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1. **Aim**

1.1 This guide serves to:

- Explain the GST principles relevant to the logistics service industry; and
- Clarify the GST treatment of some of the common services provided by businesses in the logistics service industry¹.

1.2 You should read this guide if you are GST-registered and are in the business of providing logistics services such as transportation, goods handling (e.g., labeling, re-packing, inventory control, etc.) and storage of goods.

2. **Background**

Services provided by logistics businesses

2.1 In the logistics service business, there are three main categories of services:

- Transportation Services (including ancillary handling activities such as stuffing, loading and unloading)
- Handling Services
- Storage Services

2.2 The transportation, handling and storage services may be provided in any of the three main geographical regions:

- Outside Singapore;
- Within the Free Trade Zones (FTZs) or designated areas of a port, terminal and airport (hereafter referred as “designated areas”); or
- Within Singapore (including Zero-GST/Licensed/Bonded warehouses) but outside the FTZs or designated areas.

[Annex A](#) shows the list of FTZs and Designated Areas. [Annex B](#) lists some examples of the logistics services provided in each of these three geographical regions.

¹ This e-Tax Guide replaces the IRAS' e-Tax Guide “GST Guide for the Logistics Service Industry” published on 28 Aug 2012.

3. At a glance

- 3.1 All supplies of services made in Singapore in the course or furtherance of your business are subject to GST at the prevailing rate.
- 3.2 You can zero-rate (i.e., charge GST at 0%) your supply of services to your customers only if your supply fulfils specific conditions to qualify as an international service under Section 21(3) of the GST Act. In addition, you must support with documentary evidence or records that the conditions for zero-rating are satisfied.
- 3.3 The relevant zero-rating provisions in the GST Act applicable to the logistics service industry are:

GST Act	Services that can be zero-rated
Section 21(3)(a), (b) and (c)	International transportation (including local transportation and handling services ancillary to international transportation)
Section 21(3)(l)	Handling or storage services provided within FTZs and designated areas on imported goods or goods for export
Section 21(3)(g)	Services provided to an overseas customer that are supplied directly in connection with goods for export
Section 21(3)(k) and Second Schedule of the GST (International Services) Order	<p>Handling, transportation, or storage services provided within Singapore (but outside FTZs and designated areas) at the first leg of import supplied to and directly benefitting an overseas person in business capacity.</p> <p>With effect from 1 Jan 2020, zero-rating is extended to such services supplied to an overseas person in business capacity and directly benefitting² a GST-registered person who belongs in Singapore.</p>

² Please refer to IRAS e-Tax Guide on “GST: Clarification on “Directly in Connection With” and “Directly Benefit”” for the interpretation and application of these two expressions.

Amendment to “Directly Benefit” condition in Section 21(3)(k)

Prior to 1 Jan 2020, a supply of services must “directly benefit” a person belonging outside Singapore before it can be zero-rated under Section 21(3)(k). With the introduction of reverse charge effective from 1 Jan 2020³, you may also zero-rate your services supplied to an overseas person wholly in his business capacity where the services “directly benefit” a GST-registered person belonging in Singapore. The GST-registered beneficiary will be required to apply reverse charge on services⁴ procured from the overseas person if it is not entitled to full input tax recovery.

Supply of international transportation and insurance of goods by redeliverers from 1 Jan 2023

Prior to 1 Jan 2023, redeliverers⁵ who offer ‘ship for me’ and/or ‘buy for me’ services can zero-rate their supplies of international transportation of goods and insurance of goods under Section 21(3)(a), (b) or (c).

With the extension of the overseas vendor registration (“OVR”) regime to imported low-value goods (“LVG”) from 1 Jan 2023⁶, redeliverers will be regarded as the suppliers of LVG which they assist to purchase and/or deliver to their customers in Singapore when certain conditions are met⁶. In such cases, the GST-registered redeliverer must charge GST at the standard rate on the LVG supplied to non-GST registered customers in Singapore.

To preserve neutrality between redeliverers and overseas suppliers or electronic marketplaces, the fees charged by the redeliverer would be taxed in the same manner as the LVG. Consequently, the zero-rating provisions for international transportation of goods and insurance of such goods under Section 21(3)(a), (b) and (c) will not apply to a supply of services made by the redeliverer in relation to LVG that are treated as supplied by him. Any fees (including freight, insurance, and administrative fees) charged by the redeliverer for services supplied in relation to his supply of LVG will be subject to GST at the standard rate.

³ For more information on reverse charge, please refer to the e-Tax Guide “GST: Reverse Charge”.

⁴ Including recovery of costs charged to the local GST-registered beneficiary by the overseas person.

⁵ A redeliverer is a person who, under an arrangement with the customer:

- (i) delivers or facilitates the delivery of goods to Singapore; and
- (ii) provides or facilitates the use of an address outside of Singapore for delivery of the goods; or
- (iii) purchases or facilitates the purchase of the goods.

General freight forwarders who do not facilitate the use of an address nor facilitate the purchase of goods for customers are not treated as redeliverers.

⁶ For more information, please refer to the e-Tax Guide “GST: Taxing imported low-value goods by way of the overseas vendor registration regime”.

Thus, the zero-rating provisions under Section 21(3)(a), (b) and (c) discussed in this guide will not apply to redeliverers who are regarded as suppliers of LVG under the OVR regime. Such redeliverers may refer to paragraph 14.4 for more information.

- 3.4 An overview of the applicable zero-rating conditions for Transportation, Handling and Storage Services provided in each of the three main geographical regions are shown in Tables 1, 2 and 3 respectively in the subsequent pages.
- 3.5 The details of GST treatment of the various logistics services are elaborated in later parts of this guide.
- 3.6 Errors commonly made by the logistics service industry are highlighted in [Annex D](#).

Table 1: Zero-Rating of Transportation Services⁷

Geographical regions Services	To / From outside Singapore	Within FTZ or designated area	Within Singapore but outside FTZs or designated areas
Only international transportation services	Zero-rated ⁸ to both local and overseas customers. <i>[Refer to paragraph 5.]</i>		Not applicable
International and local transportation services (when provided together as one supply)			Zero-rated only if contractually provided by <u>same</u> supplier ⁸ and ⁹ . Can zero-rate to both local and overseas customers. <i>[Refer to paragraph 6.]</i>

⁷ With the extension of the Overseas Vendor Registration (OVR) regime to imported low-value goods (LVG) from 1 Jan 2023, the zero-rating provisions for international transportation of goods and insurance of goods under Section 21(3)(a), (b) and (c) will not apply to redeliverers who are regarded as suppliers of LVG and provide these services in relation to their supplies of LVG. The redeliverers will be required to charge GST on any services (including freight, insurance, and administrative fees) supplied in relation to their supplies of LVG.

⁸ This is under Section 21(3)(a) and (c) of the GST Act.

⁹ This is under Section 21(3)(b) of the GST Act.

Geographical regions Services	To / From outside Singapore	Within FTZ or designated area	Within Singapore but outside FTZs or designated areas
Only local transportation services	Not applicable	<p>Zero-rated¹⁰ only if on imported goods or goods for export.</p> <p><i>[Regarded as part and parcel of handling services within FTZ or designated area. Refer to paragraph 8.]</i></p>	<p>Zero-rated only under these scenarios:</p> <p>Scenario 1 Local transportation services are supplied to and directly benefitting an <u>overseas person in business capacity</u>¹¹ for the <u>first leg of import</u>*.</p> <p>With effect from 1 Jan 2020, such services supplied to an overseas person in business capacity and directly benefitting a GST-registered person in Singapore can also be zero-rated.</p> <p><i>* First leg of import means from the entry point in Singapore (i.e., FTZ or designated area) to the first destination¹² in Singapore. [Refer to paragraphs 7.3 and 7.4.]</i></p> <p>Scenario 2 Local transportation services are supplied to an <u>overseas customer</u> (in business or personal capacity) on <u>goods for export</u>¹³. <i>[Refer to paragraphs 7.5 to 7.8.]</i></p>

¹⁰ This is under Section 21(3)(l) of the GST Act.

¹¹ This is under Section 21(3)(k) of the GST Act.

¹² The first destination in Singapore is usually the place stated on consignment note or any other supporting documents for the import. If the place is unknown, then it would be the first place in Singapore that the goods are transported to from the FTZ or designated area.

¹³ This is under Section 21(3)(g) of the GST Act.

Table 2: Zero-rating of Handling Services

Geographical regions Services	To / From outside Singapore	Within FTZ or designated area	Within Singapore but outside FTZs or designated areas
Handling services <i>[Refer to Annex C for the list of handling activities that may be performed by the logistics service industry.]</i>	Not applicable	Zero-rated ¹⁰ only if on imported goods or goods for export. <i>[Refer to paragraph 8.]</i>	Zero-rated only under these scenarios: Scenario 1 Handling services are supplied to an <u>overseas customer</u> (in business or personal capacity) on <u>goods for export</u> ¹⁴ . <i>[Refer to paragraphs 9.4 to 9.8.]</i> Scenario 2 Handling services are supplied to and directly benefitting an <u>overseas person in business capacity</u> for the <u>first leg of import</u> ¹⁵ (i.e., from FTZ or designated area to first destination in Singapore). With effect from 1 Jan 2020, such services supplied to an overseas person in business capacity and directly benefitting a GST-registered person in Singapore can also be zero-rated. <i>[Refer to paragraphs 9.9 to 9.11.]</i> Scenario 3 <u>Ancillary</u> ¹⁶ handling services provided together with <u>both international and local transportation services</u> are contractually provided by <u>same supplier</u> to a customer (i.e., local or overseas). <i>[Refer to paragraphs 9.12 and 9.13.]</i>

¹⁴ This is under section 21(3)(g) of the GST Act.

¹⁵ This is under section 21(3)(k) of the GST Act.

¹⁶ This is under section 21(3)(a), (b) and (c) of the GST Act.

Table 3: Zero-rating of Storage Services

Geographical regions Services	To / From outside Singapore	Within FTZ or designated area	Within Singapore but outside FTZs or designated areas
Storage services	Not applicable	<p>Zero-rated¹⁰ only if on imported goods or goods for export.</p> <p><i>[Refer to paragraphs 8.3, 8.7 to 8.11]</i></p>	<p>Zero-rated only under these scenarios¹⁷:</p> <p>Scenario 1 Storage services provided at the <u>first leg of import</u> (i.e., from FTZ or designated area to first destination in Singapore) are supplied to and directly benefitting an <u>overseas person in business capacity</u>, where the supplier must also provide transportation services for the first leg¹⁸.</p> <p>With effect from 1 Jan 2020, such services supplied to an overseas person in business capacity and directly benefitting a GST-registered person in Singapore can also be zero-rated. <i>[Refer to paragraphs 10.3 and 10.4.]</i></p> <p>Scenario 2 Storage services are supplied to an <u>overseas customer</u> (in business or personal capacity) on <u>goods for export</u>¹⁹. <i>[Refer to paragraphs 10.5 to 10.8.]</i></p>

¹⁷ In addition to these scenarios, storage services performed on qualifying goods stored in Approved Specialised Warehouses can be zero-rated to overseas persons under the Specialised Warehouse Scheme. For more information, please refer to our e-Tax Guide “GST: Specialised Warehouse Scheme and Zero-rating of Supplies” which can be downloaded from www.iras.gov.sg.

