

IRAS e-Tax Guide

**GST: The Electronic Tourist Refund Scheme
(eTRS)
(Twelfth edition)**



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1 Aim

1.1 The guide will cover the following¹:

- (a) Description of process and data flow under eTRS;
- (b) Conditions and fees applicable for participation in the eTRS;
- (c) Application procedures under eTRS; and
- (d) Overview of the system requirements under eTRS.

1.2 You should read this guide if you wish to participate in the eTRS either as:

- (a) A Central Refund Agency (“CRA”); or
- (b) An Independent Retailer² (“IR”).

1.3 If you are not affiliated to any CRA and do not wish to set up your own system to link up directly to the Central Clearing House (“CCH”) as an IR, you can still offer tourist refund to your customers by affiliating with a participating CRA.

1.4 Presently, there are 4 CRAs in Singapore participating in the eTRS:

Global Blue Singapore Pte Ltd

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Premier Tax Free & Fintrax Payments (Asia) Pte Ltd

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Global Tax Free Pte Ltd

Tel: +65 6221 7058

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Website: www.global-taxfree.com.sg

¹ This e-Tax guide replaces the IRAS’ e-Tax guide “GST Guide on the Electronic Tourist Refund Scheme (eTRS) (6th edition)” published on 03 Mar 2014.

² An Independent Retailer is a retailer who chooses to set up its own system capable of linking directly to the CCH to administer the TRS without being affiliated to any participating CRAs.

Tourego Pte Ltd³
Tel: +65 6635 8846
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Website: www.tourego.com

2 At a glance

- 2.1 Singapore receives many tourists every year and it is important for our visitors that, along with good shopping experience, they also enjoy a hassle-free GST refund claim process. GST refund is available on goods purchased from GST-registered retailers operating the Tourist Refund Scheme (“TRS”). All GST-registered retailers and CRAs who want to offer TRS can only do so through the eTRS system.
- 2.2 Under the eTRS, all CRAs and Independent Retailers have to seek IRAS’ approval before they can participate directly in the electronic system and claim refund from IRAS. In addition to the existing conditions for tourist refunds, the CRAs and IRs should also comply with the conditions as set out in this guide.
- 2.3 Under the eTRS, retailers are required to verify the tourist’s eligibility and issue a document to him confirming his request for a refund. The tourist’s purchases may still be subject to inspection by Customs at the airports and the refund will only be made to the tourist if he satisfies all conditions of the scheme.
- 2.4 Tourists may claim refunds on their purchases under the electronic system if they exit via Changi International Airport and Seletar Airport (collectively known as “airports”).

³ Tourego Pte Ltd issues digital eTRS Tickets only. Visit its website for more information on its tourist refund solution.

3 Glossary

3.1 Token

- 3.1.1 A Token is a unique identifier used by the tourist to identify the purchases made by him. The Token will enable him to retrieve his eTRS transactions from the CCH at the airports for validation and approval.
- 3.1.2 Presently for eTRS, credit cards and debit cards may be accepted as Token to link purchases made by tourists. In future, the eTRS may accept tokens other than credit cards and debit cards if these are compliant with the ISO standard 7812.
- 3.1.3 Under the eTRS, the tourist may use a credit card as the Token for linking his purchases, as well as for making payment for his purchases and for receiving GST refund. The tourist can use the same credit card for all 3 purposes and this will offer the best experience from shopping to refund claim process. The tourist may also choose a different credit card for each purpose, in which case the refund claim process will be less convenient for the tourist. In addition, it should be noted that a credit card used for payment but not as a Token cannot be used to retrieve the eTRS transactions at the self-help kiosk.
- 3.1.4 In any case, whether or not the tourist uses credit card or debit card as a Token, the tourist will be issued with an Electronic Tourist Refund Ticket⁴ (“Ticket”) at the participating retailer. This Ticket can be used at the self-help kiosk to identify his purchases for the purposes of claiming refunds. The Ticket shall contain a series of unique numbers known as Doc-ID generated by the CRA/IR’s issuing solutions at the retail shop. The Doc-ID issued must comply with the specifications set by the CCH.

⁴ Each Ticket represents an eTRS transaction. It holds the data for at least one receipt and each receipt has at least one purchase item. Each eTRS transaction is provided one by one to CCH by the CRA/IR.

3.2 Central Clearing House (“CCH”)

- 3.2.1 The CCH is a central system owned by IRAS. It stores eTRS transactions received from all CRAs/IRs and makes available these transactions for processing at the self-help kiosks and the CRC.
- 3.2.2 The CCH allows tourists to retrieve eTRS transactions at the self-help kiosk for the tourist to confirm as the subject of refund claim. The self-help kiosk will also electronically approve the refund claims, unless tourists are referred to Customs for their purchases to be checked. Once the eTRS transactions are approved, CCH will also determine the refund payable to the tourist in accordance to the refund tables⁵ of the respective CRAs/IRs and transmit the information necessary for the CRC to make cash refunds to the tourists, if the tourist chooses the cash refund option.
- 3.2.3 Under eTRS, tourist will obtain their refunds only if the purchase information is properly transmitted from the retailer to CRA/IR and onward to CCH. It is therefore critical for CRAs/IRs to have robust and reliable systems to link up to the CCH such that eTRS transactions can be transmitted on an accurate and timely basis.

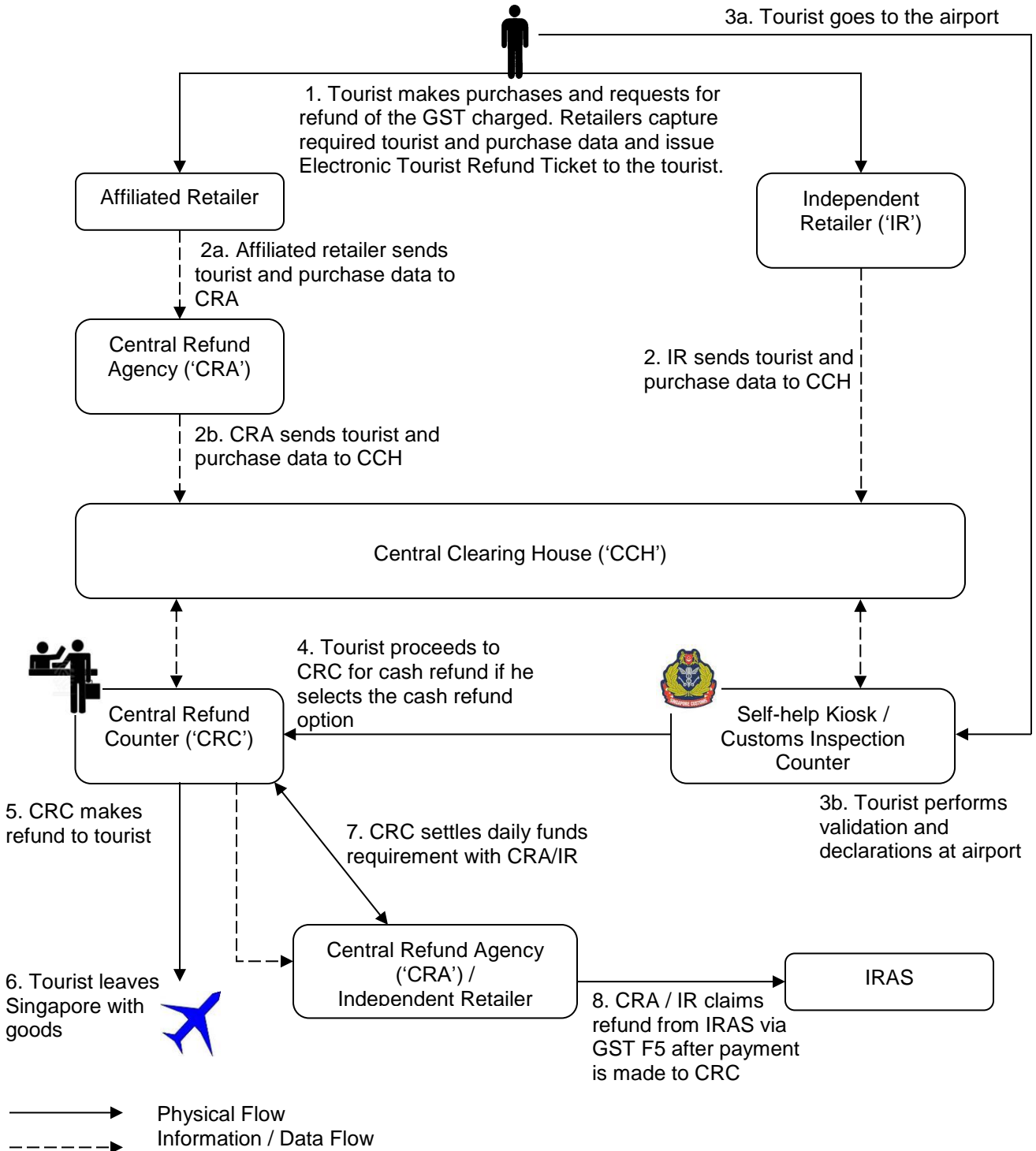
3.3 Central Refund Counter (“CRC”)

- 3.3.1 The CRC operator is the paying agent that handles all cash and non-cash refunds (i.e. refund via credit card) to tourists on behalf of all CRAs and IRs. IRAS does not own the CRC but will approve the operator to run the CRC. Global Tax Free Pte Ltd is the approved CRC operator until 17 November 2019.
- 3.3.2 The amount of refunds made to tourists by the CRC will be based on the refund table set by individual CRA/IR provided to the CCH. After refund has been made to the tourists, the CRC will seek payment of the refund made and fees from the CRAs and IRs directly on a daily basis.
- 3.3.3 Tourists who choose cash refund will have to collect the cash from the CRC at the GST Cash Refund counter located at the Departure Transit Lounge of Terminals 1, 2, and 3 of the Changi International Airport. As the CRC is making cash refunds on behalf of all CRAs and IRs, tourists will only need to queue once at the airport to get their cash refunds.

