, a copy of airline excess baggage receipt (if applicable) for goods exported as accompanied baggage);
- (c) Extract of carrier's passport containing his name, passport number, nationality and photograph. For carrier entering into a foreign country, additional extract of the relevant immigration endorsement of his entry to the foreign country (where applicable);



- (d) For export via land, an export permit stating you as the exporter, and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration;
- (e) For export via sea, an export permit stating you as the exporter;
- (f) For export via Seletar Airport, an export permit stating you as the exporter; and
- (g) Endorsed export permit for temporary export of goods, if applicable.

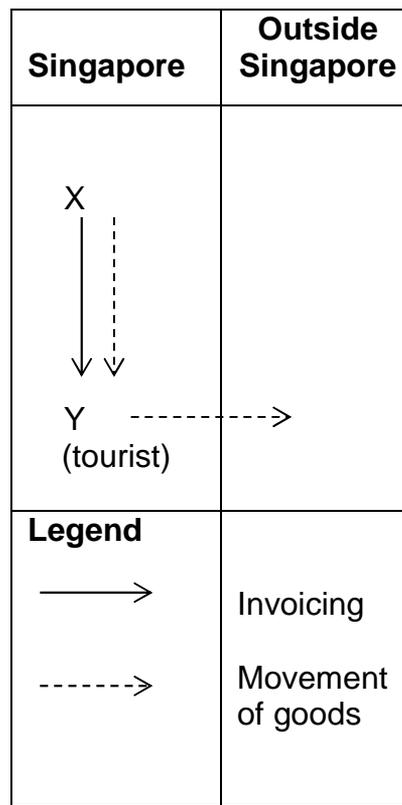
In cases where the goods sold are hand-carried out of Singapore by more than 1 carrier, X must maintain the export evidence stated in (a) to (f) above for each carrier involved.

8.2 Local supplier sells goods to tourist who will bring the goods out of Singapore via Changi International Airport or Seletar Airport

Local supplier (X) can use the Tourist Refund Scheme (TRS) to allow tourist (Y) obtain a GST refund on goods purchased. In such case, X must treat the sale to Y as a local supply, issue tax invoice in the name of Y, and charge GST accordingly.

Refer to e-Tax Guide “GST: Guide to Retailers Operating Tourist Refund Scheme” on how to operate TRS, and understand its qualifying conditions.

All GST-registered persons operating the TRS must comply with the governing law (i.e. Regulations 47 to 50 of the GST (General) Regulations empowered under section 25 of the GST Act), and conditions stated in e-Tax Guide “GST: Guide to Retailers Operating Tourist Refund Scheme”.



9 Zero-rating the supply of goods to ships

From 01 July 2010, zero-rating will apply to:

- (a) All supplies of goods (whether by sale or lease) for use or installation on the ship (i.e. not limited to stores and merchandise for resale only); and
- (b) Supplies made to any qualifying ship, and not just ship that call on a foreign port outside Singapore.

Refer to e-Tax guide “GST Guide for the Marine Industry” for details, as well as information on scenarios qualifying for zero-rating, the zero-rating of supplies to non-qualifying ship, and the definition of a qualifying ship.

10 Extension of the 60-day rule

10.1 Goods delivered for kitting/ packing/ assembling/ dismantling before final products are exported

Scenario 10.1A

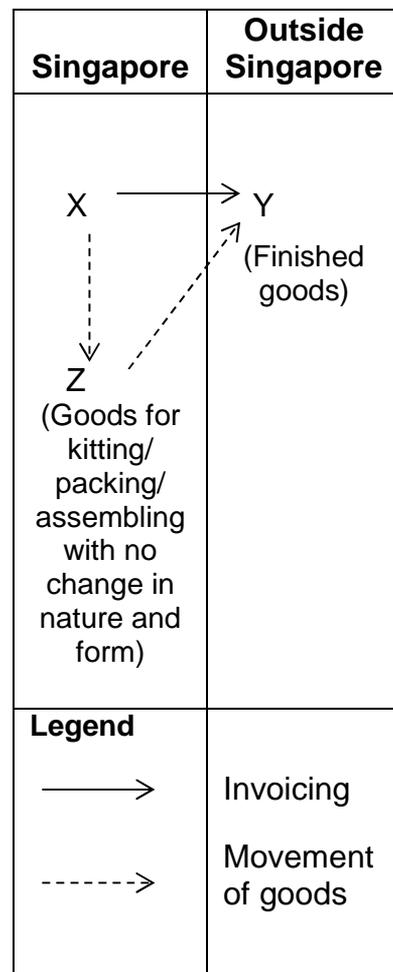
Local supplier (X), upon instructions from his overseas customer (Y), delivers his goods (purchased by Y) to a local person (Z) for kitting/ packing/ assembling before the final products are exported to Y.