¹⁸ This is under section 21(3)(k) of the GST Act.

¹⁹ This is under section 21(3)(g) of the GST Act.

4. **Recovery of Costs**

When is it a supply made by you (i.e., reimbursement)?

- 4.1 In your billings for the services provided, you usually itemize the various charges. Besides the charges for the main services provided by you (i.e., Transportation, Handling and Storage Services), your invoice may also include recovery of the costs you have incurred as a principal.

You incurred the cost as a principal if:

- a) You have purchased the goods or services from the supplier in your own capacity; and
- b) You are legally liable to pay the supplier for the goods or services billed to you.

- 4.2 For GST purpose, the recovery of costs (incurred by you as principal) is termed as reimbursement and will form part of the supply of your services to your customer. Thus, the GST treatment of the reimbursement will follow that of your supply.
- 4.3 Therefore, if you are recovering costs that are related to your main services provided to your customer, the GST treatment of the reimbursement will follow that of the main services (e.g., transportation, handling, and storage services) provided by you. To decide whether GST is chargeable at the prevailing rate or 0% for the reimbursement, you have to ascertain which type of services the costs recovered is primarily for. This is because there are different zero-rating rules for Transportation, Handling and Storage Services.
- 4.4 Examples of recovery of costs incurred as a principal which are reimbursements include wharf handling charges and container freight station charges.
- 4.5 There may be instances where the recovery of cost does not relate to any supply of goods or services by you. Instead, the recovery of cost arises from you helping a third party (e.g., your related company) to purchase the goods or services for reasons of convenience or costs saving, etc.
- 4.6 In such instance, the GST treatment of the recovery of costs (incurred by you as principal) with no mark-up will follow that of the goods or services you originally purchased. If you charge a mark-up for the additional service you are providing, the mark-up is treated as a separate supply of administrative / arranging / facilitation service. The GST treatment is then decided separately from the recovery of costs.

When is the recovery not regarded as a supply made by you (i.e., disbursement)?

- 4.7 Where the costs recovered from your customers are not those incurred by you as a principal, but you have merely made payment on behalf of your customer, such cost recovery is termed as disbursement for GST purpose.
- 4.8 Disbursement is not subject to GST as it is not a supply made by you. For the costs paid on behalf of your customer, you cannot claim the GST incurred as the supply is made to your customer.
- 4.9 Examples of disbursement are:
- Recovery of import GST paid by you on behalf of your customer.
 - Recovery of freight or insurance charges paid by you when the freight or insurance services are separately contracted by your customer with the supplier.

5. International Transportation of Goods

5.1 In the logistics service industry, the services provided for transporting or arranging the transport of goods are international services and may be zero-rated²⁰ where the transport is:

(i) By air or land:

- from a place outside Singapore to another place outside Singapore; or
- from a place in Singapore to a place outside Singapore; or
- from a place outside Singapore to a place in Singapore.

(ii) By sea:

- from a place outside Singapore to another place outside Singapore; or
- from a place in Singapore to international waters; or
- from international waters to a place in Singapore.

5.2 You can zero-rate the above international transportation services to both local and overseas customers.

5.3 Examples of international transportation services which can be zero-rated are ocean freight, air freight and freight-related charges. Freight-related charges in relation to international transportation include fuel surcharge, terminal handling charges, agency fees, demurrage charges²¹, detention charges²² and documentation fees (such as delivery order fees, air waybill / bill of lading fees, bill of lading surrender fees and fees for other shipping documents).

²⁰ This is under Section 21(3)(a) and (c) of the GST Act.

²¹ Demurrage fee is charged by the shipping lines for the late collection of incoming cargo or for the delay in the shipment of outgoing goods.

²² Detention charge is imposed by the shipping lines for the late return of the empty container to the depot after the imported goods have been unloaded, or for the late delivery of the laden container to the shipping line for export.

Example 1

A shipping line provides international transportation of goods from Vietnam to Singapore. As the customer is late in the collection of incoming cargo and the return of the empty freight container, the shipping line bills the customer for the demurrage and detention charges in addition to the freight charge.

The shipping line can zero-rate the international freight charge to the customer. It can also zero-rate the demurrage and detention charges which are ancillary to its international transportation services.

- 5.4 Sea freight containers are usually provided by shipping lines to customers as part of the freight services to load the goods for transportation. In the course of providing transportation services, you (as a freight forwarder) may incur the following charges²³ upon the collection or return of the container at the depot:

Container service fees charged by container depot operators²⁴

- Depot handling charge²⁵ (DHC)
- Container repair charge²⁶
- Container washing charge²⁷
- Removal charge²⁸
- Cancelled shipment charge and yard lift-on / lift-off charge²⁹

²³ These charges are intended to be billed to the party who contracted for the freight services with the shipping lines.

²⁴ These fees are imposed by the depot operators for their own services and are qualifying container services which are zero-rated under Section 21(3)(w) of the GST Act. For more information, please refer to the e-Tax Guide “GST: Zero-rating of Sale & Lease of Containers and Container Services” on our website at www.iras.gov.sg.

²⁵ Depot Handling Charge (DHC) is a fee levied by depot operators whenever a container enters/leaves the depot. It is a consideration for the supply of surveying service performed by the depot operators on the container before it can be admitted or discharged into/from the depot area.

²⁶ Container repair charge is a service fee imposed by depot operators if the floorboard of the container is uneven, its side panel contains hole, its canvass is torn, etc.

²⁷ Container washing charge is a service fee imposed by depot operators for cleaning the container that is returned in a dirty condition.

²⁸ Removal charge is a service fee imposed by depot operators for the removal of nails, dangerous goods sticker, rope, debris and tape from the container.

²⁹ Cancelled shipment charge is imposed by depot operators if the customer decides not to export the goods after a container has been removed from the depot and subsequently returned to the depot. Yard lift-on / lift-off charge is imposed by depot operators for the lifting of the container.

Fees charged by shipping lines (but collected by depot operators)³⁰

- Detention charge³¹
- “Dangerous goods” stickers³²

- 5.5 If you have contracted and arranged with the shipping line for freight services so as to provide international transportation services to your customers (e.g., in the case of consolidated shipment for various shippers), your recovery of the above charges from the customers will be a reimbursement. It forms part of your supply of international transportation services and can be zero-rated.

Example 2

A freight forwarder contracts and arranges with a shipping line to provide international transportation of goods for its local customers. The shipping line will bill the freight forwarder for the ocean freight and demurrage charges. The freight forwarder also incurs container repair and detention charges upon the return of the empty container at the depot. The freight forwarder can zero-rate the ocean freight, demurrage charges as well as its recovery of container repair and detention charges from its local customers.

- 5.6 If you did not arrange with the shipping line for freight services and are only providing local transportation of goods which includes returning or collecting the containers to or from the depot, the supplies for the charges in paragraph 5.4 are made by the depot operators and shipping lines to your customers (who have arranged for the freight services). Your payment of these charges is therefore made on behalf of your customers. In this instance, your recovery of these charges from the customers is a disbursement and is not subject to GST.

³⁰ These charges are collected by the depot operators on behalf of the shipping lines. As these charges are ancillary to the shipping lines’ international transportation services, it can be zero-rated under Section 21(3)(a) of the GST Act.

³¹ Detention charge is a fee collected by depot operators on behalf of the shipping lines for the late return of the empty container to the depot after the imported goods have been unloaded.

³² These stickers are purchased from the shipping lines through the depot operators to label containers containing dangerous goods.

6. Local Transportation within Singapore, provided together with International Transportation of Goods

6.1 Local transportation services may be provided within Singapore as part of the international transportation to move the goods to its requested destination.

6.2 You can zero-rate³³ the entire transportation services (both international and local segments) to local or overseas customers if you provide both the international and local transportation. You need not physically perform both services, but you must contractually supply both the international transport and the local transport to the customer.

Example 3

A freight forwarder ships goods for customer from Singapore to overseas and also transports the goods from the customer's warehouse to the port in Singapore for export. The charges for the entire transportation services (both international and local segments) can be zero-rated.

6.3 Your billings for transport activities performed in Singapore (such as trucking and fuel charges, ancillary handling charges – e.g., loading, unloading, labour charges) can also be zero-rated if you are providing it as part of the international transportation of goods.

³³ This is provided for under Section 21(3)(a), (b) and (c) of the GST Act.

7. **Local Transportation of Goods within Singapore (but outside FTZs or designated areas) only**

- 7.1 Where you only provide local transport in Singapore (including to or from Zero-GST/Licensed/Bonded warehouses), you must standard-rate the services to your customers (both local and overseas).
- 7.2 There are, however, two exceptions where you can zero-rate your local transportation services (even though you are not providing the services as part of the international transportation).

Zero-rating Scenario 1

When the local transportation services are provided at the first leg of import to an overseas customer in business capacity.

['First leg of import' means from the entry point in Singapore (i.e., FTZ or designated area) to the first destination³⁴ in Singapore.]

- 7.3 You can zero-rate³⁵ your local transportation services for the first leg of import if the services meet both conditions (a) and (b) below:

Condition (a)

You are transporting imported goods from the entry point into Singapore (i.e., FTZs or designated areas) to the first destination in Singapore (e.g., your own warehouse or your customer's warehouse).

Condition (b)

The transportation services must be provided to an overseas customer³⁶ wholly in his business capacity (and not in his private or personal capacity) and:

- directly benefit the overseas customer or any other overseas person wholly in his business capacity; **or**
- **with effect from 1 Jan 2020**, directly benefit a GST-registered person who belongs in Singapore (e.g., a local GST-registered related company of your overseas customer).