⁵ Each CRA/IR can only have one refund table for determining the refund amount. The refund amount is always calculated on per eTRS transaction.

4 Overview of the eTRS system

4.1 The following diagram shows the major process and data flows of the eTRS system for tourists departing via the airport.



4.2 Description of the process flow

4.2.1 The tourist makes purchases from retailers who operate the eTRS and requests for refund of the GST paid. The affiliated retailers and the IRs must perform the following steps:

- (a) Verify that the tourist is eligible for tourist refund, check his passport⁶ and ensure that the tourist refund conditions⁷ are satisfied;
- (b) Ask the tourist for a Token (e.g. credit card or debit card) to link his purchases for tourist refund purposes;
- (c) Capture the Token (if provided), the tourist's passport number, nationality and purchase details electronically;
- (d) Print/issue the Ticket once the information is successfully captured;
- (e) Advise the tourist to keep the Ticket and invoice or receipt as he may be required to produce these documents with the goods for Customs' inspection at the airport; and
- (f) Indicate (e.g. stamp) on his invoice or receipt that a Ticket has been issued.

4.2.2 The details of the tourist and his purchases captured electronically by affiliated retailers (known as eTRS transactions) are transmitted to the respective CRAs and then from the CRA to the CCH for storage. The IRs will send eTRS transactions to the CCH directly.

4.2.3 At the airport, before checking in, the tourist can use the self-help kiosk to retrieve all his purchase transactions simultaneously if the purchase transactions have previously been linked to a Token. Otherwise, the purchase transactions can still be retrieved individually using the Ticket issued (paper or digital).

4.2.4 At the self-help kiosk, the tourist will be asked to:

- (a) Declare his eligibility and acceptance of the TRS conditions;
- (b) Swipe his passport;
- (c) Swipe his Token or scan his Ticket;
- (d) Review the transactions that he wishes to claim a refund on; and
- (e) Select his refund options⁸ – whether he wants his refund to be made in cash or through his credit card.

⁶ A photocopy or an image of the passport is not acceptable.

⁷ Please refer to Appendix 1 for the eligibility criteria of a tourist and TRS conditions.

⁸ Only non-cash refund options will be available at the Seletar Airport.

- 4.2.5 Once the above steps are completed, the tourist will see the status of his refund claims on the screen of the self-help kiosk and a Notification Slip will also be issued. If physical inspection of the goods is required, the self-help kiosk will inform the tourist to proceed to Customs Inspection counter before his refund claim can be processed.
- 4.2.6 At Customs Inspection counter, the tourist will be asked to present his goods that he wishes to claim a refund on to Customs officer for inspection. After the Customs officer is satisfied that the claims are in order, he would issue a Notification Slip to the tourist.
- 4.2.7 After getting the Notification Slip, the tourist will need to proceed to the CRC at the GST Cash Refund counter to obtain his cash refund if he had chosen cash refund. If the tourist had opted to receive refund through his credit card, the money will be credited directly to the specified credit card and there is no need to approach the CRC at all.
- 4.2.8 Once the refund has been made to the tourist, the CRC will invoice and debit the CRA/IR's bank account for the amount refunded and other charges on a daily basis.
- 4.2.9 CRA/IR may claim the GST refund from IRAS in their GST F5 Return after the CRA/IR has paid the CRC the refund made to the tourist. The claim must be supported by relevant documents and IRAS will make the refund if it is satisfied that the claims are in order.
- 4.3 An overview of the system requirements for CRA/IR to participate in eTRS can be found in Appendix 2 of this guide.

5 Conditions to operate as CRA or IR under the eTRS

- 5.1 Under eTRS, retailers affiliated with a participating CRA do not need to have a direct link up to the CCH's system to offer tourist refund to tourists. These retailers would only need retail end issuing solutions provided by the CRA that enable credit cards to be used as Token to link up tourist purchases, and to issue the Tickets. The retailer will have to account for the GST charged in their GST returns as they do under the paper-based system. Therefore, the retailer does not need any approval from IRAS to offer tourist refund to their tourists if it is affiliated with a CRA participating in eTRS. The retailer should also not claim any GST refund from IRAS in respect of the tourist's purchases.
- 5.2 The CRA/IR, on the other hand, will be claiming refund from IRAS in respect of the tourist's purchases for which refund is approved by CCH and made by CRC. The CRA/IR is required to meet the system requirements to link up to the CCH's system directly. Anyone who wishes to be an approved CRA or IR under eTRS will need to satisfy the following eligibility criteria:
- (a) Be GST-registered;
 - (b) Has good tax compliance and payment records;
 - (c) Has good internal controls and have proper accounting and record-keeping;
 - (d) Be processing at least 5,000 tourist refund claims per month on average over the last 12 months at the time of application;
 - (e) Has the necessary system that can operate in the eTRS environment;
 - (f) Engage the services of the CCH and fulfil the related requirements; and
 - (g) Engage the services of the CRC and fulfil the related requirements.
- 5.3 The CRA/IR must also undertake to comply with the following conditions:
- (a) Refund at least 85% of the GST to tourists on average;
 - (b) Ensure the system set up for eTRS continues to comply with the technical specifications including subsequent updates or changes;
 - (c) Ensure the data transmissions from the CRA/IR's system to the CCH's system are timely, accurate and complete;

- (d) Engage external auditor to audit its system, including any new feature/proposed solution and submit the audit report before the Comptroller of GST approves its CRA/IR application, at its own cost. The auditor should be a reputable independent third party audit firm, subject to IRAS' approval. Major or medium observation(s), if found, shall be resolved (and resolution validated by the external auditor) before the Comptroller of GST approves the application. Low risk observation shall be resolved (and resolution validated by the external auditor) within 6 months from the audit report submission date. IRAS reserves the right to require that the CRA/IR engages an external auditor to audit its system periodically, at its own cost. IRAS also reserves the right to determine the audit scope and frequency of audit. Refer to Appendix 3 for the baseline audit scope;
- (e) Have in-house/outsourced IT expertise to ensure successful integration of its system to the eTRS system, and handle day-to-day system issues (e.g. incident troubleshooting);
- (f) Put in place contingency procedures to be executed at the retail outlet(s) in the event that the retail end issuing solution for eTRS is unavailable, and to notify IRAS of such incident immediately. The contingency procedures are subject to IRAS' approval;
- (g) Put in place controls (in accordance with the standards prescribed by IRAS) for all eTRS test transactions introduced into the eTRS system for the purpose of testing its system;
- (h) Maintain good tax compliance and payment records;
- (i) Maintain good internal controls and have proper accounting and record-keeping;
- (j) Inform IRAS 3 months in advance should it plan to terminate its participation in the eTRS, stating the reason(s) for termination. An exit plan should also be submitted (including details of public communications and communications to its affiliated retailers (in the case of a CRA)), along with the notification;
- (k) Comply with the conditions of TRS and any other conditions as may be imposed by the Comptroller of GST from time to time.

