

# **IRAS e-Tax Guide**

## **GST Guide on Zero-rating Telecommunication and Related Services under Section 21(3)(q)**



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# **GST Guide on Zero-rating Telecommunication and Related Services under Section 21(3)(q)**

## **1 Aim**

- 1.1 Section 21(3) of the GST Act provides zero-rating relief on the supply of international services and section 21(3)(q) specifies that prescribed services involving international telecommunication transmission can qualify for zero-rating (i.e. charging GST at 0%). The qualifying telecommunication services that can be zero-rated under section 21(3)(q) are prescribed under Fifth Schedule of the GST (International Services Order) (henceforth referred to as the Fifth Schedule in this guide).
- 1.2 This guide<sup>1</sup> explains the application of the zero-rating relief for telecommunication and telecommunication-related services. Annex A lists the prescribed telecommunication services under Fifth Schedule of the GST (International Services Order). Annex B provides a list of the broad categories of services that are commonly provided by telecommunication service providers and the applicability of section 21(3)(q).

## **2 At a glance**

- 2.1 As a GST-registered business, you have to charge and account for GST, at the prevailing tax rate, on your supply of telecommunication service unless it qualifies as an international service under section 21(3)(q).
- 2.2 To be zero-rated as an international service under section 21(3)(q), your telecommunication service has to satisfy both the conditions below:
- (a) Falls within paragraphs 1 to 5 of the prescribed services\* in the Fifth Schedule; and
  - (b) Comprises international transmission, i.e. the provision of any means of telecommunication transmitted:
    - (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.

*[\*The prescribed services under the Fifth Schedule apply to the telecommunication service providers who provide such services. Paragraph 4 of the Fifth Schedule also applies to other businesses making onward supply of international calls.]*

- 2.3 Your telecommunication service cannot qualify for zero-rating under section 21(3)(q) if the transmission is from a place in Singapore to another place in Singapore (i.e. local transmission). For example, if the transmission is from a

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<sup>1</sup> This e-Tax Guide replaces the IRAS' e-Tax Guide "A Guide On Zero-rating Telecommunication And Related Services Under Section 21(3)(q)" published on 26 Apr 2007.

point in Singapore to Hong Kong and back to another point in Singapore, it is considered as a local transmission.

- 2.4 The belonging status of your customer (i.e. whether he belongs in Singapore or outside Singapore) is not relevant in determining whether the prescribed telecommunication services can be zero-rated under section 21(3)(q).
- 2.5 Paragraph 6 of the Fifth Schedule specifically excludes the following types of supply from the scope of Fifth Schedule:
- (a) Sale and lease of telecommunications equipment, notwithstanding that the sale or lease may be in connection with international transmission; and
  - (b) Repair, maintenance or management services which are not in connection with international transmission.
- 2.6 The repair, maintenance or management services can be regarded as prescribed services under paragraph 5 of the Fifth Schedule if they are provided in connection with international telecommunication transmission by the same supplier and are ancillary services to the provision of prescribed telecommunication services.

### **3 Fifth Schedule – Paragraph 1 : Transmission services**

#### Situations in which a supply is considered to be under paragraph 1 of the Fifth Schedule

- 3.1 Telecommunication services relating to the transmission of signs, signals, images or sounds by any nature of wire, radio, optical or other electro-magnetic systems (such as fibre optic cables, radio waves, satellite or copper wire) are prescribed services under paragraph 1 of the Fifth Schedule.
- 3.2 This is so whether or not such signs, signals, images or sounds are re-arranged, computed or processed by any means in the course of their transmission.

#### **Scenario 1**

Telecommunication service provider A charges his client for the provision of satellite uplink and downlink transmission services. The provision of such transmission services is a prescribed service under paragraph 1 of the Fifth Schedule and can be zero-rated under section 21(3)(q) if it relates to international transmission.

#### Situations in which a supply is not considered to be under paragraph 1 of the Fifth Schedule

- 3.3 Paragraph 1 of the Fifth Schedule does not include the supply of the content<sup>2</sup> (e.g. music, software, games etc.) in the transmission.

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<sup>2</sup> For the GST treatment of the supply of content, please visit our website ([www.iras.gov.sg](http://www.iras.gov.sg)) and click GST > GST-registered businesses > Specific business sectors > e-Commerce.