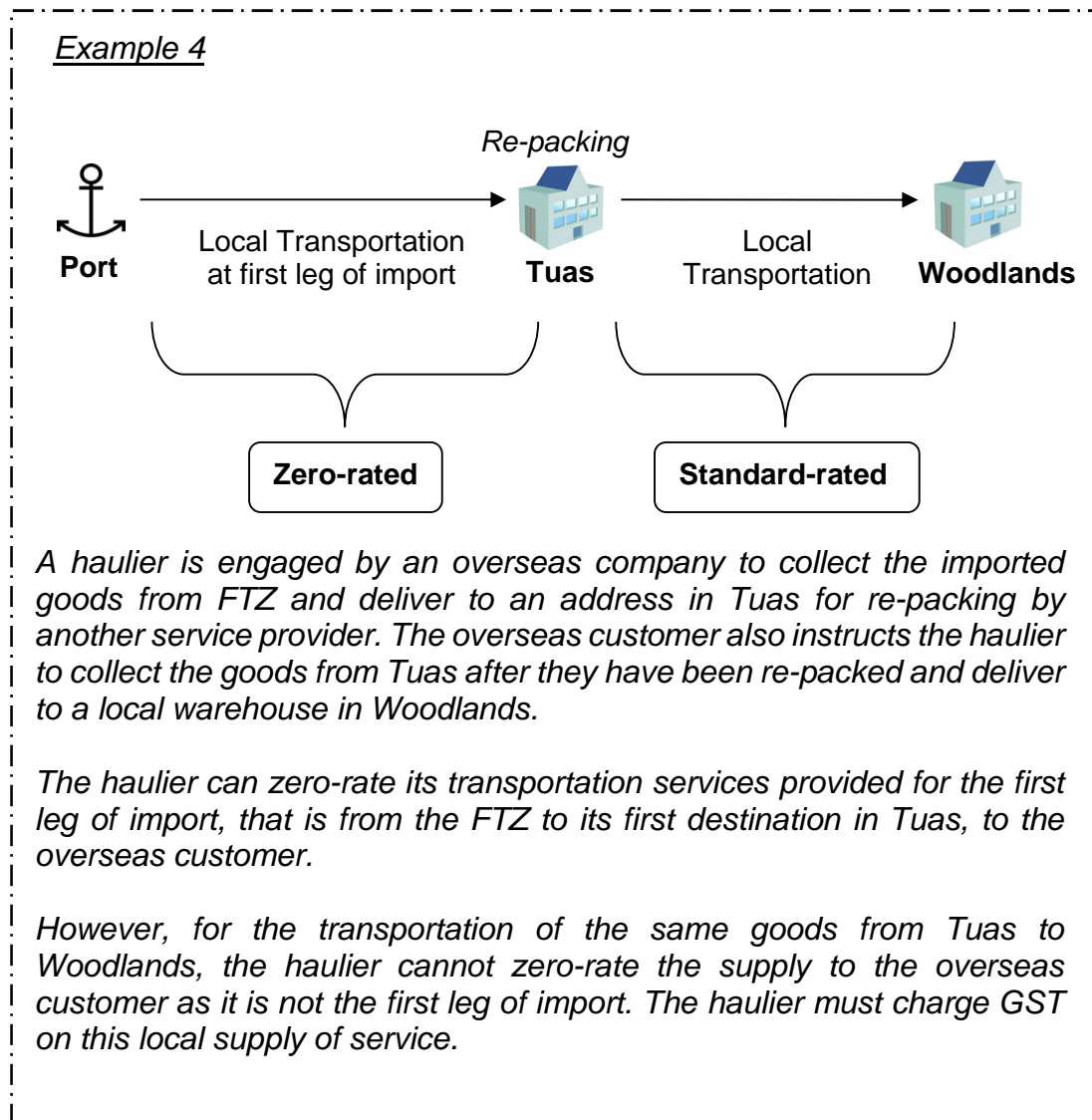
³⁴ The first destination in Singapore is usually the place stated on consignment note or any other supporting documents for the import. If the place is unknown, then it would be the first place in Singapore that the goods are transported to from the FTZ or designated area.

³⁵ This is under Section 21(3)(k) of the GST Act.

³⁶ The overseas customer refers to one who belongs outside Singapore.

You will have to standard-rate the part of your services that directly benefit local non-GST registered persons. If you are unable to apportion your fees such that only the part that directly benefits local GST-registered persons is zero-rated, the entire fees charged to your overseas customer will have to be standard-rated.

7.4 An example of when local transportation services can or cannot be zero-rated under scenario 1:



Zero-rating Scenario 2

When the local transportation services are supplied to an overseas person (in business or personal capacity) in respect of goods for export.

- 7.5 You can zero-rate³⁷ your local transportation services if:
- (a) You are transporting goods that are meant for export outside Singapore; and
 - (b) The transportation services are provided to a customer who belongs outside Singapore³⁸ at the time when the services are performed.
- 7.6 To zero-rate the supply of your local transportation services for the goods, you must be certain at the time of supply of the services that the goods are meant for export. If you are uncertain, you cannot zero-rate your services even if your customer claims that the goods would be exported.
- 7.7 Examples of when you can be certain that the goods would be exported are:
- (a) When the final destination of your transportation in Singapore is a FTZ or designated area (i.e., the exit point in Singapore). You should maintain documentary evidence such as delivery note to prove that you have delivered the goods to the FTZ or designated area.
 - (b) The customer has produced documentary proof showing that the goods would be exported (e.g., his confirmed booking with the shipping line or freight forwarder on the export, etc.) or have been exported (e.g., air waybill or bill of lading, etc.). You should keep a copy of these documents to support your zero-rating.

³⁷ This is under Section 21(3)(g) of the GST Act.

³⁸ For GST purpose –

A company belongs outside Singapore if:

- (a) it has overseas business or fixed establishment; or
- (b) it has no business or fixed establishment overseas but its place of incorporation is outside Singapore; or
- (c) it has business or fixed establishment both in and outside Singapore but the service it receives is directly concerned with the establishment that is outside Singapore.

An individual belongs outside Singapore if his usual place of residence is outside Singapore.

7.8 Examples of when local transportation services can or cannot be zero-rated under scenario 2:

Example 5

A haulier is engaged by an overseas customer to collect the goods from a local warehouse in Woodlands and deliver to the airport for export to Canada.

The haulier can zero-rate its supply of transportation services, from the warehouse to the airport that is the exit point, to the overseas customer.

Example 6

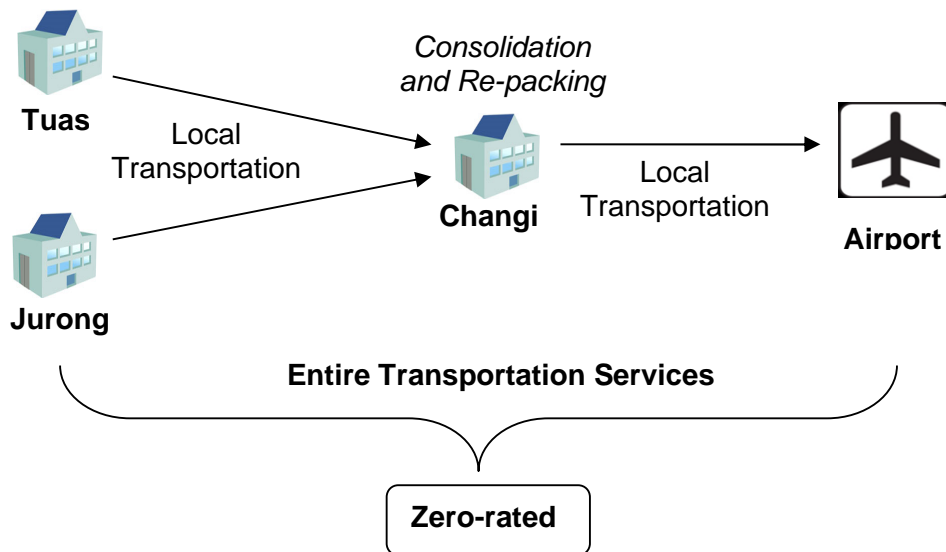
The business arrangement in Example 5 is changed such that the goods are delivered to another freight forwarder's warehouse in Changi before sending to the airport for export.

The haulier can zero-rate the supply to the overseas customer only if it is, at the point of supply, certain that the goods delivered will be exported. If the haulier is not certain, it cannot zero-rate the supply and must charge GST on the transportation services to overseas customer.

Example 7

If the transportation service in Example 5 is provided to a local customer instead of an overseas customer, GST is chargeable on the supply as the provisions for zero-rating are not satisfied.

Example 8



A logistics service company is engaged by an overseas customer to collect goods from its suppliers in Jurong and Tuas. The logistics service company would consolidate and re-pack the goods in its warehouse in Changi before delivering to the airport for export by another freight forwarder engaged by the customer.

If the logistics service company is certain at the time of supply that the goods delivered will be exported, it can zero-rate the entire transportation services to the overseas customer.

Although the goods collected from Jurong and Tuas are first transported to the warehouse in Changi, the transportation service for this leg can be zero-rated as the goods are subsequently delivered by the logistics service company to the airport (i.e., the final destination) for export.

8. Handling Services and Storage Services within FTZ or designated area

8.1 In the logistics businesses, the broad types of services provided within FTZs or designated areas are: i) Handling Services; ii) Storage Services.

8.2 Goods held in FTZs and other designated areas are goods shipped from overseas waiting to be imported for local deliveries, or transshipped goods, or goods (moved in from within Singapore) waiting to be exported.

8.3 The supply of handling services and storage services within FTZs or designated areas where the goods are imported or to be exported can be zero-rated³⁹, regardless of whether they are provided to local or overseas persons. The conditions for zero-rating are as follows:

- (a) The services provided by you must occur within the FTZs or designated areas; and
- (b) The services provided are in respect of goods that are imported or for export.

If both conditions are satisfied, you can zero-rate the supply.

Handling Services within FTZ or designated area

8.4 Examples of handling services that are performed within FTZs or designated areas are:

- (a) Handling of goods: e.g., loading and unloading of goods, packing, sorting, weighing, labeling, fumigation services, etc.
- (b) Transportation: e.g., for moving the goods from vessels/ aircrafts to warehouses (or vice versa) in the same FTZ or designated area, forklift charges.
- (c) Documentation: fee for bills of lading/ air waybills preparation, fees for permit declaration to Customs.

The documentation services may be performed outside FTZs or designated areas. However, as they are necessary for the movement or handling of goods into/ from/ within FTZs or designated areas, they will be considered as provided within FTZs or designated areas.

³⁹ This is provided for under Section 21(3)(l) of the GST Act.

8.5 In the course of providing the above handling services within FTZs or designated areas, you may also bill your customer for the following charges incurred by you in FTZs or designated areas:

- wharf handling charge (WHC)
- FCL/ LCL stuffing charge
- container freight station charge
- cargo retrieval fee
- lift-on/ lift-off (LOLO) charge
- berthing charge
- forklift charge
- demurrage charge

Such charges billed to your customer can also be zero-rated.

8.6 Examples of scenarios where handling services provided within FTZs or designated areas can or cannot be zero-rated:

Example 9

A logistics service company provides services in unloading the imported goods from the container and move them to the warehouse in FTZ. These handling services performed on imported goods can be zero-rated.

Example 10

A logistics service company provides packing and labeling services on goods brought into the FTZ from within Singapore and the impending movements of the goods are not known.

In this case, the logistics service company should standard-rate the services as it is uncertain whether the goods will be exported.

Storage Services within FTZ or designated area

- 8.7 You may also provide storage services for goods held in FTZs or designated areas which are not removed within a certain grace period (usually 48 hours).
- 8.8 You must be certain that you are supplying storage services and not renting out your warehouse space to your customer to zero-rate your supply.
- 8.9 Unlike storage service which may be zero-rated if it meets the conditions in paragraph 8.3, the rental of warehouse space located in Singapore (be it in or outside FTZs or designated areas) is a supply of goods which is always standard-rated.
- 8.10 The main differences between storage services and rental of warehouse space are:
- a) Storage services – a supply of service

When you provide storage service, it is up to you to decide where to store the goods in your warehouse when the customer passes the goods to you. Your customer is not allowed to enter your warehouse and cannot have access to its goods without your permission. So, the customer's goods will be under your charge and it is your responsibility to take care of the goods until they are released to the customer.