In addition, there are also conditions specific to a CRA or IR:

For CRA

- (l) Ensure that its affiliated retailers check the passports of their customers in person to verify that the customers are eligible for tourist refund before issuing Tickets to them. Refer to Appendix 4 for more details;
- (m) Provide and update IRAS with details of its affiliated retailers in the frequency prescribed by IRAS;
- (n) Upon receiving written notification from IRAS on the GST deregistration of any of its affiliated retailers, deactivate the retailers' eTRS issuing solutions;
- (o) Carry out specific checks/actions for pre-affiliation/de-affiliation of retailers and re-installation of eTRS issuing solution in accordance with the "eTRS Affiliation/De-affiliation/Re-installation Checks and Actions" document which will be provided by IRAS along with the in-principle approval letter;
- (p) Upon instruction from IRAS, terminate its service with any of its affiliated retailers, or to refrain from entering into service agreement with any retailer as specified by IRAS;
- (q) At IRAS' request, produce documents including invoices/receipts, payment evidence, price list, brochure etc. relating to the sales made by its affiliated retailers where Tickets have been issued;
- (r) Inform IRAS before introducing any new eTRS issuing solutions (including Point-of-Sales integrated eTRS issuing solution) for its affiliated retailers. The issuing solutions are subject to IRAS' approval;

For IR

- (s) Check the passports of its customers in person to verify that the customers are eligible for tourist refund before issuing Tickets to them. The IR is also required to key in its customers' passport details (i.e. passport number and country) accurately and completely in the issuing solution before issuing Ticket(s). In addition, it needs to place a notice prominently at its retail outlet(s), indicating that tourists must present their passports in person before Tickets can be issued;
- (t) At IRAS' request, produce documents including invoices/receipts, payment evidence, price list, brochure etc. relating to its sales where Tickets have been issued; and
- (u) Inform IRAS before introducing any new eTRS issuing solutions. The issuing solutions are subject to IRAS' approval.

5.4 In addition, should a CRA/IR (be it new or existing) proposes a solution which deviates from the existing process flow as described in paragraphs 4.1 to 4.3 above, or which result in changes to be made to the eTRS system (including the CCH and CRC system), the CRA/IR is required to comply with the following conditions before its system can be adopted:

- (a) Obtain IRAS' approval for the modification(s) to the eTRS system/process flow ("Approved Modification(s)"). If its proposal is approved, the CRA/IR will bear all the costs to be incurred in order to integrate the Approved Modifications with the eTRS system, including the procurement of hardware, software, and/or such other assets if required ("Assets");
- (b) Obtain for and/or grant to IRAS and/or any third part(ies) engaged by IRAS directly or indirectly to maintain and operate the eTRS system, for no charge whatsoever, a Singapore, perpetual, non-exclusive licence to use and modify any and all Assets owned by or licensed to the CRA or IR, to the extent related to the operation of the eTRS system;
- (c) Vest in IRAS all rights, title to or interests it has in intellectual property which results from, or has been generated for, the purpose of implementing the Approved Modifications;
- (d) Indemnify and keep IRAS indemnified against all claims, damages, costs, proceedings or actions arising from or incurred by any infringement or alleged infringement of patents, copyright, industrial design, or other intellectual property rights, arising from or in connection with the CRA's/IR's performance of its functions under the eTRS; and
- (e) Inform IRAS in writing within five working days of receiving any information concerning any allegations that it may have infringed any intellectual property rights arising from its participation in the eTRS system. Thereafter, the CRA/IR needs to provide IRAS with information and/or documents relating to the allegation(s) as and when directed by IRAS. If any allegation of intellectual property infringement has been made against the CRA/IR, IRAS may, by written notice to the CRA/IR, stipulate a reasonable period of time within which the CRA/IR needs to demonstrate to IRAS that such allegation(s) will not materially affect the operation of the eTRS system.

- 5.5 Whether a CRA/IR follows or deviates from the existing process flow as described in paragraphs 4.1 to 4.3 above, the Comptroller of GST may at any time, by notice in writing, suspend or revoke a CRA's/IR's appointment if it is in the Comptroller of GST's assessment that the CRA's/IR's performance of its functions under the eTRS has directly or indirectly caused the erroneous refund(s) of GST. The Comptroller of GST will do so only if the CRA/IR fails to address such causes(s) within a reasonable period of time as stipulated by, and to, the Comptroller of GST's satisfaction. IRAS also retains the full discretion in its assessment of whether measures implemented or proposed by the CRA/IR to address any system gap(s) or risk(s) are adequate, for the purpose of giving notice to suspend or revoke a CRA/IR's appointment. IRAS is not obliged to disclose any details of its assessment.
- 5.6 All CRA/IR are required to take reasonable steps to ensure that erroneous GST refund(s) does not directly or indirectly result from:
- (a) the CRA's/IR's performance of its functions under the eTRS; and/or:
 - (b) any Approved Modification(s).

Some examples:

- The CRA/IR shall take all reasonable steps to ensure that if a retailer enters the GST amount of the sale as \$10 at the issuing solution, the GST amount transmitted to CCH must be \$10 and not any other figure which may then result in erroneous refund.
 - The CRA/IR shall take all reasonable steps to ensure that if a retailer issues one Ticket for a sale, only one transaction is generated and transmitted to CCH, instead of multiple transactions, which may then result in erroneous refund.
- 5.7 Approval to be a CRA/IR under the eTRS system shall be for a period of five years, unless terminated by IRAS, and is renewable.
- 5.8 The following paragraphs provide more details on some of the criteria and conditions stipulated:

Minimum approved tourist refund volume

- 5.8.1 A CRA/IR must process a minimum volume of at least 5,000 approved tourist refund claims per month⁹ on average. Retailers who are not able to meet the minimum volume can still participate in the electronic system by affiliating with any participating CRAs.
- 5.8.2 If a CRA/retailer is not operating the TRS currently but expect to process at least 5,000 approved tourist refund transactions per month, it may submit its application to IRAS stating its basis of application. IRAS will consider the application on a case-by-case basis. However, IRAS may terminate the status if it fails to meet this condition over 12 months after the approval is given.

Engage the services of the CCH

- 5.8.3 As CCH, which is owned by IRAS, provides a service to CRA/IR in processing tourist claims and refunds, the CRA/IR is required to enter into a service agreement with IRAS. Broadly, the service agreement will include the following:
- (a) CCH fee payable by the CRA/IR and interest for late payment of CCH fee;
 - (b) Requirement for security deposit or banker's guarantee equivalent to 1 month of CCH fee payable; and
 - (c) Conditions for termination of service, etc.
- 5.8.4 The CCH fee is a transaction fee charged and invoiced by IRAS for transmitting each transaction to CRC to enable refunds to be made to the tourists. These transactions include refunds to be made in cash or via credit cards, as both types are processed by CRC. Transactions not refunded to the tourist are not subject to the CCH fee.
- 5.8.5 The current CCH fee is \$1.80 for each eTRS transaction refunded. This fee will be revised to \$2.20 with effect from 18 November 2017. It can be subject to further revision from 18 November 2018. Please refer to Appendix 5 for an illustration on the CCH fee computation.
- 5.8.6 The CRA/IR is required to put up a security deposit with IRAS. The quantum of security deposit will be computed based on the monthly fee that the CRA/IR is expected to pay. For the first year, the number of refunds made by the CRA/IR in the preceding calendar year will be used as a guide. A banker's guarantee can be accepted in lieu of a security deposit.

⁹ Tourist refund claims refer to Customs-endorsed refund forms returned by the tourists for claims processing. The average number of claims is based on the total number of refund claims made over the immediate past financial year or any 12 continuous calendar months within the past 18 calendar months from the date of application.

Engage the services of the CRC

- 5.8.7 Under eTRS, the CRA/IR is required to engage the services of the CRC where the CRC is the paying agent for all CRAs/IRs to make refunds to tourists on their behalf. The arrangement between the CRC and CRA/IR will be in the form of a bilateral contract. When engaging the services of the CRC, CRA/IR is expected to:
- (a) Put up a cash float equivalent to 7 days of the estimated value of tourist refund the CRC is expected to process on its behalf, subject to review every quarter;
 - (b) Furnish a banker's guarantee equivalent to 14 days of the estimated value of tourist refund the CRC is expected to process on its behalf, subject to review every year;
 - (c) Set up the required system to receive updated eTRS transactions from the CRC;
 - (d) Pay the CRC fee of \$1.29 per eTRS transaction¹⁰ refunded on its behalf;
 - (e) Set up a direct debit facility with CRC for daily settlement of fees and the tourist refund made by the CRC on its behalf;
 - (f) Pay finance fee¹¹ should the CRC fund the tourist refund in advance on its behalf when the cash float is not sufficient;
 - (g) Pay administration charges for resumption of service after a direct debit failure of its bank account; and
 - (h) Receive a margin earned (if any) on non-cash refunds in a foreign currency processed by the CRC.
- 5.8.8 CRA/IR can expect the bilateral contract to contain specific clauses pertaining to the cash float covering the following areas:
- (a) CRC shall deposit the cash float in a designated bank account, details of which will be provided to the CRA/IR; and

¹⁰ You may refer to Appendix 5 for an illustration on the CRC fee computation.

¹¹ The Finance fee is computed based on an average interest rate of the three local banks (i.e. DBS, UOB and OCBC) + 1% per annum.