### Scenario 2

Mr B downloads a game from the Internet. He pays the service provider C \$20 for the game and \$1.50 for the time usage in downloading the game. The time usage charged by C is a prescribed service under paragraph 1 of the Fifth Schedule and can be zero-rated under section 21(3)(q) if it relates to international transmission. However, the supply of game is not a prescribed service under the Fifth Schedule and cannot be zero-rated under section 21(3)(q).

- 3.4 If the data is transported via physical storage medium such as tapes, micro tapes, memory card, hard disk, flash memory drive etc., such a service is not considered as a prescribed telecommunication service under paragraph 1 of the Fifth Schedule.

### Scenario 3

Company D receives audio video signals for a customer via its satellite downlink facility. D then transfers the signals received to a tape and delivers the tape to the customer. The service of receiving the signals is a prescribed service under paragraph 1 of the Fifth Schedule and can be zero-rated under section 21(3)(q) if it relates to international transmission. The delivery of the tape to the customer is not a prescribed service under paragraph 1 of the Fifth Schedule and cannot be zero-rated under section 21(3)(q).

## 4 Fifth Schedule – Paragraph 2 : Leased circuit, line or network

### Situations in which a supply is considered to be under paragraph 2 of the Fifth Schedule

- 4.1 When you supply dedicated telecommunication services to your customers in the form of an international leased circuit, line or network (referred to as 'ILC'), your provision of the ILC for international transmission is a prescribed service under paragraph 2 of the Fifth Schedule.
- 4.2 Paragraph 2 of the Fifth Schedule also includes the provision of local leased circuit, line or network (referred to as 'LLC') used or to be used in connection with the ILC. Your provision of LLC can be regarded as a prescribed service under paragraph 2 of the Fifth Schedule if both conditions are satisfied:
- (a) You provide both the ILC and the LLC to your customer (i.e. both the ILC and LLC must be provided by the same supplier); and
  - (b) You provide the LLC as part of your provision of the ILC.

**Scenario 4**

Service provider E provides International Private Leased Circuit (IPLC) to company F which is located in Singapore so that F is able to transmit secure data to its overseas subsidiaries. The provision of the IPLC is a prescribed service under paragraph 2 of the Fifth Schedule and can be zero-rated under section 21(3)(q).

Situations in which a supply is not considered to be under paragraph 2 of the Fifth Schedule

- 4.3 If two different suppliers provide the LLC and ILC respectively or if the LLC provided is not part of the ILC, the provision of the LLC is not considered as a prescribed telecommunication service under the Fifth Schedule.

**Scenario 5**

Service provider G supplies only the LLC from a site in Singapore to the cable landing station in Singapore and service provider H supplies the ILC from the cable landing station in Singapore to the cable landing station in overseas. Although the LLC provided by G is linked to the ILC provided by H, the provision of LLC by G is not a prescribed service under the Fifth Schedule and cannot be zero-rated under section 21(3)(q).

- 4.4 You may provide services such as Asynchronous Transfer Mode connection that pertain to both ILC and LLC. If the LLC is not used or to be used in connection with the ILC, then the portion of services relating to the provision of the LLC is not considered as a prescribed telecommunication service under the Fifth Schedule.

**Scenario 6**

Company I leases both LLC and ILC from service provider J under one contract. The LLC is used to transmit data to its branch office in Singapore while the ILC is used to transmit data to its overseas subsidiary in Vietnam.

Under such an arrangement, the provision of the LLC is not considered as part of the ILC as they are two distinct service elements (i.e. each can be independent and serves its own purpose). The provision of LLC by J is therefore not a prescribed service under the Fifth Schedule and cannot be zero-rated under section 21(3)(q).

## 5 Fifth Schedule – Paragraph 3 : Right to access or use

### Situations in which a supply is considered to be under paragraph 3 of the Fifth Schedule

- 5.1 In providing the services under paragraph 1 and 2 of the Fifth Schedule, you may charge a once-off registration fee to grant your customer the rights to access and a monthly subscription for the rights to use the services.
- 5.2 The provision of the right to access (e.g. registration fee, connection fee) and the provision of the right to use (e.g. subscription fee) the services provided under paragraph 1 and 2 of the Fifth Schedule are prescribed services under paragraph 3 of the Fifth Schedule.

#### **Scenario 7**

Service provider K charges a monthly subscription fee of \$15 to customer L who subscribes to its auto roaming service and a usage fee of \$20 for the international calls that L made in the month of August. K can zero-rate both the subscription and usage fees as the fees are prescribed services under paragraph 3 and paragraph 1 of the Fifth Schedule respectively.