Important Note

If X's goods delivered to Z are processed such that there is a change in the nature and form (for example, from plastic made into toys, fabric tailored into dresses, or electronics chips mounted on circuit boards) before the finished goods are exported, X is not allowed to zero-rate this supply.

This is because X's goods are not being exported in their original form. The goods have undergone processing, and X's original goods have lost their identity. Instead, different goods with value-added are exported.

The Comptroller considers a change of Harmonised System Code (HS Code) as a change in nature and form.



X may zero-rate his supply to Y provided the following conditions are satisfied:

- (a) Y has given written instructions to X to deliver the goods to Z for kitting/ packing/ assembling. The instruction should state clearly that the goods delivered to Z are to be exported after the kitting/ packing/ assembling; and
- (b) Z provides a letter of undertaking to X stating that these goods would be exported within six months from the date of receipt of goods.

In addition to complying with the above conditions, X is required to maintain the following export evidence to support the zero-rating of the supply.

Transaction documents:

- (a) Purchase order or equivalent from Y;
- (b) X's sales invoice to Y;
- (c) X's delivery note/packing list addressed to Y for goods delivered to Z. The delivery order/packing list must be endorsed by Z with the following details:
 - (i) Statement stating "Goods delivered are for kitting/ packing/ assembling, and will be exported within 6 months from date of receipt of goods";
 - (ii) Name, address and GST registration number (if applicable) of Z; and
 - (iii) Date of collection of goods.
- (d) Evidence of payment received from Y; and

Transport documents:

- (a) For exports via sea/air:
 - Since the bill of lading/ air waybill may not state X as the exporter, X is required to maintain a Subsidiary Export

Certificate/ Note of Shipment issued by freight forwarder or handling agent.

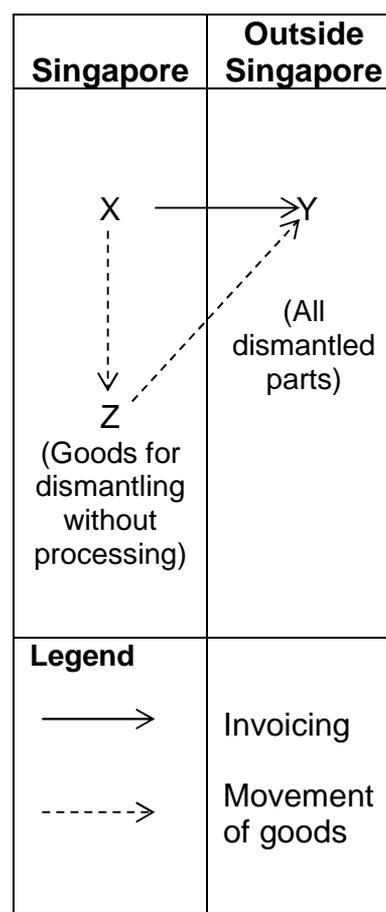
- (b) For exports via land:
 - X has to maintain export permit stating X as the exporter and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

For commercial reasons, if the export permit does not state X as the exporter, X is required to maintain a Subsidiary Export Certificate/ Note of Shipment issued by freight forwarder or handling agent.

Scenario 10.1B

Local supplier (X), upon instructions from its overseas customer (Y), delivers his goods (purchased by Y) to a local person (Z) for dismantling and packing so as to facilitate shipping of the goods for export.

To zero-rate the supply to Y, X must satisfy the conditions stated under Scenario 10.1A, and maintain the required export evidence to support the export of the goods.