- b) Rental of warehouse space – a standard-rated supply of goods as it involves a right to occupy the whole or part of the property

When you rent out a specified area (e.g., 1st floor) of your warehouse, your customer has the right to occupy the specified area for its sole use. The customer is allowed to enter the specified area to store its goods and has access to its goods at all times without having to seek your permission.

You are generally not involved in the handling of the customer's goods, nor do you have custody of the customer's goods.

8.11 Examples of a supply of storage service and rental of warehouse space in FTZ:

Example 11

A local company shipped in some goods from overseas and stored them in the warehouse within FTZ for more than 48 hours. The warehouse provider charged the local company for the storage of these goods in its warehouse. During the period where the goods are stored, the warehouse provider has custody of these goods.

In this case, the storage fee for goods stored in FTZ can be zero-rated.

Example 12

The local company rents a warehouse space in FTZ from the warehouse provider for purpose of storing its goods. The warehouse provider charges monthly rent of \$2,000 where the local company has the exclusive right and freedom to store its goods in the allocated warehouse space. The warehouse provider is not involved in the handling of the goods nor have custody of the goods.

Although the warehouse is located in FTZ, the warehouse provider cannot zero-rate the supply as the amount charged is for the rental of warehouse space which is a supply of goods and not provision of storage services.

9. Handling Services within Singapore but outside FTZs or designated areas

9.1 The handling of goods performed in Singapore (i.e., outside FTZs or designated areas) can be broadly categorised as:

- a) Those ancillary to the transportation of goods: e.g., stuffing, loading and unloading of goods onto / from the vehicle or container. These handling services are necessary when delivering the goods to the instructed destination.
- b) Those not ancillary to the transportation of goods but are specific handling services required by the customer: e.g., packing or re-packing, sorting, weighing, labelling and QC inspection according to the customer's specifications.

Such handling services are independent in nature and are not considered as ancillary to the transportation of goods. This is because the goods can still be transported to the instructed destination even if the handling services were not performed on the goods.

9.2 You must standard-rate your handling services performed on goods in Singapore (including Zero-GST/Licensed/Bonded warehouses) that are outside FTZs or designated areas.

9.3 There are, however, three exceptions where you can zero-rate your handling services for goods in Singapore:

Zero-rating Scenario 1

When the handling services are directly in connection with goods for export.

9.4 You can zero-rate⁴⁰ your handling services if:

- (a) Your handling services are performed on goods that are meant for export outside Singapore; and
- (b) You provide these handling services to a customer who belongs outside Singapore⁴¹ at the time when the services are performed.

⁴⁰ This is under Section 21(3)(g) of the GST Act.

⁴¹ For GST purpose –

A company or business (e.g., partnership or sole proprietorship) belongs outside Singapore if:

- (a) it has overseas business or fixed establishment; or
- (b) it has no business or fixed establishment overseas but its place of incorporation or place where business is legally constituted is outside Singapore; or
- (c) it has business or fixed establishment both in and outside Singapore but the service it receives is directly concerned with the establishment that is outside Singapore.

An individual belongs outside Singapore if his usual place of residence is outside Singapore.

- 9.5 If both conditions for scenario 1 are met, you can zero-rate your supply of handling services that are:
- (a) ancillary to the transportation of goods if you also provide transportation services for these goods;
 - (b) specifically required by the customer which are not ancillary to your services of transporting these goods; or
 - (c) provided independently and you are not handling the transportation of these goods.
- 9.6 To zero-rate the supply of your handling services for the goods, you must be certain at the time of supply of the services that the goods would be exported. If you are uncertain, you cannot zero-rate the services even if your customer claims that the goods would be exported.
- 9.7 Examples of when you can be certain that the goods would be exported:
- (a) When you also provide transportation services for the goods (in addition to the handling services) and the final destination of your transportation in Singapore is a FTZ or designated area (i.e., the exit point in Singapore). You should maintain documentary evidence such as delivery note to prove that you have delivered the goods to the FTZ or designated area.
 - (b) If you only provide specific handling services for the goods and do not handle the transportation of the goods, you must maintain documentary proof showing that the goods have been exported (e.g., delivery note or service chit showing that the goods have been handed over to an appointed freight forwarder for export, shipping documents such as copy of airway bill or bill of lading from your customer etc). You should keep a copy of these documents to support your zero-rating.

9.8 Examples of when handling services can or cannot be zero-rated under scenario 1:

Example 13

A local logistics service company is engaged by an overseas company to provide re-packing services for its goods located in a warehouse in Tuas. The local company is certain that the goods are to be exported after re-packing is done.

The local company can zero-rate the supply of these handling services to the overseas company and must be able to furnish the required export documents to substantiate the export.

Example 14

A local company is engaged by an overseas company to provide handling services for its goods located in Singapore. The goods are meant for re-distribution within the Asia Pacific region including Singapore.

In this situation, if the local company is uncertain at the time of supply whether the goods are meant for export or local delivery, the local company should standard-rate its supply of handling services to the overseas company.

Zero-rating Scenario 2

When the handling services are provided together with local transportation services at the first leg of import

[‘First leg of import’ means from the entry point in Singapore (i.e., FTZ or designated area) to the first destination⁴² in Singapore.]

- 9.9 You can zero-rate⁴³ your handling services performed at the first leg of import if the services meet both conditions (a) and (b) below:

Condition (a)

You are also providing the transportation of imported goods from FTZ or designated area to the first destination in Singapore (e.g., your own warehouse or your customer’s warehouse). Hence, you are the same supplier for both the local transportation and handling services at the first leg of import.

Condition (b)

The handling services (and the local transportation services) must be provided to your overseas customer wholly in his business capacity⁴⁴ (and not in his private or personal capacity) and:

- directly benefit the overseas customer or any other overseas person wholly in his business capacity; **or**
- **with effect from 1 Jan 2020**, directly benefit a GST-registered person who belongs in Singapore (e.g., a local GST-registered related company of your overseas customer).

You will have to standard-rate the part of your services that directly benefit local non-GST registered persons. If you are unable to apportion your fees such that only the part that directly benefits local GST-registered persons is zero-rated, the entire fees charged to your overseas customer will have to be standard-rated.

⁴² The first destination in Singapore is usually the place stated on consignment note or any other supporting documents for the import. If the place is unknown, then it would be the first place in Singapore that the goods are transported to from the FTZ or designated area.

⁴³ This is under Section 21(3)(k) of the GST Act.

⁴⁴ Overseas customer has a business (i.e., company, sole-proprietorship business or partnership business) which is established outside Singapore.

- 9.10 If both conditions for scenario 2 are met, you can zero-rate your supply of handling services that are:
- (a) ancillary to the local transportation of goods at the first leg of import; and
 - (b) other specific handling services performed by you at the first leg of import which are not ancillary to your local transportation services provided for the same goods.
- 9.11 Examples of when handling services can or cannot be zero-rated under scenario 2:

Example 15

A local freight forwarder is engaged by a company from Indonesia for the goods shipped into Singapore. Goods are moved by the freight forwarder from the FTZ (i.e., place of release of the goods) to the freight forwarder's warehouse where it provides re-packing and inventory updating for the Indonesian customer.

In this case, the freight forwarder is providing local transportation services and handling services at the first leg of import, and it can zero-rate the supplies of these services to the overseas company.

If the freight forwarder engages someone else to perform these services, the freight forwarder can also zero-rate these supplies of services to the overseas company as it is contractually supplying these services to the overseas company.

Example 16

If the business arrangement in Example 15 is changed such that the overseas company engages another haulier to transport the goods from FTZ to the freight forwarder's warehouse.

As the freight forwarder is not providing the local transportation of goods at the first leg of import to the overseas company, its supplies of specific handling services (i.e., re-packing and inventory updating) provided to the overseas company cannot be zero-rated.

Zero-rating Scenario 3

When the handling services are provided together with both the international and local transportation services

Handling services ancillary to transportation

- 9.12 If you provide both the international and local transportation services to your customer, you can zero-rate⁴⁵ your handling services which are ancillary to the transportation of goods (e.g., loading and unloading). This applies to both local and overseas customers.

Specific handling services not ancillary to transportation

- 9.13 You may also provide other specific handling services which are not ancillary to the transportation of goods (e.g., packing or re-packing, sorting, weighing, labelling, QC inspection according to the customer's specifications). The GST treatment of the specific handling services will depend on whether these services are provided to overseas customers or local customers.

(i) To overseas customers

You can zero-rate these specific handling services to your overseas customers only if the conditions in the above scenarios 1 or 2 are met.

That is, the services are performed on goods meant for export or at the first leg of import where you are also providing local transportation.

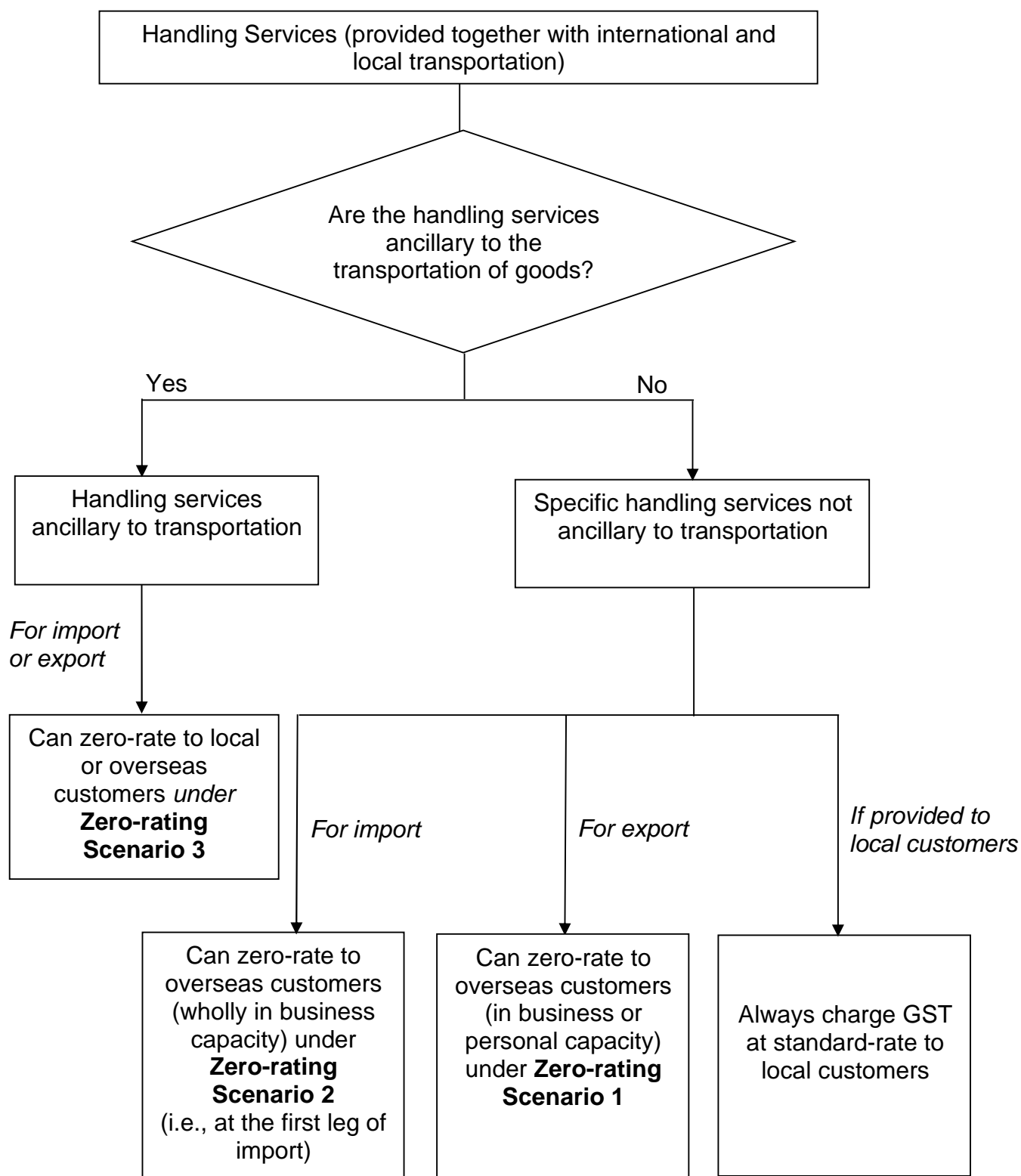
(ii) To local customers

The specific handling services provided to local customers are always standard-rated.