- (b) CRC shall ensure the cash float can only be used for the purposes of making both cash and non-cash refunds to tourists, making payment of all applicable fees (including but limited to the CRC fee, the finance fee and any administrative charge) payable by the CRA/IR, and providing ready cash at the refund points of the CRC and shall not use the cash float for any other purpose or co-mingle the cash float with its own funds.
- 5.8.9 The CRC will make refund to tourists using the cash float provided by the CRA/IR. To ensure that the cash float is available to the CRC to make refund to the tourists, it is necessary that the CRC invoices and does the direct debiting of the CRA/IR's bank account for the following on a daily basis:
 - (a) All refunds made to tourists on the CRA/IR's behalf;
 - (b) CRC fee on each eTRS transaction where refund has been made; and
 - (c) GST chargeable on the CRC fee.
- 5.8.10 It is crucial that a CRA/IR maintains sufficient funds in its bank account for daily settlement of the tourist refunds made and fees with the CRC. When direct debit of CRA/IR's bank account fails, it is likely that the CRC will exercise the Banker's Guarantee. Meanwhile, the CRC will continue to refund to tourists of the particular CRA/IR, provided the cash float and amount under the Banker's Guarantee is sufficient. In addition, IRAS may terminate the CRA/IR's eligibility to operate eTRS if the direct debiting failure cannot be resolved within 3 working days or the direct debiting failure occurs more than once.
- 5.8.11 The CRC will make cash refund up to a maximum of SGD7,500 per tourist. Cash refund above SGD7,500 can be made available provided the CRA/IR has given the CRC sufficient notice¹² for any Ticket with provisional refund above SGD7,500 and the tourist pays the CRC a fee ranging from SGD100 to SGD200.
- 5.8.12 For non-cash refunds in a different currency, CRC will perform the conversion using the "we sell" rates of a recognised European retail bank plus a margin (if any). CRC will pass on the margin earned (if any) to the respective CRAs/IRs at the end of each month.

¹² CRA/IR is required to notify the CRC 24 hours in advance and during working days before the tourist goes to the CRC's GST Cash Refund counter.

System setup for operating the eTRS

- 5.8.13 In order to operate under eTRS where all eTRS transactions need to be transmitted electronically, it is necessary that the CRA/IR put in place the necessary IT systems¹³. These include:
- (a) Setting up retail end issuing solutions for retailers to capture tourists' passport number, nationality, purchases details and printing/issuing of Tickets;
 - (b) Setting up a system capable of transmitting the eTRS transactions to CCH's system within the stipulated time of 10 minutes; and
 - (c) Setting up a system capable of receiving the required data from CRC's system, etc.
- 5.8.14 All CRAs/IRs must pass CCH Interface Certification where a user acceptance test will be conducted on its interface with CCH's system. The CCH interface certification will be conducted by an external vendor appointed by IRAS. Any cost to be incurred for the certification process shall be borne by the CRA/IR.
- 5.8.15 For new CRA/IR applications that follow the existing process flow as described in paragraphs 4.1 to 4.3 above, the full technical specifications on the required interface between CCH and CRA/IR will be provided after the CRA/IR has obtained in-principle approval from IRAS. Please refer to section 6 of this e-tax guide for the application process.

Average minimum refund of 85% of the GST to tourists

- 5.8.16 As a CRA/IR, the amount of refunds made to tourists must be on average of at least 85%¹⁴ of the GST paid on eligible tourist purchases. Where there are changes to the refund rate table, the CRA/IR shall be liable for any costs to be incurred to update the refund tables in the eTRS system.

¹³ Please refer to "System requirement overview for CRA/IR to participate in eTRS" in Appendix 2

¹⁴ The average percentage is calculated based on the eTRS Transactions approved during a 12-months period (i.e. from 1st January to 31st December)

Contingency Plans and Notification of system unavailability

- 5.8.17 To minimise inconvenience to tourists in the event that the retail end issuing solution for eTRS is unavailable, CRA/IR needs to put in place contingency procedures to be executed at the retail outlet(s). The procedures should ensure that tourists will be given some form of documents or references which will enable them to still claim their GST refunds when they leave Singapore. The procedures should also ensure that eTRS transactions are transmitted to the CCH system once the retail end issuing solution for eTRS is available.
- 5.8.18 CRA/IR is also required to inform IRAS immediately when the retail end issuing solution for eTRS is unavailable at the retail outlet(s).

CRAs to update IRAS of the particulars of affiliated retailers

- 5.8.19 Upon approval to participate in the scheme, the CRA must provide IRAS with a list (in Microsoft Excel) containing the complete and accurate information of all its affiliated retailers. Following which, the CRA must continue to update IRAS within the 1st week of each month by providing IRAS with an updated affiliated retailers list (in Microsoft Excel), clearly indicating any changes to all its retailers, including the newly affiliated ones. The information to be included are listed in Appendix 6.

6 Application to participate in eTRS

- 6.1 If you wish to join the electronic system as a CRA/IR and are able to comply with all the conditions stipulated in section 5 of this e-tax guide, you may write to IRAS for approval.
- 6.2 To apply, you must submit an application letter with your company's letterhead to IRAS with the following:
- (a) Whether you are participating in the electronic system as a CRA or IR;
 - (b) A letter of declaration signed by the authorised person that you satisfy all eligibility criteria and conditions listed in paragraph 5 of this e-tax guide;
 - (c) Your basis of forecasting that you will process an average of at least 5,000 approved tourist transactions monthly if you are currently not operating TRS; and
 - (d) Details of the contact person including name, designation and contact number.
- 6.3 An in-principle approval will be given if you are able to meet the eligibility criteria and undertake to comply with all the other conditions as stipulated in paragraph 5. IRAS reserves the right to require the CRA/IR to comply with other conditions specific to its circumstances. Generally, an in-principle approval will be given within 3 months for new CRA/IR applications that follow the process flow as described in paragraphs 4.1 to 4.3 above. Otherwise, IRAS may take up to 6 months or more to review, depending on the complexity of the proposal. For new CRA/IR applications that do not follow the existing process flow, IRAS reserves the right to reject the application and is under no obligation to provide the reason(s) for rejection.

With the in-principle approval, you are then required to obtain and submit the following documents. The documents should reach IRAS within 9 months (or any longer period determined by IRAS to be reasonable) from the date of the in-principle approval, failing which your application will lapse.

- (a) A copy of the CCH Interface Certification;
- (b) A copy of the signed contract with the operator of the CRC;
- (c) The original copy of the signed service agreement with IRAS. An unsigned copy of the agreement will be mailed to you together with the letter granting the in-principle approval;
- (d) A letter of declaration signed by the authorised person that you satisfy all the additional conditions (if any) which are provided by IRAS after the issuance of in-principle approval; and

- (e) A copy of the audit report on your system from your external auditor required under paragraph 5.3(d), and a confirmation that any major or medium observation(s), if found, has been resolved (and resolution validated by the external auditor) and an undertaking that any low risk observation shall be resolved (and resolution validated by the external auditor) within 6 months from the audit report submission date.
- 6.4 Upon successful application, IRAS will notify you in writing the approval for you to operate as CRA/IR for a period of 5 years. The letter will state the effective date of commencement from which you or your affiliated retailers can start issuing Tickets to tourists using the retail end issuing solutions.
 - 6.5 If you wish to continue operating as an approved CRA/IR after the 5 years' approval period, you must submit to IRAS a fresh application at least 1 year before the expiry of the approval. As part of the CRA/IR renewal process, you will need to engage an external auditor to audit your system at no cost to IRAS and furnish to IRAS a copy of the audit report by the external auditor at least 1 year before the expiry of the approval when you submit the renewal application. Refer to Appendix 3 for the baseline audit scope.
 - 6.6 The audit should also provide assurance that data transmissions from your system to the CCH system, and from CRC system to your system, are timely, accurate and complete. This includes end-to-end transmission to detect any data transmission inaccuracies for each type of eTRS issuing solution that is being used. It should also include your level of compliance to PCI-DSS.
 - 6.7 The auditor should be a reputable independent third party audit firm, subject to IRAS' approval. Major or medium observation(s), if found, shall be resolved (and resolution validated by the external auditor) before IRAS approves your renewal application. Low risk observation shall be resolved within 6 months (and resolution validated by the external auditor) from the application renewal date.
 - 6.8 Where there are any high risk observations highlighted in the external audit report or significant risks assessed by IRAS, IRAS reserves the right to request for further in-depth investigations prior to granting a renewal of the CRA/IR appointment, and/or increase the frequency of the required external audit, as necessary, at your own cost.

7 Change in circumstances of eligibility

- 7.1 In the event that there is any change in circumstances that prevent a CRA/IR from being eligible and meeting the conditions that IRAS imposes, the CRA/IR must inform IRAS immediately. IRAS may exercise his discretion to vary the requirements or impose additional conditions.

8 Exit from eTRS

- 8.1 To terminate your participation under eTRS, CRA/IR is required to inform IRAS in writing with 3 months' advance notice, stating the reason(s) for termination. If you are a CRA, you are required to provide IRAS with a termination timeline planned for each retailer.
- 8.2 Upon approval of your termination, IRAS will inform you of the effective date of termination.
- 8.3 At any time, IRAS can terminate your participation in the electronic system if you fail to meet any of the conditions.