10.2 Construction and supply of oilfield and gasfield equipment

A supplier of customised oilfield/ gasfield equipment may enter into an agreement with its overseas customer to supply such equipment. Substantial amount of time is required to complete the construction of such equipment and he may progressively bill his overseas customer before the equipment is exported.

Such supplies qualify for zero-rating if the following conditions are met, and the supplier maintains the required documents.

- (I) Conditions:
- (a) The contract for supplying gasfield/ oilfield equipment must be signed with an overseas customer not belonging in Singapore;
 - (b) The contract must be for the supply of goods, which are:
 - (i) Customised design based on specifications by the overseas customer;
 - (ii) For the purpose of incorporation or installation onto the oil rig/ platform/ vessel/ topside situated outside Singapore, or export as part of the oil rig/ platform/ vessel/ topside from Singapore.
 - (c) The overseas customer may be invoiced progressively subject to the terms as specified in the contract. However, the first progress billing to the final billing and the export of the gasfield/oilfield equipment, should all occur within the contract period or a 3-year period, whichever is earlier; and
 - (d) At the end of the contract, the total value of the progress billings must reconcile with the total value of each contract with the overseas customer. Documents must be maintained to support any amendments/ change to the orders.

(II) Documents:

	Goods incorporated or installed onto the oil rig/ platform/ vessel/ topside situated outside Singapore
At the point of progress billing	(a) Written contract/purchase order/correspondence with overseas customer on the supplies;
	(b) Instruction from overseas customer to deliver the equipment overseas;

	<p>(c) Sales invoice to overseas customer;</p> <p>(d) Evidence of each payment received from overseas customer.</p>
At the point of export of goods	<p>(a) Bill of lading – for export via sea; or Air waybill – for export via air; or Export permit – for export via land³</p> <p>(b) Confirmation from fabricator/shipyard that goods have left Singapore;</p> <p>(c) Written confirmation from overseas customer upon receipt of the goods at a place outside Singapore; or foreign authority’s documents stating that goods have been imported into the country.</p>
At the point of progress billing	Goods exported as part of the oil rig/platform/ vessel/topside from Singapore
	<p>(a) Written contract/purchase order/correspondence with overseas customer on the supplies;</p> <p>(b) Instruction from overseas customer to deliver the equipment to the shipyard in Singapore;</p> <p>(c) Sales invoice to overseas customer;</p> <p>(d) Evidence of each payment received from overseas customer.</p>
At the point of export of goods	<p>(a) Delivery note (on the company’s letterhead) to the shipyard with the endorsement on the receipt of the goods by Shipyard Master, bearing the ship’s stamp;</p> <p>(b) Written confirmation with details (e.g. name, date of departure, destination) of oil rig/ platform/ vessels/topside that left Singapore either furnished by local shipyard or overseas customer;</p> <p>(c) Written confirmation from the overseas customers that the goods have been installed on the oil rig/ platform/ vessels/ topside;</p>

³ An export permit stating you as the exporter, and the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.

	(d) Certification from qualified source (e.g. an independent professional body/person) that the goods delivered has been installed on the oil rig/platform/vessels/topside.
--	---

10.3 Construction and supply of oilfield and gasfield equipment to local customers

With effect from 01 July 2009, zero-rating can be applied to the construction and supply of oilfield and gasfield equipment to local customers. This extension of the 60-day rule is to recognize that such customised equipment will be exported from Singapore despite the progressive billings.

In order to zero-rate such supplies to local customers, the supplier must meet the following conditions and maintain the required documents.

- I. Conditions:
 - (a) The contract must be for the supply of goods, which are:
 - (i) Customised design based on specifications by the local customer;
 - (ii) For the purpose of incorporation or installation on oil rig/ platform/ vessel/ topside situated outside Singapore, or to be exported as part of oil rig/ platform/ vessel/ topside from Singapore.
 - (b) The local customer may be invoiced progressively subject to the terms as specified in the contract. However, the first progress billing to the final billing, and the export of the gasfield/ oilfield equipment, should all occur within the contract period/ 3-year period, whichever is earlier; and
 - (c) At the end of the contract, the total value of progress billings must reconcile with total value of each contract with the local customer. Documents must be maintained to support any amendments/change to the orders.
- II. The documents to be maintained are the same as stated in paragraph 10.2(II) - except that the customer referred therein refers to the local customer instead.