- 9.14 Flowchart 1 summarises the GST treatment of handling services which are provided together with international and local transportation services.

⁴⁵ This is under Section 21(3)(b) of the GST Act.

Flowchart 1: GST Treatment of Handling Services (when provided together with international and local transportation services)



9.15 Examples of scenarios where such handling services can or cannot be zero-rated:

Example 17

A local freight forwarder provides door-to-door services to an overseas company. The freight forwarder would arrange for the importation of goods belonging to the customer, and transports the goods from the FTZ (i.e., place of release of the goods) to its warehouse where it provides QC inspection and labelling of goods for the overseas customer.

As the freight forwarder is providing both the international and local transportation of goods, it can zero-rate its supplies of handling services (e.g., loading and unloading) that are ancillary to the transportation of goods.

The specific handling services (i.e., QC inspection and labelling) are independently provided and are not ancillary to transport activities.

As the specific handling services are performed on imported goods (at the first leg of import) for overseas customer, the freight forwarder can zero-rate such specific handling services, as all the conditions in Zero-rating Scenario 2 are met.

Example 18

The transportation and handling services in Example 17 are provided to a local customer instead.

The freight forwarder has to charge GST on the specific handling services provided to the local customer, as one of the conditions in Zero-rating Scenario 2 is not satisfied.

However, the freight forwarder can zero-rate its supplies of international and local transportation of goods, including the ancillary handling services (e.g., loading and unloading) to the local customer.

10. Storage Services within Singapore but outside FTZs or designated areas

- 10.1 A supply of storage service for goods in Singapore (including Zero-GST/Licensed/Bonded warehouses) that are outside FTZs or designated areas is a local supply of service which has to be standard-rated. This applies to both local and overseas customers.

[Please refer to paragraph 8.10 for the difference between storage service which is a supply of service and rental of warehouse space which is a supply of goods – being a right to occupy the whole property or part of the property.]

- 10.2 There are, however, two exceptions where you can zero-rate your storage services for goods in Singapore:

Zero-rating Scenario 1

When the storage services are provided together with local transportation services at the first leg of import

[‘First leg of import’ means from the entry point in Singapore (i.e., FTZ or designated area) to the first destination⁴⁶ in Singapore.]

- 10.3 When you provide storage services for imported goods during the first leg of import or at the destination of the first leg of import, you can zero-rate⁴⁷ your storage services if the services meet both conditions (a) and (b) below:

Condition (a)

You are also providing the transportation of the imported goods from FTZs or designated areas to the first destination in Singapore (e.g., your own warehouse or your customer’s warehouse). Hence, you are the same supplier for both the local transportation and storage services at the first leg of import.

Condition (b)

The storage services (and the local transportation services) must be provided to your overseas customer wholly in his business capacity⁴⁸ (and not in his private or personal capacity) and:

⁴⁶ The first destination in Singapore is usually the place stated on consignment note or any other supporting documents for the import. If the place is unknown, then it would be the first place in Singapore that the goods are transported to from the FTZ or designated area.

⁴⁷ This is under Section 21(3)(k) of the GST Act.

⁴⁸ Overseas customer has a business (i.e., company, sole proprietorship business or partnership business) which is established outside Singapore.

- directly benefit the overseas customer or any other overseas person wholly in his business capacity; **or**
- **with effect from 1 Jan 2020**, directly benefit a GST-registered person who belongs in Singapore (e.g., a local GST-registered related company of your overseas customer).

You will have to standard-rate the part of your services that directly benefit local non-GST registered persons. If you are unable to apportion your fees such that only the part that directly benefits local GST-registered persons is zero-rated, the entire fees charged to your overseas customer will have to be standard-rated.

10.4 Examples of when storage services can or cannot be zero-rated under scenario 1:

Example 19

A local logistics service company provides storage services to an overseas company for goods that are imported into Singapore. The logistics service company would clear the imported goods from FTZ (i.e., place of release of the goods) and transport the goods to its own warehouse in Tuas for storage.

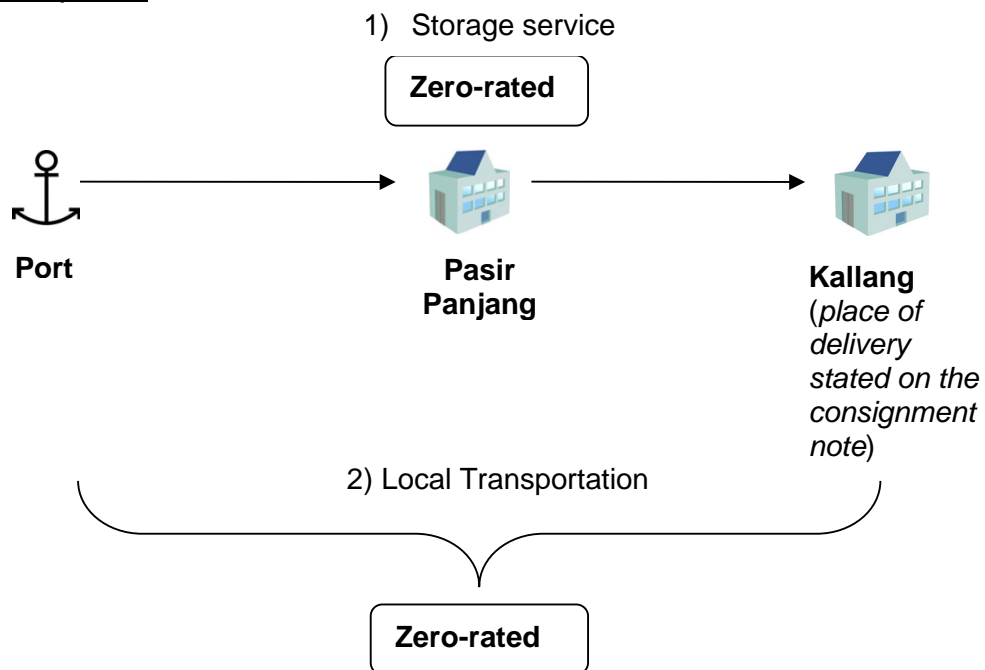
The logistics service company can zero-rate both its storage services and local transportation services provided at the first leg of import to the overseas company.

Example 20

If the business arrangement in Example 19 is changed such that the overseas company now engages another haulier to transport the goods from FTZ to the logistics service company's warehouse for storage.

As the logistics service company is not providing the transportation services in bringing the goods from FTZ to its warehouse (i.e., the first leg of import), it cannot zero-rate its storage services to the overseas company.

Example 21



An overseas company has engaged a local freight forwarder to collect a container of imported goods from the port and deliver them to a showroom in Kallang (which is the place of delivery as stated on the consignment note).

As the shipment has arrived late, the freight forwarder has transported the goods from the port to its own warehouse in Pasir Panjang and stores the goods for a night before delivering them to the showroom in Kallang on the next day.

In this case, the freight forwarder has provided 2 separate supplies:

- *storage services in its own warehouse; and*
- *transportation services during the first leg of import (i.e., from the port to the first destination in Singapore, which is the showroom in Kallang as stated on the consignment note).*

Hence, it can zero-rate both its storage services and local transportation services provided at the first leg of import to the overseas company.

Zero-rating Scenario 2

When the storage services are directly in connection with goods for export.

- 10.5 You can zero-rate⁴⁹ your storage services if:
- (a) Your storage services are performed for goods that are meant for export outside Singapore; and
 - (b) You provide these storage services to a customer who belongs outside Singapore⁵⁰ at the time when the services are performed.
- 10.6 To zero-rate the supply of your storage services for the goods, you must be certain at the time of supply of the services that the goods are meant for export. If you are uncertain, you cannot zero-rate the services even if your customer claims that the goods would be exported.
- 10.7 Examples of when you can be certain that the goods would be exported are:
- (a) When you also provide transportation services for the goods (in addition to the storage services) and the final destination of your transportation in Singapore is a FTZ or designated area (i.e., the exit point in Singapore). You should maintain documentary evidence such as delivery note to prove that you have delivered the goods to the FTZ or designated area.
 - (b) If you only provide storage services for the goods and do not handle the transportation of the goods, you must maintain documentary proof showing that the goods have been exported (e.g., delivery note or service chit showing that the goods have been handed over to an appointed freight forwarder for export, copy of the shipping documents (such as air waybill or bill of lading) obtained from your customer's freight forwarder, etc.). You should keep a copy of these documents to support your zero-rating.
- 10.8 Examples of when storage services can or cannot be zero-rated under scenario 2:

⁴⁹ This is provided for under Section 21(3)(g) of the GST Act.

⁵⁰ For GST purpose –

A company or business (e.g., partnership or sole proprietorship) belongs outside Singapore if:

- (a) it has overseas business or fixed establishment; or
- (b) it has no overseas business or fixed establishment but the place where company is incorporated or business is legally constituted is outside Singapore; or
- (c) it has business or fixed establishment both in and outside Singapore but the service it receives is directly concerned with its overseas establishment.

An individual belongs outside Singapore if his usual place of residence is outside Singapore.

Example 22

A logistics service company has contracted with an overseas company to provide storage services for the overseas customer's goods in Singapore. The goods are meant for re-distribution within Asia Pacific region including Singapore. The importation of goods is arranged by another freight forwarder (engaged by the overseas customer) who would deliver the goods to the logistics service company's warehouse in Changi for storage. This freight forwarder would also handle the subsequent export or local delivery of the goods. While the goods are stored in the warehouse, the goods are under the custody of the logistics service company.

The logistics service company has to standard-rate its supply of storage services to the overseas customer. It is not involved in the delivery of the goods and is unable to ascertain whether the storage services are for goods meant for export or local delivery.

Example 23

The scenario in Example 22 is changed such that the logistics service company would either deliver the goods locally or export the goods out of Singapore upon receiving instructions from the overseas customer.