### Situations in which a supply is not considered to be under paragraph 3 of the Fifth Schedule

- 5.3 Telecommunication service provider may issue a Subscriber Identity Module (SIM) card together with the subscription of a mobile plan. Even though the SIM card is necessary in enabling the user to make telephone calls, the supply of the SIM card is a supply of good and not a prescribed service under paragraph 3 of the Fifth Schedule (see also paragraph 8.1 of this guide).

## 6 Fifth Schedule – Paragraph 4 : Onward supply of international calls

- 6.1 If you receive the prescribed services under paragraph 1 or 2 of the Fifth Schedule and provide the right to access or use the same services to another person, you can regard your supply as a prescribed service under paragraph 4 of the Fifth Schedule and zero-rate your supply under section 21(3)(q).

### Resale of telecommunication services by hotels and serviced apartment operators<sup>3</sup>

- 6.2 In the course of their hospitality business and being licensed resellers of public switched telecommunication services<sup>3</sup>, hotels and serviced apartment operators provide telecommunication services to their customers in return for a consideration.
- 6.3 Hence, hotels and serviced apartment operators which charge their customers for international telecommunication services are regarded as making the

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<sup>3</sup> Hotels and serviced apartment operators are licensed by Infocomm Development Authority of Singapore (IDA) to resell telecommunication services to third parties.



prescribed services under paragraph 4 of the Fifth Schedule and can zero-rate their services based on the price charged to the customers.

- 6.4 However, any administrative service fee or surcharge that is separately billed to the customers (i.e. in addition to the international call charges) is not considered as consideration for a prescribed service under paragraph 4 of the Fifth Schedule. The additional charge will be subject to GST at the prevailing rate (i.e. to be standard-rated).

Reimbursement of telecommunication expenses

- 6.5 If you are not in the business of providing or re-selling telecommunication services and you seek reimbursement of the international telecommunication expenses incurred on behalf of another company, the nature of your supply (i.e. reimbursement) will follow that of the international telecommunication services you have originally procured. Such recovery can qualify as prescribed service under paragraph 4 of the Fifth Schedule. You can zero-rate your recovery up to the extent of the cost incurred by you in obtaining the services.

**Scenario 8**

Company N and company P occupy the same office and share the same telephone line registered in the name of company N. Company N is billed for the international calls of \$100 incurred by company P. Company N seeks a reimbursement of \$100 from company P. Company N can zero-rate the reimbursement of \$100 billed to company P, as the reimbursement of international call charges is a prescribed service under paragraph 4 of the Fifth Schedule.

- 6.6 However, any additional charge imposed by you on your reimbursement of telecommunication expenses (see paragraph 6.5) will not be regarded as consideration for the provision of the prescribed service that you received from the original telecommunication service provider (i.e. your supplier) under paragraph 4 of the Fifth Schedule. Instead, it is a separate supply of administrative service regardless of the form and billing of this additional charge.
- 6.7 If you seek reimbursement of telecommunication expenses with a mark-up and there is no separate billing for the telecommunication service expenses and the mark-up, the entire billing will not be considered as a prescribed service under paragraph 4 of the Fifth Schedule.

**Scenario 9**

The business arrangement in Scenario 8 is changed such that company N seeks reimbursement of the international calls from company P and bills \$120 (i.e. with a mark-up of \$20) to company P. This mark-up of \$20 is considered as an administrative fee charged by company N for incurring the expense on behalf of company P. It is not a prescribed service under paragraph 4 of the Fifth Schedule and therefore cannot be zero-rated under section 21(3)(q).

If company N shows the international call charges of \$100 and the additional charge of \$20 separately in its tax invoice to company P, it can zero-rate the international call charges of \$100 and must charge GST at the prevailing rate on the additional charge of \$20 (unless its supply of administrative service to company P can qualify for other zero-rating reliefs).

If company N's tax invoice to company P does not show the international call charges and the additional charge separately, company N will have to charge GST at the prevailing rate on its entire billing of \$120 to company P.