10.4 Manufacture of customised equipment and machinery

A supplier may enter into an agreement to supply equipment/ machinery that is manufactured in accordance with his customer's specifications, and to be used overseas. As the manufacturing of customised equipment/ machinery may not be completed within a short span of time, the supplier is likely to invoice its overseas customer progressively. In this case, the goods will not have been exported when the supplier starts invoicing its customer.

Such supplies qualify for zero-rating provided the following conditions are met, and the required documents are maintained.

- I. Conditions:
 - (a) Equipment/ machinery must not be used, consumed, or made available in Singapore;
 - (b) Terms of contract must include progressive billing;
 - (c) Supplier must export the equipment/ machinery himself, through his freight forwarder, or through his overseas customers' appointed freight forwarder;
 - (d) Equipment/ machinery manufactured must be customised according to overseas customers' specifications;
 - (e) The first progress billing to the final billing, and the export of the customised equipment/ machinery, should all occur within the contract period or 3-year period, whichever is earlier; and
- II. Documents:
 - (a) Contract between the supplier and his overseas customer, or his overseas customers' purchase order, must clearly state the following.
 - (i) Description and quantity of equipment/machinery to be manufactured;
 - (ii) Agreed price and payment terms;
 - (iii) Overseas address that the equipment/machinery is to be delivered to. If the overseas customer's instruction is to export the equipment/machinery to a third party located overseas, the name and address of the third party must be stated;
 - (iv) How the equipment/ machinery is to be exported; and

- (v) Other specific details agreed upon by both parties;
- (b) Sales invoices to the overseas customer for progress payments due. The total value of progress billings must reconcile with the agreed price;
- (c) Evidence of payment received from the overseas customer for each progress bill raised; and
- (d) Relevant export documents to evidence that the equipment/machinery have been exported. Refer to paragraphs 6 and 7 on the types of export evidence to maintain.

10.5 Manufacture of customised equipment and machinery for local customers

With effect from 01 January 2011, the zero-rating relief under paragraph 10.4 includes the supply of customised equipment/ machinery to local customer; if the equipment/ machinery is to be used overseas.

In order to zero-rate such supplies to local customers, the supplier must meet the following conditions, and maintain the required documents.

- I. Conditions:
 - (a) Equipment/ machinery must not be used, consumed, or made available in Singapore;
 - (b) Terms of the contract must include progressive billing;
 - (c) Supplier must have control and custody of the equipment/ machinery at all times, and export the equipment/ machinery himself, through his freight forwarder, or through his local customers' appointed freight forwarder;
 - (d) Equipment/ machinery manufactured must be customised according to local customers' specifications; and
 - (e) The first progress billing to the final billing, and the export of the customised equipment/ machinery, should all occur within the contract period or 3-year period, whichever is earlier;
- II. The documents to be maintained are the same as those stated in paragraph 10.4(II) - except that the customer referred therein refers to the local customer instead.

10.6 Procurement of specific goods for overseas customers

A supplier may contract with its overseas customer (via verbal/ written agreement) to source and supply (via export) the customer with goods in accordance to customer's specifications. The agreement may also specify that the goods are to be exported progressively over a period of time.

Under such an arrangement, the supplier may collect an initial deposit/ advance payment that forms part-payment of the goods to be procured and sold. In addition, as the export of such specified goods may not be completed within a short period, the supplier may invoice his customer progressively. In this case, not all the goods would be exported within 60 days when the supplier starts invoicing his customer.

The supplies qualify for zero-rating if the following conditions are met, and the required documents are maintained.