In such instance, the logistics service company can only zero-rate the supply of storage services to the overseas company for goods that are exported and must be able to provide the required export documents to substantiate the export. For goods that are delivered locally, the logistics service company must standard-rate its storage services to the overseas customer.

If the logistics service company charges a flat monthly rate for the storage service, it can apportion the storage service using a reasonable proxy of the percentage of goods meant for export and local sale (e.g., based on recent movements or indicative projection from the overseas customers).

11. Illustration on the GST Treatment of the Logistics Services

11.1 The following are examples of various logistics services and their GST treatment.

Example 24

A local wholesaler engages a freight forwarder to clear a batch of imported goods from the port and stores them in the freight forwarder's warehouse in Woodlands. The freight forwarder issues a tax invoice to the local wholesaler for the following charges:

Forklift charges and handling charges incurred in FTZ	\$ 80	Handling services within FTZ (Zero-rated)
PSA wharfage charged by PSA	\$ 35	
Container freight station charges	\$ 30	
Permit and Stamp fee	\$ 50	Disbursement (Not subject to GST)
Depot Handling Charge (DHC)	\$ 5	
Trucking charges for transporting the container from port to Woodlands	\$150	Local transportation (Standard-rated)
Fuel surcharge	\$ 50	
Labour charges	\$ 50	Storage service (Standard-rated)
Storage fees for Woodlands warehouse	\$200	
Total	\$650	

**The prices indicated above are for illustration purposes and are not reflective of the actual fees charged in the industry.*

In this case, the freight forwarder has provided 3 types of services to the customer:

- i) handling of goods within the port (i.e., FTZ);
- ii) local transportation of goods; and
- iii) storage services at its warehouse.

The local transportation services and storage services are provided to a local customer; hence GST is chargeable on these services. The freight forwarder can, however, zero-rate the handling services performed within the FTZ.

As the freight forwarder is not providing international transportation services, the DHC is a disbursement and is not subject to GST.

Example 25

A local company engages a freight forwarder to ship the goods from China to Singapore. The freight forwarder would also clear the goods from the port and store them in its warehouse in Changi. The freight forwarder issues a tax invoice to the local company for the following charges:

Ocean Freight	\$2,000	} International transportation (Zero-rated)
Bill of lading fees	\$ 100	
Depot Handling Charge (DHC)	\$ 5	
Forklift charges and handling charges incurred in FTZ	\$ 80	} Handling services within FTZ (Zero-rated)
PSA wharfage charged by PSA	\$ 35	
Container freight station charges	\$ 30	
Permit and Stamp fee	\$ 50	
Trucking, fuel and labour charges for transporting the container from port to Changi	\$ 150	} Local transportation provided together with international transportation (Zero-rated)
Fuel surcharge	\$ 50	
Labour charges	\$ 50	
Storage fees for Changi warehouse	\$ 200	} Storage service (Standard-rated)
Total	\$2,750	

*The prices indicated above are for illustration purposes and are not reflective of the actual fees charged in the industry.

In this case, the services provided by freight forwarder are:

- i) international and local transportation of goods;
- ii) handling of goods within the port (i.e., FTZ); and
- iii) storage service at the warehouse.

The freight forwarder is providing both international and local transportation services to the customer. Hence, it can zero-rate the entire transportation services. As DHC is a charge incurred in the course of providing international transportation service, the GST treatment for DHC will follow that of the supply of international transportation and can be zero-rated.

The freight forwarder can also zero-rate all the handling services since services are performed within the FTZ. However, it must standard-rate storage services provided to a local person.

12. Importing Goods on behalf of your Customers

- 12.1 In the course of your business, you may be required to import goods on behalf of your customers who may either be local importers or overseas importers.

When you are importing the goods as a declaring agent for local customers

- 12.2 Where you pay the import GST as a forwarding agent for your local customer (the importer), you cannot claim the GST paid as your input tax as the goods do not belong to you. The payment of import GST is merely a commercial arrangement between you and the importer⁵¹.
- 12.3 The importer, if GST-registered, may claim the import GST according to the normal input tax claiming rules.

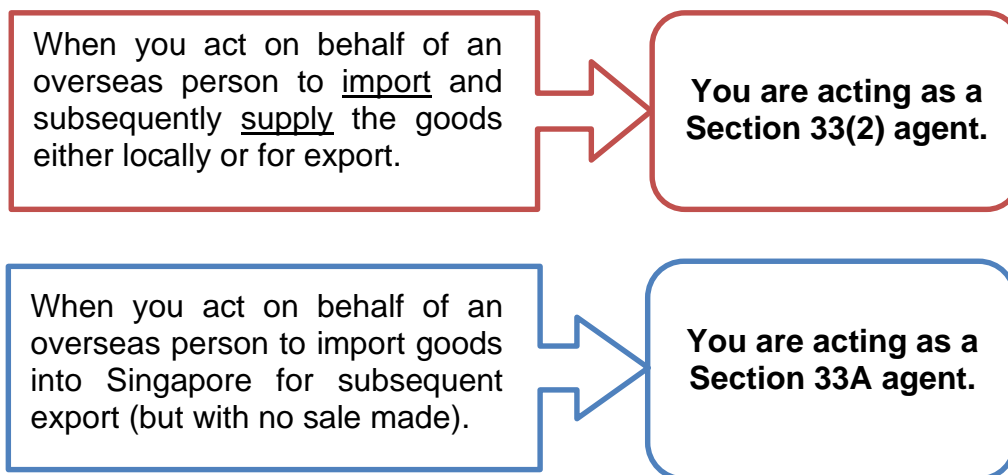
When you are importing the goods as a declaring agent for overseas customers

- 12.4 Where you are merely providing freight forwarding services and import goods as a declaring agent for your overseas customer, you cannot claim the import GST paid as your input tax. The import GST may be claimed by the overseas customer if it is GST-registered.

⁵¹ If you are unable to recover the import GST paid on behalf of your customer (i.e., the local importer), you may make an application to the Comptroller of GST for remission of tax. You must meet all the conditions listed in the application form which can be downloaded from www.iras.gov.sg > Quick links > Forms > GST > Others > Application for Remission under S89 of the GST Act for Refund of Import GST Paid on Behalf of an Importer (GST F18).

Importing goods as a GST Agent of an overseas person who is not GST-registered or is registered as a pay-only person under the Overseas Vendor Registration⁵² (OVR) regime.

- 12.5 There are two situations where you can act as a GST agent of an overseas person and import goods belonging to the overseas person.



- 12.6 When you import goods on behalf of the overseas person as a Section 33(2) or Section 33(A) agent, such goods imported would be deemed as your imports. You may:
- (a) claim the GST paid on the importation of these goods; or
 - (b) use your Major Exporter Scheme (MES) or Approved Third Party Logistics Company Scheme (3PL) or Import GST Deferment Scheme (IGDS) to import such goods.

However, you must meet the conditions stated below.

⁵² With the introduction of the overseas vendor registration (OVR) regime on imported digital services with effect from 1 Jan 2020 and the extension of the OVR regime to imported non-digital services and low-value goods (LVG) with effect from 1 Jan 2023, overseas suppliers supplying imported digital services, non-digital services and/or LVG to non-GST registered customers in Singapore may be required to register for GST. If your overseas principal also supplies digital services, non-digital services and/or LVG, he may need to register for GST under the OVR rules. For more information, please refer to the e-Tax Guides “GST: Taxing imported services by way of an overseas vendor registration regime” (for digital services), “GST: Taxing imported remote services by way of the overseas vendor registration regime” and “GST: Taxing imported low-value goods by way of the overseas vendor registration regime” on our website at www.iras.gov.sg.

You may continue to act as a Section 33(2) or Section 33A agent for your overseas principal who becomes GST-registered as a pay-only person under the OVR rules. If your overseas principal is GST-registered on or after 1 Jan 2020, please check with them if the registration is as a pay-only person under the OVR regime.

- 12.7 To qualify as a *Section 33(2) agent* for the overseas person, you must meet the following conditions :
- (a) The overseas person must not belong in Singapore⁵³ and must not be GST-registered or if it is GST-registered, the GST registration is as a pay-only person under the OVR regime;
 - (b) You are authorized to handle the imports and supply for the overseas person;
 - (c) The goods imported must be subsequently sold locally or exported to the customers of the overseas person;
 - (d) The subsequent supply of goods is regarded as made by you as if you are the principal;
 - (e) You must report the overseas person's transactions of imports and supplies in your GST return, and you must maintain separate records for the overseas person's transactions;
 - (f) You must standard-rate the local sales of the overseas person. For export sales of the overseas person, you must report the sales as zero-rated supplies and maintain export documents.
- 12.8 To qualify as a *Section 33A agent* for the overseas person, you must meet the following conditions :
- (a) The overseas person must not belong in Singapore⁵⁴ and is carrying on a business outside Singapore;
 - (b) The overseas person must not be GST-registered or if it is GST-registered, the GST registration is as a pay-only person under the OVR regime;
 - (c) You are authorized by the overseas person to handle the imports and export of goods belonging to the overseas person;
 - (d) The goods of the overseas person are imported to be stored in or transit through Singapore and are subsequently re-exported;
 - (e) You must have control over the imported goods while they are in Singapore;
 - (f) You should not seek recovery from the overseas person for the GST paid on the imports, as you are allowed to claim as input tax on behalf of the overseas person;
 - (g) You must report the imports and exports of overseas person's goods in your GST return, and you must maintain separate records on the movement of the overseas person's goods.
- 12.9 For more information on the requirements for a Section 33(2) and Section 33A agent, please refer to the e-Tax Guide "GST: Guide on Imports".

⁵³ The overseas person must not have a business or fixed establishment in Singapore.

⁵⁴ The overseas person must not have a business or fixed establishment in Singapore.

13. Providing Export Documents to your Customers

- 13.1 As a freight forwarder, you play an important role in providing export documents to the GST-registered exporters after you have exported their goods. This is because for exporters to zero-rate their supplies of goods, they must export the goods and collate the required export evidence within 60 days from the time of the supply⁵⁵. Otherwise, they will have to standard-rate their supplies of goods.
- 13.2 Hence, you must provide the export documents to the exporters in a timely manner and comply with the Comptroller's requirements on export documents. Please refer to the subsequent paragraphs on your GST responsibilities as a freight forwarder.

Your Responsibilities as a Freight Forwarder

- 13.3 At the point of collecting the goods for export, you should endorse on the delivery note of your customer (i.e., the exporter) or its supplier⁵⁶ with the following details:
- (a) Statement stating "Goods delivered are for export";
 - (b) Your name, address and GST registration number (if applicable); and
 - (c) Date of collection of goods.
- 13.4 After the goods are exported, you should provide any one of the following transport documents to the exporter (and its supplier, if applicable⁵⁷):

Mode of Export	Transport document to be provided to the exporter (and his supplier, if applicable)
Air or Sea	<ul style="list-style-type: none"> • Master or House Air Waybill • Master or House Bill of Lading • Subsidiary Export Certificate • Note of Shipment • Cargo manifest/ mate's receipt (for shipment via boats or small vessels, e.g., to Batam)
Land	<ul style="list-style-type: none"> • Export permit showing the vehicle number • Subsidiary Export Certificate • Note of Shipment

⁵⁵ For more information on the export documents to be maintained, please refer to the e-Tax Guide "GST: Guide on Exports" on our website at www.iras.gov.sg.