9 Updates and Amendments

| | Date of amendment | Amendments made |
|---|--------------------------|---|
| 1 | 30 Jul 2014 | Amended paragraph 1.4 to reflect the changes in GB's website and email address and to include information on new CRA |
| 2 | 1 Nov 2014 | <ul style="list-style-type: none"> (i) Amended paragraphs 3.3.3 and 4.2.7 to rename the "Central Refund Counter" at all Changi International Airports transit areas to "GST Cash Refund" (ii) Inserted a footnote for passport check under paragraphs 4.2.1(a), 3 of Appendix 1 and 7.2(a) of Appendix 2 (iii) Inserted the requirement to capture "Nationality" for issuing an eTRS transaction under paragraphs 4.2.1(c), 5.5.13(a), 7.4.1(h) and 7.5.1(d) of Appendix 2 |
| 3 | 1 Apr 2016 | Amended paragraph 5.5.7(d) and Appendix 3, and inserted a footnote under paragraph 5.5.7(d) to reflect changes in CRC fee from \$1.30 to \$1.20. |
| 4 | 24 Jun 2016 | <ul style="list-style-type: none"> (i) Amended footnotes under paragraph 5.5.7(d) to state new CRC fee from 18 Nov 2016 and remove reference to Implementation Phase 1A which is no longer relevant, respectively (ii) Amended footnote under paragraph 5.5.7 (f) to state revised basis of Finance fee effective from 18 November 2016 (iii) Amended paragraph 5.5.14 on costs to be borne by CRA/IR (iv) Amended paragraph 5.5.15 to clarify that technical specifications will be provided for applications that follow the existing process flow (v) Amended paragraph 6.2 (c) to include costs that new CRA/IR applicant are liable for as part of the undertaking (vi) Amended paragraph 6.3 to clarify time required for review of application and other application related matters |

| | | |
|---|-------------|---|
| | | (vii) Deleted paragraph 6.6 and removed Appendix 4 on the generic application process |
| 5 | 26 Aug 2016 | (i) Amended paragraph 5.5.5 to reflect the change in CCH fee from \$1.50 to \$1.80 wef 18 Nov 2016 (ii) Amended paragraph 5.5.16 to highlight that CRA/IR shall be liable for any additional costs required in updating refund rate table(s) in the eTRS system |
| 6 | 14 Oct 2016 | Amended paragraph 5.5.7(h) and 5.5.12 to clarify that margin earned (if any) on non-cash refunds in a foreign currency processed by the CRC will be passed to the CRA/IR |
| 7 | 9 Feb 2017 | (i) Added applicable conditions in paragraph 5.3(d) to (g), 5.3 (j), 5.3(l) to (u), 5.5 and 5.6 (ii) Added conditions which are applicable for CRA/IR who proposes a solution that deviates from the existing eTRS process flow in paragraph 5.4(a) to (e) (iii) Amended fee payable by tourists to CRC for high cash refunds (including within 24 hours) in paragraph 5.8.11 (iv) Amended the need to comply with more conditions and submission of audit report prior to the formal approval of the CRA/IR application in paragraph 6.3 (v) Inserted the CRA/IR renewal requirements in paragraphs 6.5 to 6.8 (vi) Inserted new Appendix 3 - IT audit scope, Appendix 4 - passport checks, and Appendix 6 - information to be provided in affiliated retailers list and renumbered the Illustration on CCH and CRC fee computation as Appendix 5 |
| 8 | 22 Feb 2017 | (i) Inserted new paragraphs 2.5 and 4.3.1 to reflect changes associated with withdrawal of GST refunds for tourists departing by international cruise from the cruise terminals and whose purchases are made on or after 1 July 2017 |

| | | |
|----|-------------|--|
| 9 | 12 Sep 2017 | <ul style="list-style-type: none"> (i) Amended paragraphs 2.3, 2.4, 2.5, 3.1.1, Appendix 1 and 2, and deleted paragraph 4.3 and Appendix 1A following the withdrawal of the Tourist Refund Scheme from the cruise terminals from 1 September 2017 (ii) Amended paragraph 5.8.5 to reflect the change in CCH fee from \$1.80 to \$2.20 with effect from 18 Nov 2017 |
| 10 | 8 Nov 2017 | <ul style="list-style-type: none"> (i) Amended paragraph 1.4 to include information on a new CRA (ii) Removed paragraph 2.5 and amended Appendix 1 paragraph 2(d) following the withdrawal of the Tourist Refund Scheme from the cruise terminals from 1 September 2017 (iii) Amended paragraphs 4.2.1(d), 4.2.3, 4.2.4, 5.8.13 and Appendix 2 paragraphs 7.2(d) and 7.5, to bring in digital eTRS Tickets and to make clear that specific instructions are applicable only to paper eTRS Tickets (iv) Amended paragraphs 5.3(d), 5.3(k) and 5.5 to replace “IRAS” with “the Comptroller of GST” |

Appendix 1 – Conditions of the Tourist Refund Scheme

1 Type of goods that are eligible for a refund under the scheme

Generally, all standard-rated goods are eligible for a refund except the following:

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

The scheme is for the sale of goods only. It cannot be used for services supplied to customers.

2 Eligibility of the person who can obtain a GST refund under the scheme

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

- (a) Does not spend more than 365 days in Singapore in the last 24 months before the date of purchase;
- (b) Is not a Singapore Citizen or Permanent Resident of Singapore;
- (c) Has not been employed in Singapore at any time in the past 6 months before the date of purchase;
- (d) Is not a member of the crew of the aircraft on which he is departing from Singapore;
- (e) Is 16 years of age or above at the time of purchase of the goods; and
- (f) If he is a student pass holder, he must have purchased the goods in the last 4 months before the student pass expiry date.

3 Conditions to be fulfilled by the qualified tourist to claim the refund under the scheme

The tourist has to be entitled to use the Scheme. Retailers have to verify that the tourist is eligible (see paragraph 2 above) by checking with the tourist in person and his passport¹⁵. If the customer is a student pass holder, retailers are to also check the expiry date of the pass. He will be entitled to use the scheme if goods are purchased within 4 months before the student pass expiry.

¹⁵ A photocopy or image of the passport is not acceptable.

Retailers should also remind the tourist that:

- (a) He must spend a minimum of SGD100 (including GST). He may accumulate a maximum of 3 same-day receipts from the same retailer bearing the same GST registration number to meet this minimum purchase amount;
- (b) He must depart with the goods via Changi International Airport Departure Hall/ Seletar Airport Passenger Terminal within 2 months from the date of purchase;
- (c) He must apply for his GST refund using his Token or Tickets at the eTRS self-help kiosk at the airport. When required, he must produce the goods, invoice/receipt and Ticket to Singapore Customs for inspection at the Departure Halls of the airports.
- (d) He must depart with the goods within 12 hours after obtaining approval of his GST refund;
- (e) He must claim the refund from the approved central refund counter operator within 2 months from the date of approval of the application; and
- (f) If he is a student pass holder, he must have fulfilled all the above criteria, purchased the goods in the last 4 months before the student pass expiry date and intend to depart with the goods and remain outside Singapore for a minimum period of 12 months.

4 For more details on operating the Tourist Refund Scheme, please refer to our e-Tax Guide “GST: Guide for Retailers participating in Tourist Refund Scheme”.