## 7 Fifth Schedule – Paragraph 5 : Ancillary services

### Situations in which a supply is considered to be under paragraph 5 of the Fifth Schedule

- 7.1 If you supply prescribed telecommunication services under paragraph 1, 2 or 3 of the Fifth Schedule, your ancillary services can also qualify as prescribed services under paragraph 5 of the Fifth Schedule.
- 7.2 The Comptroller will consider a service to be ancillary to its principal service if the cost of the ancillary service forms a small portion of the total consideration for the whole package. As a guide, a total cost of all ancillary services (under the same contract as the principal service) of less than or equal to 5% of the total consideration is considered as small.

#### **Scenario 10**

Service provider Q provides transmission services via satellite network to its customer. Q also provides network monitoring services and performance report to the same customer. The cost of providing the monitoring services and report is 3% of the total consideration charged. In this case, the monitoring service can be considered as a service ancillary to the transmission service under paragraph 5 of the Fifth Schedule. Q can zero-rate the transmission and ancillary services under section 21(3)(q) if it relate to international transmission.

- 7.3 In the event that the cost of providing a service exceeds 5% of the total consideration for the whole package, the Comptroller may still consider the service to be ancillary to its principal service if all of the following are satisfied:
- (a) The service is one of the components included in the same contract for the provision of the services referred to in paragraph 1, 2 or 3 of the Fifth Schedule;
  - (b) The service is not separately priced;
  - (c) The service is not separately provided for on its own by the same supplier; and
  - (d) The customer does not have an option to subscribe to only the ancillary service.

### **Scenario 11**

Service provider R provides transmission services via satellite network to its customer. At the same time, R needs to provide monitoring services on the transmission. The cost of providing the monitoring service is 6% of the total package. Nevertheless, the monitoring service is part of the deliverables of the transmission agreement and is not separately itemised and priced. Moreover, R does not provide monitoring service on its own.

In this case, the monitoring service will be considered as a service ancillary to the transmission service under paragraph 5 of the Fifth Schedule. R can zero-rate the transmission and monitoring services under section 21(3)(q) if it relate to international transmission.

## **8 Fifth Schedule – Paragraph 6 : Supplies that are specifically excluded from the Fifth Schedule**

### Sale or supply (including the letting on hire) of any equipment or goods

- 8.1 Sale and lease of telecommunications equipment are excluded from the scope of Fifth Schedule. This is regardless of whether the sale or supply of goods is in connection with international transmission.

### **Scenario 12**

Supplier S leases telecommunication equipment to telecommunication service provider T. The lease of the equipment is not a prescribed service in the Fifth Schedule and cannot be zero-rated under section 21(3)(q).

### Repair, maintenance or management services which are not in connection with international transmission

- 8.2 Repair, maintenance or management services which are not in connection with international transmission are not prescribed services in the Fifth Schedule.
- 8.3 If the repair, maintenance or management services are provided in connection with international telecommunication transmission and are ancillary services to the provision of prescribed telecommunication services, it can then be regarded as prescribed services under paragraph 5 of the Fifth Schedule (see paragraph 7 of this guide).

### **Scenario 13**

Company U provides solely maintenance services on cables that are used in Singapore for international transmission. It does not provide any transmission services.

As U does not supply the international transmission services, its maintenance services are not provided as part of the international transmission services and therefore are not prescribed services in the Fifth Schedule. Hence, U cannot zero-rate these services under section 21(3)(q) of the GST Act.

#### **Scenario 14**

Company V is contracted to provide international transmission services to its customer. As part of the contract, it provides regular maintenance of the cables used in Singapore for the international transmission and charges a monthly maintenance fee to its customer.

As V provides the cable maintenance services as part of its supply of international transmission services to the customer, its maintenance services can be regarded as ancillary to its provision of international transmission services (which are prescribed services under paragraph 1 of the Fifth Schedule) if the conditions in paragraph 7 of this guide are satisfied. It can then treat these maintenance services as prescribed services under paragraph 5 of the Fifth Schedule and zero-rate under section 21(3)(q) of the GST Act.

### **9 Apportionment of Supplies**

- 9.1 You may have instances where you provide both international and local transmission (which is not provided as part of the international transmission), and only your international transmission services qualify as prescribed services.
- 9.2 In such a case, you can zero-rate only the portion of services attributable to the international transmission under section 21(3)(q). The portion of services attributable to local transmission has to be standard-rated. If you are unable to track the volume of international and local transmission, the entire supply has to be standard-rated.

#### **Scenario 15**

Service provider W provides internet access to its subscribers. There is international transmission when the subscribers access websites hosted on overseas servers and local transmission when the subscribers access websites hosted on local servers. However, W does not track the usage for separate billing. In this case, W cannot zero-rate its service of providing internet access under section 21(3)(q).