- I. Conditions:
 - (a) Documents/ records that evidence supply of goods (e.g. written agreement, email, correspondence to confirm such arrangement);
 - (b) The agreement must state the following:
 - (i) Details of customer's specification of goods to be procured and exported;
 - (ii) Schedule of the progressive shipping; and
 - (iii) Schedule of payments.
 - (c) The supplier must have custody of the goods to be exported, and control over the export arrangement;
 - (d) The date of the initial deposit/ advance payment to the final billing and the export of all the specific goods, should all occur within the arrangement period or 6-month period, whichever is earlier; and
 - (e) At the end of the agreement, the total value of initial deposit/advance payment and payments towards the progress billings must reconcile with the total value of agreed transaction with the overseas customer.
- II. Documents:
 - (a) Agreement between supplier and its overseas customer, and any other written document that evidence the following:

- (i) Description and quantity of goods to be purchased;
 - (ii) Agreed price, payment terms, and shipment schedule if the export will take place progressively over a period of time;
 - (iii) The overseas address that the goods are to be delivered to. If the overseas customer's instruction is to export the specified goods to a third party located overseas; the name and address of the third party must be stated;
 - (iv) How the goods are to be exported; and
 - (v) Other specific details agreed upon by both parties.
- (b) Sales invoices to overseas customer for the progressive payments due;
 - (c) Evidence of payment received from overseas customer for each progressive bill raised;
 - (d) Relevant export documents to evidence that goods have been exported. Refer to relevant sections of this guide on the type of export documents to maintain; and
 - (e) Documents must be maintained to support any amendments/ changes to the order.

11 Exports of goods not supported by sales at the point of exports

There are instances where goods are physically exported from Singapore but not supported by sales. Paragraph 11.1 provides examples of such exports. Unless otherwise approved by the Comptroller, such exports of goods are - for control purposes, to be reported by the taxable person (i.e. the owner of the goods or a GST agent of his overseas principal) in its GST returns - in the same box as zero-rated supplies.

11.1 Examples of goods exported from Singapore not supported by sales

Exported by owner of goods

- (a) Goods are exported to warehouse located outside Singapore for storage purposes without change of title/ ownership of the goods;
- (b) Spare parts, raw materials and machinery are exported to carry out work overseas;
- (c) Equipment is exported to customer outside Singapore for leasing (without transfer of title), and such equipment will be returned to owner in Singapore upon the expiry of lease period;
- (d) Goods returned to overseas supplier; and
- (e) Goods exported to overseas customers on consignment terms.

Exported by local agent of overseas owner of goods

- (a) Goods belonging to overseas person imported into Singapore for repair/ modification services, and exported back to overseas person (or his designated person located overseas) after performance of service; and
- (b) Raw materials belonging to overseas person were imported into Singapore for treatment/processing into finished goods. Upon completion of the treatment/ processing, the finished goods are exported back to the overseas person/his designated person located overseas.

Reporting and documentation

The owner of the goods/ the local agent of the overseas person must report the value of goods exported in his GST return when the goods are exported (goods made available). The value to be reported is generally the commercial value of the goods exported plus any service fees charged (if applicable) - if such services similarly qualify for zero-rating. In instances where commercial value of the goods is not available, he can, as an alternative, choose to report the import value of the goods. Likewise, such declarations must be supported by commercial transportation documents.

11.2 Export of gold

There are instances where:

- (a) Local gold jeweller purchases gold jewellery from its overseas supplier, and makes payment in the form of gold bar to be hand-carried out of Singapore; or
- (b) Local jeweller delivers scrap gold to local intermediary, who in turn exports it to overseas refinery.

Even though the gold hand-carried out/ scrap gold exported is not supported by any sale at the point of export, the local jeweller is required to report the export of such gold bar/ scrap gold as his zero-rated supply.

Refer to e-Tax Guide “GST: GST for the Gold Jewellery Industry” for details on GST reporting requirements for the gold industry, and the required export evidence.

11.3 Exception

The Comptroller will consider giving approval to dispense with such reporting requirements if:

- (a) There are alternate tracking records on the movement of goods (e.g. inventory system of goods); and
- (b) There are third-party verification of such record-keeping on a periodic basis that the Comptroller can rely on (e.g. a logistics service provider engaged for the purpose of managing the inventory); or
- (c) The Comptroller is satisfied that such record-keeping has high standard of control.