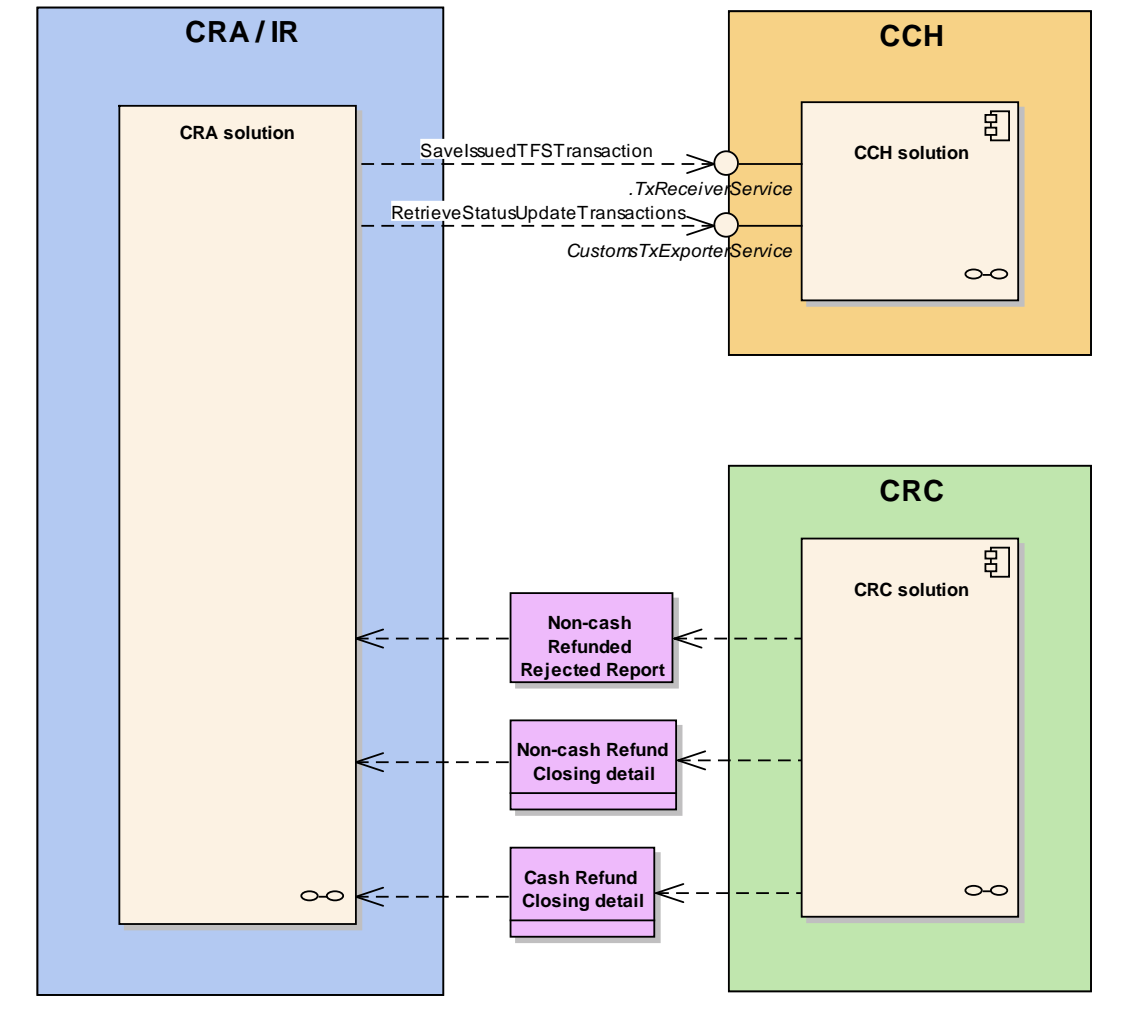
Appendix 2 – System requirement overview for CRA/IR to participate in eTRS

1 Introduction

- 1.1 The electronic Tourist Refund Scheme ('eTRS') system offers tourists a hassle-free and seamless shopping and refund experience for GST incurred in Singapore. With eTRS, tourists can have a quick check-out at the retail-end as their purchase information will be electronically linked to their preferred tokens, such as credit card or debit card. At the airports' exit points, tourists can perform self-service export declarations via self-help kiosks and select refund by credit card or cash. The eTRS comprises the Central Clearing House ('CCH'), self-help kiosks, Singapore Customs Inspection counters and the Central Refund Counter ('CRC').
- 1.2 The CRA/IR participating in the eTRS will need to establish connectivity to the CCH and the CRC, and adopt the interfacing specifications and data requirements as specified in this overview document. A more detailed interface specification will be provided at a later date.

2 Interfaces

- 2.1 The CRA/IR needs to setup the following interfaces to CCH and CRC.
- (a) Communication with **CCH** is done for the following purposes:
- Send issued/voided eTRS transactions to CCH
 - Request customs processed eTRS transactions (approved/rejected) from CCH
- (b) Communication with **CRC** is done for the following purpose:
- Receive refunded eTRS transactions from CRC
- 2.2 The following diagram shows the main interfaces and communication channels for the CRA/IR.



3 Infrastructure

3.1 To communicate with CCH and CRC, CRA/IR will need to subscribe to SingTel MPLS (Multiple Protocol Label Switching) link (inclusive of router) preferably with line redundancy and minimum 1 Mbps bandwidth. The detailed specifications will be provided at later date. Without establishing this MPLS connection, no access to CCH/CRC is possible. The MPLS ensures a higher level of data security and delivers a guaranteed Quality of Service (performance and availability). The bandwidth of the MPLS will depend on the volume of data transfer.

4 CCH Interface Certification

4.1 There will be a technical certification process CRA/IRs needs to undergo prior to commencing integration with CCH & CRC.

CCH interfaces

- 4.2 The 2 interfaces (specified in 2.1) to CCH are using synchronous XML web-services. As the interface (especially “send Issued transaction”) requires reliability and close to real-time data-transfer, the XML web-service is adopted.
- 4.3 An XML web service allows communication through an “Endpoint”. The endpoint is defined by 3 parameters Address, Binding and Contract, where:
- (a) address is the network address of the service;
 - (b) binding specifies the transport protocol (HTTP, TCP, etc.) selected for the service; and
 - (c) contract is the interface the service implements.
- 4.4 The WSDL file will be provided at later date.

Send issued/voided transactions to CCH

- 4.5 All CRA/IRs must send individual transactions to CCH immediately after issuing. The transactions need to reach CCH within 10 minutes from time of issue to preserve data integrity and accuracy. CRA/IR can, via the same XML web services interface, transmit voided transactions to logically overwrite the version in CCH. Similarly, these transactions must reach CCH within 10 minutes from the point amendment is made. Please be informed that voided transactions will be rejected if the earlier transactions had been processed and updated with customs status.
- 4.6 On the receiving side, CCH will perform validation of the submitted transactions. If the validation fails, CRA/IR will receive an immediate response detailing the validation error. Such transactions will not be accepted by CCH. CRA/IR will need to develop their own exceptional handling process, ensuring the errors are rectified, and the correct transactions are re-submitted. It is the CRA/IRs obligation to submit transactions meeting the technical requirements for eTRS transactions.

Request customs processed transactions from CCH

- 4.7 Each CRA/IR has the possibility to request for customs processed eTRS transactions from CCH that have been electronically stamped at the airports. The time interval can be selected by each CRA/IR. It may vary between 10 minutes and 1 day. CCH offers an XML web-service interface which returns all newly approved/rejected transactions with customs status (electronically stamped XML file) and also a possibility to retrieve historical approved transactions. The digitally signed refund transaction (XML file) which is sent back to the CRA contains the public certificate which enables the CRA/IR to validate the electronic customs stamp.

5 CRC interface

- 5.1 For all CRC-interfaces, secured File Transfer Protocol ('sFTP') will be used as a transport mechanism. Each CRA/IR will get his credentials to log in. To retrieve files from CRC (refunded transactions), CRA/IR needs to download them on a regular basis. Each CRA/IR will have a folder where the latest files will be published.

Receive refunded transactions from CRC

- 5.2 The CRA/IR can download refunded transaction details from a sFTP site. There will be separate refunded transaction files for cash-refunded and non-cash refunded transactions. These files are generated on a regular (daily) basis set by CRC.
- 5.3 All CRA/IRs can use any sFTP-capable client-program for downloading. There are several scriptable sFTP clients available, e.g. WinSCP which is for free.

6 Refund Table

- 6.1 The Refund Table defines how the refund is calculated. The refund amount is always calculated per eTRS Transaction (which can be made up of 1 or several receipts). Every CRA/IR has exactly one Refund Table. CRA/IR needs to provide the Refund Table in XML format.
- 6.2 Each CRA/IR can use its own table for setting the refund amount. The Ticket printed at the issuing solution states the provisional refund amount. The final refund amount is later calculated by CCH (during customs approval). Therefore, all CRA/IR must provide a file containing a table for calculating the refund amount. An XSD scheme and a sample XML-file will be provided by CCH at later date.

7 Issuing process

7.1 Note that the process described below may vary slightly amongst the CRA/IRs.

7.2 The Issuing-process begins in the store:

- (a) Retailer checks tourist's passport¹⁶ and verifies his eligibility to claim tourist refund;
- (b) Tourist provides a Token (e.g. credit card);
- (c) Depending on the issuing solution software, the purchase information is either recorded automatically or the sales assistant must enter the data manually. The issuing solution shall perform the necessary validation of the data (e.g. purchase above minimum purchase amount, etc.);
- (d) The system produces/issues a Ticket for the eTRS transaction and this is handed over/sent to the tourist for information together with the purchase receipts; and
- (e) The eTRS transaction data captured at the CRA/IR must be sent to CCH within 10 minutes from the point the transaction is issued. These transaction data will be retrieved later at the airports exit points for electronic customs validation and stamping.

7.3 Tokens and Electronic Tourist Refund Ticket

7.3.1 Tokens and Electronic Tourist Refund Tickets are unique identifiers within eTRS used to identify transactions belonging to a tourist or a single transaction. Every eTRS transaction must be associated with a Ticket when it is issued in the store and a collection of eTRS transactions can be further associated with a Token. The Token and the Ticket will allow the tourist to retrieve his eTRS transactions at a later stage of the tourist refund process.