⁵⁶ This applies to instances where your customer instructs you to collect the goods from its local supplier and export the goods.

⁵⁷ For example, your customer instructs you to collect the goods from its local supplier and export the goods via sea. You may therefore provide the Master Bill of Lading to your customer, showing it as the exporter or shipper of the goods. If the GST-registered supplier has zero-rated its supply of goods to your customer, you should also issue and provide a Subsidiary Export Certificate or Note of Shipment to the supplier.

13.5 In the following situations where the Master or House Air Waybill or Bill of Lading or export permit (for exports via land) does not show your customer (or its supplier) as the exporter or shipper of the goods, you should issue Subsidiary Export Certificate or Note of Shipment to your customer (and its supplier whom you receive the goods from, if applicable) for the exported goods:

- When you consolidate goods from a few exporters/ suppliers before export;
- When the goods (which you receive from the exporter/ supplier) are delivered to another freight forwarder for co-loading before export; and
- When you collect or receive the goods from your customer's supplier and the Bill of Lading or Air Waybill shows your customer as the exporter or shipper. The supplier will need to maintain your Subsidiary Export Certificate or Note of Shipment to substantiate its zero-rated supply to your customer.

13.6 You should only issue Subsidiary Export Certificate, Note of Shipment or any document listed in paragraph 13.4 to the person or business from whom you receive the goods or with whom you arrange for the export.

13.7 Your Subsidiary Export Certificate and/or Note of Shipment issued to the exporter/ supplier must contain all the following details:

(i) Details required in a Subsidiary Export Certificate

- The words "Subsidiary Export Certificate";
- Serial number of the certificate;
- Export permit number, including the date of departure;
- Exporter's/ supplier's name and address;
- Air waybill/ bill of lading number/ vehicle number (for export by land);
- Description and quantity of goods;
- Mode of export (e.g., air/ sea/ land); and
- Name and signature of authorised person (not necessary if the certificate is computer generated).

(ii) Details required in a Note of Shipment

A tax invoice/ invoice/ delivery note/ packing list from the exporter/ supplier may act as a Note of Shipment, provided it states the following information:

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

13.8 You must provide sufficient and accurate details in the Air Waybill, Bill of Lading, Subsidiary Export Certificate, Note of Shipment and export permit:

- (a) Invoice number and exporter's name should be stated on these export documents. The description of goods stated on these export documents should match with the exporter's invoice.

This will help the exporter in proving that the goods sold as per its invoice are those that are being exported. It is also easier for you to match the export documents to the corresponding exporter's invoice.

- (b) For exports via land, the export permit should state the vehicle number. If the vehicle number is not known at the point of export permit declaration, the vehicle number could be stated on the supporting documents (e.g. invoice, delivery order, packing list etc) subsequently after the permit declaration.

13.9 With effect from 1 Jan 2017, you should maintain a register of the Subsidiary Export Certificate and Note of Shipment issued, either as part of your existing database or a separate register with the following details:

- (a) House Bill of Lading/ Air Waybill number;
- (b) Export permit number;
- (c) Date of shipment;
- (d) Master Bill of Lading/ Air Waybill number;
- (e) Serial number of the Subsidiary Export Certificate number and the name of the exporter/ shipper that it was issued to; and

- (f) The reference number of the delivery order or invoice on which you endorse with the details of a Note of Shipment, and the name of the exporter/ supplier who issued the delivery order or invoice.

A suggested template of the register of Subsidiary Export Certificate and Note of Shipment can be found in [Annex E](#).

- 13.10 You must maintain all your records and documents for at least five years. Failure to do so may result in penalties.

14. Frequently Asked Questions (FAQ)

- 14.1 *What if my charge to the customer for international freight is \$0 or lower than my other charges? Can I still zero-rate my services for the local transportation and ancillary handling services which are provided together with the international transportation?*

Yes. In such instance, you can still zero-rate your supplies of both the international and local transportation services (see paragraph 6) as well as your handling services which are ancillary to the transportation (see paragraph 9). However, if you are a redeliverer, please see Paragraph 14.4.

- 14.2 *A customer has engaged me to transport goods from one FTZ (e.g., Keppel Distripark) to another FTZ (e.g., Pasir Panjang Terminal). Do I have to charge my customer GST?*

If it is a local customer, you should charge GST at the prevailing rate as you are providing local transportation between the FTZs and it is considered as a local supply of service.

If it is an overseas customer, you can zero-rate your supplies (i.e., charge GST at 0%) only if it falls into one of the 2 scenarios in paragraph 7 and satisfies the conditions for zero-rating.

- 14.3 *I have to bill my customer for charges comprising standard-rated supplies, zero-rated supplies and disbursements (i.e., recovery of expenses which is not subject to GST). Can I issue a single tax invoice to my customer for these charges?*

Yes. You can bill your customer for these charges in the same tax invoice. However, for each charge, you must indicate on the tax invoice whether it is a standard-rated supply, zero-rated supply or non-taxable supply.

- 14.4 *I am a local redeliverer offering 'ship for me' and 'buy for me' services to customers who purchase goods from overseas vendors. As I assist customers to arrange for the shipment of goods from overseas to Singapore, I have zero-rated the international shipping charges and insurance fees billed to the customers. Can I continue to zero-rate such services when the OVR regime is extended to LVG from 1 Jan 2023?*

If you are regarded as the supplier of the LVG under the OVR rules, you must charge and account for GST at the standard rate on your transportation services, insurance and all other services supplied in relation to your supply of LVG. The zero-rating provisions under Section 21(3)(a), (b) and (c) will no longer apply as the services are regarded as ancillary to your supply of LVG which is standard-rated.

If you charge a single fee to your customer for the transportation and insurance of both LVG and non-LVG, you should use a reasonable proxy to apportion the fee. The portion of the fee charged in relation to the delivery of the LVG must be standard-rated while the remaining portion charged in relation to the delivery of the non-LVG can be zero-rated. For more information, please refer to the e-Tax Guide “GST: Taxing imported low-value goods by way of the overseas vendor registration regime”.

15. Contact Information

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

16. Updates and Amendments

	Date of amendment	Amendments made
1	22 Oct 2019	<p>(a) To reflect changes in GST rules from amendment to “directly benefit” condition due to reverse charge taking effect from 1 Jan 2020:</p> <p>(i) Amended paragraph 3.3, Table 1 to 3, and paragraph 7.3, 9.9, 10.3</p> <p>(ii) Added footnote 2 and 3</p> <p>(b) Amended paragraph 12.5, 12.7, 12.8, Annex D (paragraph 5) and added footnote 50 to include overseas principals who are GST-registered under the overseas vendor registration (OVR) regime as pay-only persons.</p> <p>(c) Other editorial amendments.</p>
2	29 Oct 2021	Amended Annex D to reflect the changes to the scope of allowable input tax on medical expenses from 1 Oct 2021.
3	29 Aug 2022	<p>(a) To reflect changes applicable to redeliverers arising from the extension of OVR regime to imported non-digital services and low-value goods with effect from 1 Jan 2023. To also reflect the change in GST rules on international transportation services and insurance of goods provided by redeliverers who are regarded as suppliers of imported low-value goods from 1 Jan 2023:</p> <p>(i) Amended paragraph 3.3 and added footnote 5, 6 and 7</p> <p>(ii) Added paragraph 14.4</p> <p>(b) Amended footnote 52 to reflect the change in (a).</p> <p>(c) Other editorial amendments.</p>

Annex A – List of Free Trade Zones (FTZs) and Designated Areas of a Port, Terminal and Airport

Free Trade Zones (FTZs)

(Reference: *Free Trade Zones Act*⁵⁸ as at 29 Aug 2022)

Free Trade Zones (FTZs) are essentially designated areas in Singapore where the payment of duties and taxes are suspended when the goods arrive in Singapore.

No duty or taxes are payable on goods that are stored in FTZs. You only need to pay duty and taxes when the goods leave the FTZ and enter into customs territory for local consumption.

There are 3 FTZ authorities and the locations of the FTZs under each control are:

- (i) PSA Corporation Limited
 - Tanjong Pagar Terminal and Keppel Terminal
 - Sembawang Wharves
 - Brani Terminal
 - Keppel Distripark
 - Keppel Distripark Linkbridge
 - Pasir Panjang Terminal
 - Tuas Port
- (ii) Jurong Port Pte Ltd
 - Jurong Port (including Pulau Damar Laut)
- (iii) Changi Airport Group (Singapore) Pte Ltd
 - Airport Logistics Park of Singapore (ALPS)
 - Changi Airport Cargo Terminal Complex

Designated Areas of a Port, Terminal and Airport

(Reference: *Third Schedule to the Goods and Services Tax (International Services) Order*⁵⁹ as at 29 Aug 2022)

The designated areas in relation to a port include:

- Jurong Marine Base;
- Loyang Offshore Supply Base;
- Singapore Cruise Centre;
- Jurong Fishery Port;
- Senoko Fishery Port;
- Changi Ferry Terminal;
- Tuas Jetty For Explosives and Dangerous Goods;
- Barter Trade Control Area;

⁵⁸ For the updated list of free trade zones, please refer to the Free Trade Zone Act at <https://sso.agc.gov.sg/>

⁵⁹ For the updated list of designated areas of a port, terminal and airport, please refer to the Goods and Services Tax (International Services) Order at <https://sso.agc.gov.sg>

- Harbour Branch Headquarters;
- Marina Bay Cruise Centre Singapore; and
- any area declared to be a Port within the meaning of the Maritime and Port Authority of Singapore Act.

The designated areas in relation to an airport are:

- Changi Airport;
- Paya Lebar Airport;
- Seletar Airport; and
- Tengah Air Base.

The designated areas in relation to a terminal are:

- Pulau Bukom;
- Pulau Bukom Kecil;
- Pulau Ular;
- Pulau Sebarok;
- Pulau Busing;
- Jurong Island;
- all that area comprised in lot 280 Pt, A1057 and A1057 (a), Mukim No. 7 at 35 Shipyard Road occupied by “EXXONMOBIL ASIA PACIFIC PRIVATE LIMITED”;
- all that area comprised in lots A2278, A10627, A166, A166 (a), A166 (b), A166 (c), A166 (d), A166 (e), A166 (x), A166 (y), A651, A651 (a) and A651 (b), Mukim No. 7 at 18 Pioneer Road occupied by “EXXONMOBIL ASIA PACIFIC PRIVATE LIMITED”;
- all that area comprised in lots 191-1, 191-2, 191-3, 193, A12, A12A, A12B, A12C, A12D and A12E, 2096, 4091, 4124, 4209, 4211L, 4213 Mukim No. 5 at 210 Jalan Buroh occupied by “CHEVRON SINGAPORE PTE LTD”;
- all that area comprised in lots 2887X, 2885K and 4170M, Mukim No. 7 at 60 Tuas South Avenue 9 occupied by “TUAS POWER GENERATION PTE LTD”;
- all that area comprised in lots 2852P and 3845X and part of lots 3543T and 4175T, Mukim No. 6 at 150 Pulau Damar Laut occupied by “JURONG PORT TANK TERMINALS PTE. LTD.”;
- all that area comprised in lot 1832 Pt, A1259 (b), Mukim No. 6 at 41 Jalan Buroh occupied by “SINGAPORE PETROLEUM COMPANY LIMITED”; and
- all that area comprised in lot 3210 Pt, A1241 and A1241 (a), Mukim No. 5 at 59 Penjuru Road occupied by “VOPAK TERMINALS SINGAPORE PTE LTD”.