- 9.3 The Comptroller is prepared to allow you to apply a reasonable proxy to apportion your supply of services such that only the portion of services attributable to local transmission needs to be standard-rated.
- 9.4 The Comptroller accepts the following proxies in apportioning the value of services:
- (a) Price of each portion of the services performed for the local and overseas transmission. This refers to the market price that you would charge if the services performed for the international and local transmission had been supplied under separate contracts.

- (b) Costs of making each portion of the services. This can include both direct and indirect costs incurred by you in the course of performing the services. It is up to you (as the supplier) to decide on the most appropriate costing method(s) to be used to compute the costs of making each portion of the services performed for the international and local transmission.
- (c) Amount of time taken to perform each portion of the services.

## **10 Contact Information**

For enquiries on this e-Tax Guide, please contact:

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## **Annex A – Prescribed Telecommunication Services under Fifth Schedule of the GST (International Services) Order**

### **PRESCRIBED TELECOMMUNICATION SERVICES**

1. The transmission, emission or reception of signs, signals, writing, images, sounds or intelligence by any nature of wire, radio, optical or other electro-magnetic systems whether or not such signs, signals, writing, images, sounds or intelligence have been subjected to rearrangement, computation or other processes by any means in the course of their transmission, emission or reception.
2. The provision of -
  - (a) any international leased circuit, line or network; and
  - (b) any local leased circuit, line or network, used or to be used in connection with the international leased circuit, line or network to the extent that the local leased circuit, line or network is provided -
    - (i) by the same supplier as the international leased circuit, line or network; and
    - (ii) as part of the provision of the international leased circuit, line or network.
3. The provision by a supplier of services referred to in paragraph 1 or 2 of a right to access or use any of those services.
4. The provision by a person of a right to access or use services referred to in paragraph 1 or 2 which he has received from a supplier of those services.
5. The provision of any service ancillary to, and supplied by the same supplier as, any of the services referred to in paragraph 1, 2 or 3.
6. Nothing in this Schedule shall include any part of a supply comprising the sale or supply (including the letting on hire) of any equipment or goods and any repair, maintenance or management thereof which is not in connection with the international transmission of the telecommunication.

## Annex B – Applying Section 21(3)(q) to services that are commonly provided by telecommunication service providers

Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>4</sup>	
<b>Voice</b>												
Provision of voice transmission services via telephone lines, mobile phones, fixed payphones, internet protocol	Voice Call, Island-wide Digital Walkie-talkie Service,	Activation			•				S/R	Z/R	S/R	
		Usage	•						S/R	Z/R	S/R	
		Subscription			•				S/R	Z/R	S/R	
		Termination						•	-	-	-	Section 21(3)(q) is not applicable
		Late payment						•	-	-	-	
		Software						•	-	-	-	
Supply of voucher with monetary value for the purpose of making voice calls	Prepaid Calling Cards	Multi-Redemption Voucher						•	-	-	-	Refer to e-Tax Guide “GST Treatment of Vouchers”

Standard-rate (S/R)  
Zero-rate (Z/R)

<sup>4</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.

Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>5</sup>	
Provision of messaging services	Short Message Service (SMS), Multimedia Message Service (MMS), Mobile Instant Messaging Service	Subscription			•				S/R	Z/R	S/R	
		Usage	•						S/R	Z/R	S/R	
Provision of value-added services commonly tied in with voice transmission services	Multi-SIM, Phone book Backup, Itemised billing, Re-issued bill of statement, Change of number, Subscriber-ship transfer	One-Time					•		-	-	-	Section 21(3)(q) is not applicable
Provision of wholesale voice transmission	Wholesale voice solution	Subscription			•				S/R	Z/R	S/R	
Provision of connectivity to internet via mobile network	Data download (GPRS)/(3G)	Usage	•						S/R	Z/R	S/R	

Standard-rate (S/R)  
Zero-rate (Z/R)

<sup>5</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.



Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>6</sup>	
<b>Internet / Data</b>												
Provision of connectivity from one place to another	Internet Protocol Virtual Private Network (IP VPN), Dedicated Internet Protocol Transit, Asynchronous Transfer Mode (ATM), Frame relay, Domestic private leased circuit, International Private Leased Circuit, Ethernet Leased Line Service, Backhaul services	Activation			•				S/R	Z/R	S/R	
		Subscription			•				S/R	Z/R	S/R	
		Usage		•					S/R	Z/R	S/R	
Provision of connectivity from one place to another on a wholesale basis	Wholesale IP VPN, Wholesale IP Transit	Subscription			•				S/R	Z/R	S/R	

Standard-rate (S/R)  
Zero-rate (Z/R)

<sup>6</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.

Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>7</sup>	
Value-added services commonly tied in with the provision of connectivity from one place to another	Network monitoring, maintaining and managing support, Customer service support contact center, Performance Report	Subscription						•	-	-	-	Services may be classified as ancillary service under paragraph 5 of the Fifth Schedule to the GST Act (International Services Order)
Provision of general connectivity to domestic and business for the purpose of accessing to internet	Wired & wireless broadband, cable broadband, dial-up internet service, Bandwidth-On-Demand, Increase surfing speed	Subscription			•				S/R	Z/R	S/R	
		Usage	•						S/R	Z/R	S/R	
Value-added services commonly tied in with the provision of general connectivity to domestic and business for the purpose of accessing to internet	Anti-spam scans, Anti-virus scans, Additional email storage space	Subscription						•	-	-	-	Services may be classified as ancillary service under paragraph 5 of the Fifth Schedule to the GST Act (International Services Order)

Standard-rate (S/R)

Zero-rate (Z/R)

<sup>7</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.

Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>8</sup>	
Provision of push mail solution	Blackberry	Subscription			•				S/R	Z/R	S/R	
		Usage	•						S/R	Z/R	S/R	
<b>Satellite</b>												
Provision of analogue and digital transmission services for broadcasting purposes via satellite	Satellite Downlink & Uplink	Usage	•						S/R	Z/R	S/R	
Provision of connectivity from one place to another via satellite facility	Satellite Space Segment, Very Small Aperture Terminal (VSAT) Service, Transponder Lease	Usage		•					S/R	Z/R	S/R	

Standard-rate (S/R)  
Zero-rate (Z/R)

<sup>8</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.

Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>9</sup>	
<b>Content</b>												
Delivering of data, video or audio content to mobile handset, mobile receiver	Ring tones download, Screen saver download, Delivering audio content via Digital Multi Media Broadcasting (DMB)	One-Time						•	-	-	-	Section 21(3)(q) is not applicable
		Subscription						•	-	-	-	
Provision of TV programs	IPTV, Cable TV, 3G TV	Activation						•	-	-	-	Section 21(3)(q) is not applicable
		Subscription						•	-	-	-	
		Pay per view						•	-	-	-	
Provision of online gaming	Online gaming with server located outside Singapore	Subscription						•	-	-	-	Section 21(3)(q) is not applicable
		Usage						•	-	-	-	

<sup>9</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.

Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>10</sup>	
<b>Hosting</b>												
Providing space and managing services for communications hardware	Co-location, data centre	Installation						•	-	-	-	Zero-rating may be applicable under Section 21(3)(s)  (Refer to e-Tax Guide “GST Treatment of Web-Hosting Services and Server Co-location Services”)
		Subscription						•	-	-	-	
Provision of hosting services	Web hosting, Managed Hosting, Virtual Hosting, content hosting	Subscription						•	-	-	-	Zero-rating may be applicable under Section 21(3)(j)  (Refer to e-Tax Guide “GST Treatment of Web-Hosting Services and Server Co-location Services”)

<sup>10</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.

Types Of Services	Example	Type Of Charges	Fifth Schedule of the GST (International Services Order)					Not within Paragraph 1 to 5 of Fifth Schedule	Transmissions			Remarks
			Paragraph 1	Paragraph 2	Paragraph 3	Paragraph 4	Paragraph 5		Local	International	Local and international (unable to track) <sup>11</sup>	
<b>Others</b>												
Provision of essential data network back up in the event of any major disaster	Disaster Recovery Services	Subscription						•	-	-	-	Zero-rating may be applicable under Section 21(3)(j)
Provision of Internet and Wi-Fi infrastructure building services	Setting up of hotspot	One-Time						•	-	-	-	
Provision of digital tracking service	Global Positioning System (GPS)	Subscription						•	-	-	-	

<sup>11</sup> The supplier should track the volume of international and local transmission. Since he is unable to track the volume of international and local transmission, he has to standard-rate the entire supply.