Token

7.3.2 A Token (credit card or debit card) is a unique identifier used by the tourist within eTRS to identify oneself and to associate the tourist with his/her eTRS transactions. It is used to link multiple eTRS transactions together and allows retrieving of those transactions at the various stages of the eTRS process.

¹⁶ A photocopy or an image of the passport is not acceptable.

- 7.3.3 To meet the PCI/DSS standard, credit-card numbers are never transferred in plain-text. The credit card number needs to be stored in 3 different representations and sent to CCH as 3 different fields:
- (a) Hashed: to search for a credit card / debit card number (e.g. when used as Token)
 - (b) Masked: used to print (on Ticket) or display (on screen)
 - (c) Encrypted: if used as payment target and decryption is required (only for credit card)
- 7.3.4 For a)-Hashed, CCH will provide the necessary hashing algorithm.
- 7.3.5 For b)-Masked, only the first 6 and last 4 digits of the credit card numbers are stored in the clear.
- 7.3.6 For c)-Encrypted, the credit card number will be encrypted using the public key assigned to the CRA/IR by the CCH operator. The CRA/IR can have the option to manage this public key in its own secured keystore or to keep the public key in CCH's Hardware Security Module ('HSM'). If the public key is kept in CCH's HSM, the CRA/IR will invoke the necessary XML web services to securely retrieve the key.

Electronic Tourist Refund Ticket

- 7.3.7 The Electronic Tourist Refund Ticket contains the Document-Identifier (Doc-ID) which is a unique number that uniquely identifies an eTRS transaction within the eTRS system. To guarantee uniqueness across all CRA/IR's, the format and number ranges of the Document Identifier (DOC-ID) are assigned by CCH to the CRA/IR:
- 7.3.8 The Doc-ID is a 20 digit numeric value that can be represented in 3 different ways:
- (a) Numeric format
 - (b) Delimited format (human readable)
 - (c) As barcode
- 7.3.9 Doc-ID: 20XXRR.NNNNN.NNNN.NNNNL (human readable form)
- (a) 20 = Prefix for eTRS
 - (b) XX = CRA/IR-identifier (00 to 99)
 - (c) R = refund rule (number will be defined by CCH)
 - (d) N = CRA/IR specific content (e.g. running number)
 - (e) L = check digit (using LUHN algorithm
http://en.wikipedia.org/wiki/Luhn_algorithm)

7.3.10 Please note: All participating CRA/IRs must follow this specification. Only transactions and Tickets using this scheme can be processed by CCH and refunded by CRC.

7.3.11 The Doc-ID is numeric and must be printed as Interleaved 2 of 5 barcode on the Ticket by the CRA/IR.

7.3.12 The Doc-ID must be printed in human readable including separators and with the text 'Doc-ID'.

7.4 Capture Data

7.4.1 Details that must be captured for issuing an eTRS transaction

- (a) Receipt number (mandatory)
- (b) Receipt issuing date & time (mandatory)
- (c) Receipt gross amount (mandatory)
- (d) Purchase Items - Goods description (mandatory)
- (e) Doc-ID (mandatory)
- (f) Token (optional)
- (g) Tourist passport number
- (h) Tourist nationality

7.4.2 Dependent on the type of solution that is used to issue a transaction the user interface towards the retailer may vary and is defined by CRA/IR. The minimum requirement for specifying 'Goods description' is the selection out of a pre-set list of goods.

7.4.3 Each eTRS transaction holds at least one receipt and each receipt at least one purchase item. The consolidation rules (SGD100) as laid out in the eTRS schema must be honoured.

7.5 Information on paper Electronic Tourist Refund Ticket

7.5.1 The Ticket will contain the following data fields:

- (a) CRA/IR information
 - CRA/IR ID, Name and GST registration number
 - CRA/IR address: street, zip, city, country
 - CRA/IR contact number
- (b) Affiliated Retailer information (Applicable for CRA only)
 - Retailer name
 - Retailer GST registration number
- (c) Transaction
 - transaction-number (Doc-ID) as barcode

- transaction-number (Doc-ID) human readable
- transaction issuing date & time
- Total gross amount
- Admin fee
- Total GST Amount
- Refund Amount
- receipts
 - receipt number
 - receipt gross amount per GST-rate

(d) Tourist

- Passport number
- Nationality
- Token used during issuing
- The statement “Provisional refund amounts are subject to eligibility check and approval”.
- The statement “Please keep this Ticket, the receipts and goods for Customs’ inspection”.

7.5.2 In addition, the wordings “Electronic Tourist Refund Ticket” and the eTRS logo are to be printed prominently on the Ticket.

7.6 Data transfer to CCH

7.6.1 All transactions must be transferred to CCH within 10 minutes after issuing.

8 Contingency

8.1 There will be a set of procedures for CRA/IR to follow in the event of any contingency such as MPLS line failure, CCH or CRC failure, CRA/IR’s infrastructure failure, etc. The CRA/IR shall strictly adhere to the procedure to minimize any operational impact that result in inconvenience to the tourists.

9 Summary of items required by CRA/IR

The following summarises the items required by CRA/IR in order to participate in eTRS.

- (a) Connectivity
 - Subscribe to SingTel MPLS line to CCH/CRC, preferably with line redundancy and minimum 1 Mbps bandwidth.
- (b) Retail-end Issuing Solution
 - Provide receipt printer to print Ticket
 - Perform necessary validation of the data (e.g. purchase above minimum purchase amount, etc.)
 - Manage and assign Document-Identifier (Doc-ID)
- (c) Refund Table
 - Provide Refund Tables in XML format for CCH
 - CCH stores and accesses this Refund Rules to re-calculate the Refund Amount, whether or not an amendment was made to the Sales Amount was made during the Approval Process.
- (d) Interface with CCH
 - Develop the synchronous XML web-services for “Send issued/voided transactions” and “Request customs processed transactions”, and provide exceptional handling.
- (e) Interface with CRC
 - Setup the sFTP client with credential assigned by sFTP server from CCH
 - Develop the sFTP script for “Receive refunded transactions”, and provide exceptional handling
- (f) Credit Card Encryption
 - The credit card number will be encrypted using the public key assigned to the CRA/IR by CCH.
 - Option to manage this public key in their own secured keystore or to keep the public key in CCH Hardware Security Module (HSM). If the public key is kept in CCH HSM, the CRA/IR will invoke the necessary XML web services to securely retrieve the key.
- (g) Contingency Handling

Appendix 3 – IT Audit scope

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|---|--|
| | |
| 1 | System and applications' compliance with Personal Data Protection Act (PDPA) and PCI-DSS (if credit card information is stored in the CRA solution) |
| 2 | Mobile/web application security best practices to ensure that web/mobile applications are securely protected (Useful reference – OWASP ¹⁷) |
| 3 | Data encryption mechanisms put in place to ensure security of data transmission via mobile/web application |
| 4 | Application Control Review (ACR) |
| 5 | IT General Controls (ITGC) |
| 6 | System Vulnerability Assessment (VA) |
| 7 | Network Penetration Test (NPT) (Useful reference such as CIS Security Benchmarks\Controls, ISO20000:2011, ISO27001:2013) |

The IT audit report to be submitted shall minimally include:

- a) Findings on all transactions related to the CRA/IR's system in the audited period;
- b) The Auditors' opinion on the completeness and correctness of the eTRS transaction data;
- c) The Auditors' opinion on the adequacy of the controls in place;
- d) The Auditors' assessment on the severity of their audit findings; and
- e) The Auditors' recommendation for areas of improvement (where applicable), including CRA/IR management's comments and the Auditor's assessment of the comments.

The definitions of risk level and risk matrix used (including impact rating and likelihood ratings) should be clearly tabulated as part of the audit report.

¹⁷ https://www.owasp.org/index.php/Mobile_Top_10_2016-Top_10

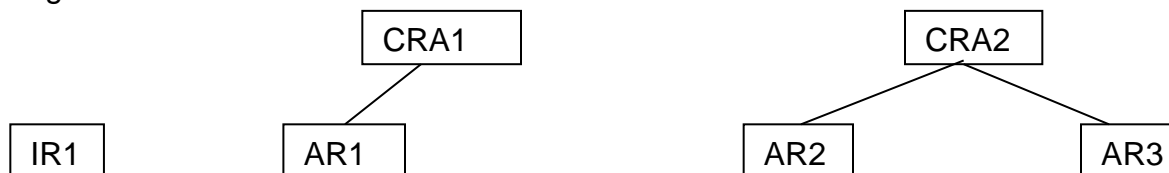
Appendix 4 – Checking passport to verify eligibility of customer for tourist refund

The following actions are required of CRAs:

- (a) Notify all your affiliated retailers, including those newly affiliated during the period of your CRA operation, at the point of affiliation of the following:
 - They are required to check their customers' passport in person to verify that their customers are eligible for tourist refund before issuing Ticket(s);
 - Retailers should also key in the customers' passport details (i.e. passport number and country) accurately and completely in the issuing solution before issuing Ticket(s);
(Keying in the customers' passport details demonstrates that retailers have checked the passport prior to the issuance of Tickets)
 - They are required to place a notice prominently at retail outlets indicating that tourists must present their passports in person before Tickets can be issued;
- (b) Obtain a written acknowledgement from your affiliated retailers (to be signed off by a director/sole-proprietor/partner of the retailers where applicable), confirming that they have received the above-mentioned notification;
- (c) Retain a copy of the notification and acknowledgement for every retailer for a period of five (5) years from date of notification and make it available to IRAS upon request.