Annex B – Categories of Logistics Services

The table shows the broad categories of services that may be provided by the local service providers in the respective geographical regions. The services mentioned below are some examples of the logistics services. Please refer to the relevant paragraphs for the GST treatment.

Geographical regions Services	Outside Singapore	Within Free Trade Zone or designated area	Within Singapore but outside Free Trade Zones or designated areas
Transportation	<ul style="list-style-type: none"> • Ocean freight • Air freight • Air waybill fee / bill of lading fee • Agency fee • Bunker adjustment factor charge • Delivery order fee • Terminal handling charge • Demurrage charge <i>[Refer to paragraph 5.]</i>	<ul style="list-style-type: none"> • Trucking and fuel • Despatch • Dangerous goods surcharge on trucking • Labour charge <i>[Refer to paragraphs 6 to 9.]</i>	
Handling		<ul style="list-style-type: none"> • Forklift • Documentation fees • Container freight station charge • Stuffing or unstuffing • Cargo clearance • Lift-on / lift-off (LOLO) charge • Survey of cargo • Weighing of cargo • Custom examine fee • Full container load / loose 	<ul style="list-style-type: none"> • Documentation fees • Stuffing or unstuffing • Repacking <i>[Refer to paragraph 9.]</i>

Geographical regions Services	Outside Singapore	Within Free Trade Zone or designated area	Within Singapore but outside Free Trade Zones or designated areas
Handling		container load charge • Berthing charge • Cargo retrieval charge • Wharf handling charge <i>[Refer to paragraph 8.]</i>	
Storage		• Storage fees / rental of warehouse space <i>[Refer to paragraph 8.]</i>	• Storage fees / rental of warehouse space <i>[Refer to paragraph 10.]</i>

Annex C – List of Handling Activities that may be performed by the Logistics Service Industry

Goods handling services that may be provided by logistics service industry include the following:

- transport ancillary to the handling of ship or aircraft cargo (including the movement of goods to or from a ship/aircraft)
- stevedoring and portage
- loading, unloading, reloading, stowing, securing and shifting cargo for the use of cranes and weighing machines together with an operator. (If you provide a crane without an operator, your supply is to be standard-rated)
- soiling, opening for inspection, repairing and making good weighing and taring, taping and sealing, erasing and re-marking, labeling and re-numbering, tallying, checking, sampling, measuring or gauging of goods
- packing and unpacking of cargo
- survey of cargo (including damaged cargo)
- cargo security services
- presenting goods for Customs examination
- preparing or amending Customs entries
- preparing or amending bills of lading, air waybills, and certificates of shipment
- container handling for which a box charge is made
- transit rate, basic rate, consolidated rate and stevedoring rate, if they relate solely to goods handling at FTZ or designated areas

These activities must satisfy the provisions under Section 21(3) of the GST Act in order to be zero-rated.

Annex D – Common Errors made by the Logistics Service Industry

1. Wrongly zero-rated local transportation services to local customers

If the freight forwarder does not provide international transportation services for its local customer's goods and only provides local transportation services (including to or from Zero-GST/Licensed/Bonded warehouses) that are outside FTZs or designated areas, the freight forwarder has to standard-rate its supply of local transportation services. This is regardless of whether the transportation services are provided for imported goods or goods for export.

2. Wrongly zero-rated storage services to local customers

A supply of storage service for goods in Singapore (including Zero-GST/Licensed/Bonded warehouses and Excise Factories) that are outside FTZs or designated areas must be standard-rated if the supply is to a local customer. Hence, the freight forwarder who provides storage services to local customers has to charge GST on the services.

3. Wrongly zero-rated storage services to overseas customers with no certainty of whether or when the goods will be exported

A freight forwarder can zero-rate the supply of storage services to an overseas customer if the storage services are performed for goods that are meant for export. If the freight forwarder is not certain that the goods stored will be exported, it should not zero-rate the supply of storage services and must charge GST.

There are instances where the goods stored are partially exported and the freight forwarder is not certain whether the remaining goods will be exported or delivered locally. In this case, the freight forwarder cannot zero-rate the entire storage services to the overseas customer. The freight forwarder has to apportion the value of the storage services and can zero-rate only the portion in relation to goods for export. The remaining portion must be standard-rated.

4. Incorrectly claimed input tax on imported goods or use the Major Exporter Scheme⁶⁰ (MES) to import goods that belong to another local person/company

A freight forwarder can claim input tax on imported goods or use its MES to import the goods only if:

- (a) It is the owner of the goods and the goods are for its business purpose.

⁶⁰ Generally, GST is payable on every importation of goods into Singapore. The MES allows GST-registered businesses to import non-dutiable goods without paying GST at the point of importation. This scheme is designed to ease the cash flow of businesses that substantially export the goods they import.

- (b) It acts as a Section 33(2) or Section 33A agent of an overseas person and imports goods belonging to the overseas person.

The freight forwarder cannot claim input tax or use its MES to import goods that belong to another local person/ company. This is regardless of whether the local owner of these goods is GST-registered or not.

5. Did not maintain documents to substantiate the imports and subsequent exports of goods on behalf of overseas principals

A freight forwarder may act as a Section 33(2) or Section 33A agent to import goods on behalf of an overseas principal. The overseas principal must not be GST-registered or if it is GST-registered, the GST registration is as a pay-only person under the OVR regime. The imported goods will subsequently be exported or delivered locally. The freight forwarder can claim input tax on the imported goods or use its MES to import the goods without paying GST.

However, it has to maintain the relevant import documents to show that the imported goods belong to its overseas principal. As the freight forwarder is also accountable for the subsequent movements of these goods, it must maintain sufficient documents for the exports and charge GST on the local sales of these goods.

If the freight forwarder does not maintain sufficient import or export documents for these goods, it is not allowed to claim the import GST on these goods. If the goods were imported under its MES, it will have to repay the import GST previously suspended.

Below are some of the essential documents which a freight forwarder should maintain to prove that it is acting as a Section 33(2) or Section 33A agent for its overseas principal:

- (a) Letter of appointment or correspondences from the overseas principal that the freight forwarder is engaged to act on their behalf.
- (b) Inventory records to track the goods imported and subsequently exported or delivered locally.
- (c) Purchase order from the overseas principal to their supplier with instructions to deliver or ship the goods to the freight forwarder.
- (d) Import documents (i.e., invoice from the supplier to the overseas principal, shipping documents such as bill of lading and air waybill showing the freight forwarder as the consignee).
- (e) Export documents⁶¹ which include the freight forwarder's packing list or delivery order, bill of lading/ air waybill/ subsidiary export certificate/ note of shipment/ export permit showing the freight forwarder as the exporter.

⁶¹ For more information on the export documents to be maintained, please refer to the e-Tax Guide "GST: Guide on Exports" on our website at www.iras.gov.sg.

- (f) Tax invoices and delivery orders issued by the freight forwarder for the goods sold and delivered locally (on behalf of its overseas principal).
- (g) Invoices issued by the freight forwarder to the overseas principal for its services performed.
- (h) Invoices from other logistics service provider(s) for the freight services performed.

6. Omitted output tax on local sale of used trailers

Like any other local sale of business asset, a GST-registered business should charge GST at the prevailing rate on the full selling price when it makes a local supply of used trailer. It should not use the Discounted Sale Price Scheme to charge GST on 50% of the selling price.

Under the Discounted Sale Price Scheme, GST is to be charged on 50% of the selling price of a second-hand/used motor vehicle. This is to exclude the elements of Certificate of Entitlement (COE) and Additional Registration Fee (ARF) as GST should not be charged on these two regulatory fees.

A trailer is not classified as a motor vehicle under the definition in the Road Traffic Act. Trailers are also exempted from the requirement of COE and payment of ARF. Consequently, the Discounted Sales Price Scheme cannot be used on the sale of used trailers.

7. Omitted output tax on gifts of goods

When a GST-registered business gives away goods for free, it is treated as making a supply to the recipient and is required to account for output tax based on the Open Market Value of the gift if:

- (a) the cost of the gift is more than \$200 (excluding GST); and
- (b) it has claimed input tax on the purchase or import of the gift. If the gift has been imported with GST suspended under a GST scheme such as the Major Exporter Scheme, input tax is regarded as claimed.

8. Wrongly claimed input tax on disallowed expenses

GST-registered businesses are not allowed to claim input tax incurred on the following expenses stipulated in Regulations 26 and 27 of the GST (General) Regulations:

- (a) Benefits provided to the family members or relatives of staff;
- (b) Costs and running expenses incurred on motor cars;
- (c) Club subscription fees (including transfer fees) charged by sports and recreation clubs;
- (d) Medical expenses incurred for staff unless –
 - (a) the expenses are obligatory under the Work Injury Compensation Act or under any collective agreement within the meaning of the Industrial Relations Act; or
 - (b) the medical treatment in respect of expenses incurred on or after 1 Oct 2021 is provided in connection with any health risk or requirement arising on account of the nature of the work required of your staff or his work environment; and
 - (i) the medical expenses are incurred pursuant to any written law of Singapore concerning the medical treatment or the provision of a medical facility or medical practitioner; or
 - (ii) the medical treatment is related to COVID-19 and the staff undergoes such medical treatment pursuant to any written advisory (including industry circular) issued by, or posted on the website of, the Government or a public authority of Singapore.
- (e) Medical and accident insurance premiums incurred for staff unless the insurance or payment of compensation is obligatory under the Work Injury Compensation Act or under any collective agreement within the meaning of the Industrial Relations Act; and
- (f) Any transaction involving betting, sweepstakes, lotteries, fruit machines or games of chance.

For more information on disallowed input tax, please refer to the webpage on conditions for claiming input tax at www.iras.gov.sg > *Taxes* > *Goods & Services Tax (GST)* > *Claiming GST (Input Tax)* > *Conditions for Claiming Input Tax*

9. Failed to repay input tax claimed on local purchases which remain unpaid after 12 months

As the claiming of input tax is according to the date of tax invoice, a GST-registered business may have claimed input tax before paying its supplier. However, if the GST-registered business did not pay its supplier within 12 months after the payment due date, it is required to repay the input tax previously claimed to the Comptroller.

Annex E – Suggested Template of a Register of Subsidiary Export Certificate and Note of Shipment

House Bill of Lading / Air Waybill number	Export permit number	Date of shipment	Master Bill of Lading / Air Waybill number	Subsidiary Export Certificate		Note of Shipment	
				Serial Number	Issued to	Reference number of the delivery order or invoice	Name of the exporter/ supplier who issued this delivery order or invoice