12 Frequently asked questions

12.1 *I understand that there is no need to issue tax invoices on zero-rated supplies. However, do I have to state “GST 0%” on the invoices?*

If your supplies qualify for zero-rating, you do not need to issue a tax invoice. However, as a commercial practice, we expect that you issue a commercial invoice on the supply made.

Should you decide to issue a tax invoice for simplicity, you are required to indicate that GST is charged at 0%.

12.2 *Must I obtain an export permit before the goods are exported?*

It is a requirement by Singapore Customs that an export permit must be obtained for goods exported from Singapore.

With effect from 01 April 2013, Singapore Customs requires all declarations to be submitted before the goods are exported, including non-controlled and non-dutiable goods exported by sea and air. Singapore Customs has termed this requirement as Advance Export Declaration. For more information, please refer to www.customs.gov.sg > Import & Export Procedures.

Please note that for GST purposes, the export permit is a primary document to support zero-rating of exports via land and goods exported under the Hand-Carried Exports Scheme. In addition, the export permits must be endorsed by Singapore Customs to be valid as a primary document for zero rating purposes under the Hand-carried Exports Scheme.

12.3 *How long must I retain export documentation?*

You are required to keep records pertaining to prescribed accounting periods ending on or after 01 January 2007 for 5 years.

However, for records pertaining to prescribed accounting period ended before 01 January 2007, you are required to retain them for 7 years. For more details, refer to e-Tax Guide “Record Keeping Guide for GST Registered Businesses” that can be downloaded from www.iras.gov.sg.

12.4 *Can I maintain my export documents in electronic format?*

If you wish to use other means to maintain your records, you do not need to seek approval from the Comptroller. However, you must comply with compliance criteria stated in e-Tax Guides “GST: Keeping Machine-sensible Records and Electronic Invoicing”, and “GST: Keeping of Records in Imaging Systems”. These guides can be downloaded from www.iras.gov.sg.

12.5 *What happens if I do not maintain the required export evidence specified in this guide?*

If you do not maintain the relevant export evidence, you must standard-rate the supply and account for GST based on prevailing rate. If the errors are uncovered during our audit, depending on the circumstances of the case, penalties would be imposed on such incorrect returns.

In situations of ambiguity, you are advised to clarify with the Comptroller on whether your transaction qualifies for zero-rating.

12.6 *What if I have lost or misplaced my export evidence?*

If you have lost or misplaced the export evidence, you must obtain a duplicate copy from the issuer of the commercial transaction or transport document. The replacement document must be clearly marked "COPY – For GST purposes". It must also be dated and authenticated by an official of the issuing company.

12.7 *Can I zero-rate the supply if details of goods on export documents do not match the details on other supporting documents (e.g. invoice, endorsed packing list)?*

In this case, as there is no proper evidence that the goods sold are exported, you are required to standard rate the supply.

12.8 *What are the penalties for not maintaining proper records?*

Failure to keep proper records is an offence. On conviction, the person shall be liable to:

- (a) A fine not exceeding \$5,000; or
- (b) Imprisonment for a term not exceeding 6 months; or
- (c) Both fine and imprisonment.

For subsequent conviction, he is liable to:

- (a) A fine not exceeding \$10,000; or
- (b) Imprisonment for a term not exceeding 3 years; or
- (c) Both fine and imprisonment.

12.9 *What are the penalties for submission of incorrect return*

The submission of incorrect returns resulting in tax being undercharged is an offence. On conviction, the person shall be liable to:

- (a) A penalty equal to double the amount of tax undercharged; and
- (b) A fine not exceeding \$5,000 or an imprisonment term not exceeding 3 years; or

(c) Both fine and imprisonment.

For more information, refer to e-Tax Guide “GST: General Guide for Businesses”.

12.10 *Who should be named as the exporter in the export permit, and what is the value to declare in the export permit?*

It is a requirement by Singapore Customs that, in general, the party who issues the commercial invoice to the overseas customer should be named as exporter in the export permit.

If the shipper’s name in the bill of lading differs from exporter’s name in the export permit, there should be an indication in the “remarks field” of export permit stating that goods are shipped by “name of the shipper” as shown in the bill of lading on behalf of “name of the exporter” in the export permit.