Appendix 5 – Illustrations on CCH and CRC fee computation

There are 4 retail merchants namely, AR1 to AR3 and IR1. IR1 is an independent retailer while AR1 to AR3 are affiliated merchants of central refund agencies - CRA1 and CRA2. AR2 and AR3 are affiliated to CRA2.



CCH fees of SGD1.80 will be charged on every eTRS transaction **refunded** from 18 Nov 2016.

CRC fees of SGD1.29 will be charged on every eTRS transaction **refunded** from 18 Nov 2016.

The SGD100 minimum purchase rule must be observed. Consolidation of a maximum of 3 same day receipts from the same retailer to meet the SGD100 minimum purchase value is allowed.

Retailers will always capture the maximum number of receipts under each eTRS transaction whenever possible to minimise the transaction cost.

| Scenario 1 | Number of eTRS Transaction | CCH and CRC fee computation |
|---|---|---|
| A tourist made purchases from the following 4 retail outlets on the <u>same day</u> : - IR1 (1 receipt) - AR1 (2 receipts) - AR2 (2 receipts) - AR3 (1 receipt) Every receipt was above \$100 and hence satisfied the \$100 minimum purchase rule. All the tax on all eTRS transactions was <u>refunded</u> to the tourist. | A minimum of 4 eTRS transactions were issued. <u>IR1 issued eTRS 1 comprising</u> receipt 0001: Value = \$200 | <u>IR1</u> IR1 would need to pay for 1 eTRS transaction: CCH fee = 1 eTRS transaction refunded x \$1.80 = \$1.80 CRC fee = 1 eTRS transaction refunded x \$1.29 = \$1.29 Total fees payable = \$1.80 + \$1.29 = \$3.09 |
| | <u>AR1 issued eTRS2 comprising</u> receipt 0002: Value = \$300 receipt 0003: Value = \$250 | <u>CRA1</u> CRA1 would need to pay for 1 eTRS transaction from AR1: CCH fee = 1 eTRS transaction refunded x \$1.80 = \$1.80 CRC fee = 1 eTRS transaction refunded x \$1.29 = \$1.29 Total fees payable = \$1.80 + \$1.29 = \$3.09 |

| | | |
|--|---|--|
| | <p><u>AR2 issued eTRS3 comprising receipt 0004: Value = \$280 receipt 0005: Value = \$330</u></p> <p><u>AR3 issued eTRS4 comprising receipt 0005: Value = \$700</u></p> | <p><u>CRA2</u> CRA2 would need to pay for 2 eTRS transactions from AR2 and AR3: CCH fee = 2 eTRS transactions refunded x \$1.80 = \$3.60 CRC fee = 2 eTRS transactions refunded x \$1.29 = \$2.58</p> <p>Total fees payable = \$3.60 + \$2.58 = \$6.18</p> |
|--|---|--|

| Scenario 2 | Number of eTRS Transaction | CCH and CRC fee computations |
|---|---|---|
| <p>Tourist made purchases from the following 4 retail outlets:</p> <ul style="list-style-type: none"> - IR1 (3 receipts) - AR1 (2 receipts) - AR2 (1 receipt) - AR3 (3 receipts) <p>Certain receipts were below \$100 in purchase value and consolidation rule need to be observed.</p> | <p><u>IR1 cannot issue eTRS transaction as \$100 minimum rule was not met.</u> <u>The receipts were as follows:</u> receipt 0006: Value = \$40 receipt date: 8 Dec 2016</p> <p>receipt 0007: Value = \$40 receipt date: 8 Dec 2016 receipt 0008: Value = \$60 receipt date: 10 Dec 2016</p> | <p><u>IR1</u> The total value of receipt 0006 and 0007 dated 8 Dec 2016 did not meet the minimum purchase value of \$100.</p> <p>Receipt 0008 dated 10 Dec 2016 also did not meet the minimum purchase value of \$100.</p> <p>As the minimum purchases value of \$100 was not met, no eTRS transaction should be issued and IR1 need not incur any CCH and CRC fees.</p> |
| <p>The GST for such purchases was not refunded to tourist.</p> | <p><u>AR1 issued eTRS1 comprising receipt 0009: Value = \$40 receipt date: 8 Dec 2016</u></p> <p>receipt 0010: Value = \$80 receipt date: 8 Dec 2016</p> | <p><u>CRA1</u> The total value of receipt 0009 and 0010 dated 8 Dec 2016 met the minimum purchase value of \$100. The claim was refunded. CRA1 would need to pay for 1 eTRS transaction from AR1:</p> <p>CCH fee = 1 eTRS transaction refunded x \$1.80 = \$1.80 CRC fee = 1 eTRS transaction refunded x \$1.29 = \$1.29</p> |

| | | |
|--|--|---|
| | <p><u>AR2 issued eTRS2 comprising</u> receipt 0011: Value = \$180 receipt date: 9 Dec 2016</p> <p><u>AR3 issued eTRS3 comprising</u> receipt 0012: Value = \$40 receipt date: 8 Dec 2016</p> <p>receipt 0013: Value = \$40 receipt date: 8 Dec 2016</p> <p>receipt 0014: Value = \$60 receipt date: 8 Dec 2016</p> | <p>Total payable = \$1.80 + \$1.29 = \$3.09</p> <p><u>CRA2</u> 1 eTRS transaction was issued for receipt 0011. However, the claim was not presented at the self-help kiosk for refund approval. In this case, CRA 2 need not pay anything for this eTRS transaction issued.</p> <p>The total value of receipt 0012, 0013 and 0014 issued by AR3 dated 8 Dec 2016 met the minimum purchase value of \$100. The transaction was refunded.</p> <p>CRA2 would need to pay for 1 eTRS transaction from AR3: CCH fee = 1 eTRS transaction refunded x \$1.80 = \$1.80 CRC fee = 1 eTRS transaction refunded x \$1.29 = \$1.29</p> <p>Total payable = \$1.80 + \$1.29 = \$3.09</p> |
|--|--|---|

Appendix 6 – Information to be provided in the Affiliated Retailers List

| No | Particulars | Note |
|-----------|---|--|
| 1 | Shop Identification Number | Unique number included in the eTRS Doc ID which allows for the identification of the exact issuing solution/shop used to issue a particular Ticket |
| 2 | Retailer’s Name as per ACRA Record | For retailer under GST Group registration, the name of the actual retailer who is operating the shop should be indicated For retailer under GST Divisional registration, the name of the actual retailer who is operating the shop should be indicated |
| 3 | Retailer’s GST Registration Number | For retailer under GST Group registration, the GST Registration number of the representative member of the group is to be indicated For retailer under GST Divisional registration, the GST Registration number of the individual division is to be indicated |
| 4 | Retailer’s Registered Address | |
| 5 | Retailer’s Contact Person | |
| 6 | Designation of Retailer’s Contact Person | |
| 7 | Contact Number of Retailer’s Contact Person | |
| 8 | Date Of Affiliation | |
| 9 | eTRS Participation Status | The status given should either be “Participated” or “HQ no eTRS solution”. |
| 10 | Date Of Withdrawal From eTRS | |
| 11 | Retailer’s Shop Name | |
| 12 | Address Of Shop | |

| No | Particulars | Note |
|----|--|--|
| 13 | Retailer's Shop Contact Person | |
| 14 | Designation Of Retailer's Shop Contact Person | |
| 15 | Contact Number Of Retailer's Shop Contact Person | |
| 16 | Date of Installation of eTRS Issuing Solution(s) | To provide installation date for each eTRS issuing solution if more than one eTRS issuing solution is installed in one shop |
| 17 | Type of eTRS Issuing Solution(s) Installed | To provide each type of eTRS issuing solution installed if more than one eTRS issuing solution is installed in one shop |
| 19 | Whether eTRS Issuing Solution(s) Is Configured With Correct Retailer's Particulars | |
| 20 | Termination Date of eTRS Issuing Solution and the Terminated Machine Number | The date that the eTRS issuing solution can no longer issue Ticket To provide the termination date for each eTRS issuing solution installed if more than one eTRS issuing solution is installed in one shop |
| 21 | Date Shop/Outlet Ceased To Be Affiliated | |
| 22 | Month of Last Update | |