The exporter is required to declare the FOB (Free On Board) value of goods in the export permit.

For more information, refer to www.customs.gov.sg > Information for Exporter.

13 Contact information

For enquiries on this e-Tax Guide, please contact the Goods and Services Tax Division at www.iras.gov.sg (select “Contact Us”).

14 Updates and amendments

	Date of amendment	Amendments made
1	11 Feb 2016	Replace “GST Guide on the Marine Industry-2010 Budget Changes” in paragraph 9 with new “GST Guide for the Marine Industry”.
2	19 Sep 2016	Updates to the requirement regarding the indication of vehicle number in the export permit for export via land. For export via land, vehicle number should be indicated at the time the export permit is declared. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list upon collection of the goods) subsequently after the permit declaration.
3	01 Jul 2017	Amendments made to paragraph 8.2 to remove any mention of the Marina Bay Cruise Centre Singapore and the International Passenger Terminal at Harbourfront Centre in view of the withdrawal of the Tourist Refund Scheme for tourists departing by international cruise from the cruise terminals. Tourists departing from Singapore by international cruise with purchases made on and after 1 July 2017 will no longer qualify for GST refund under the scheme.
4	01 Nov 2018	Updated the transport document under paragraph (c) of Scenario 8.1B to specify the compulsory personal details of carrier to be shown in the extract of carrier’s passport. Updated the format of “Declaration of Carrier for Goods Hand-carried out of Singapore by Individual Carrier” and removed NRIC/ FIN number of carrier from the Declaration in Appendix 1.
5	27 Nov 2019	Updated paragraph 8.1’s Scenario 8.1A to include the digital clearance performed by Singapore Customs for suppliers that have subscribed to the HCES digital service. Updated paragraph 8.1’s Scenario 8.1B and Appendix 1 to remove the immigration endorsement of carrier’s exit from Singapore from the list of required transport documents in view of ICA’s cessation of the issuance of departure immigration endorsements (i.e. stamps of departure dates on travel documents) with effect from 22 Apr 2019.

		<p>Amended paragraph 8.1's Scenario 8.1B to clarify that the export permit should show the supplier as the exporter.</p> <p>Other editorial amendments.</p>
--	--	---

Appendix 1 – Declaration of Carrier for Goods Hand-carried out of Singapore by Individual Carrier

Section A (To be completed by each carrier)

To _____ : _____
(Name of Supplier), (Address of Supplier)

Date of declaration : _____ (DD/MM/YYYY)

I, _____ (Name of carrier as shown on passport), hereby confirm that I will be hand-carrying the followings goods out of Singapore.

Details of Goods		
Name of Customer (as per invoice):	_____	
Invoice Date (DD/MM/YYYY)	_____	
Invoice Number	_____	
Invoice Amount	_____	
Description of goods per invoice	Quantity of goods per invoice	Quantity of goods carried out by me
(1)		
(2)		
(3)		

Particulars of Carrier	Details of Departure
Relationship to customer / seller (if applicable) : _____	Date of Departure : _____
Nationality : _____	Name of Airlines/Vessel : _____
Passport Number : _____	Flight/Vessel/Vehicle No: _____
Address : _____	Time of Flight/Vessel : _____
Signature of Carrier : _____	Destination : _____

Section B (To be completed by supplier)

Checklist of documents to be maintained by supplier (to be obtained not later than 60 days) **(Please tick)**

- (1) Copy of transport evidence:
 - (a) Confirmed air / ferry ticket bearing the name of carrier
 - (b) Boarding pass bearing the name of carrier (if applicable)
 - (c) Airline excess baggage receipt (if applicable)
- (2) Extract of passport
 - (a) A copy of front page containing name, passport number, nationality & photograph of carrier
 - (b) A copy of relevant immigration endorsement of entry to foreign country (if applicable)
- (3) Invoice to overseas customer
- (4) Confirmation of receipt of goods by overseas customer

Name & Signature of Authorised Person : _____

Designation : _____

If the declaration form or supporting documents are incomplete or not in order, the supply cannot be zero-rated