

Hand Carried Exports Scheme

All sales of commercial goods by GST-registered businesses and hand-carried via air through Changi Airport can only be zero-rated if they satisfy the documentation requirements under the Hand-Carried Exports Scheme (“HCES”). Under the HCES, businesses must present their goods for inspection by Singapore Customs at the airport and obtain an endorsed export permit to support the zero-rating. Businesses with valid commercial reasons can seek the Comptroller’s approval to exempt themselves from the scheme.

No major errors were noted following audits on GST-registered businesses under the HCES or those exempted from HCES. However, the following observations and common errors made on exports were uncovered:

- Failure to maintain permits for exports via air and sea made through freight forwarders
- Failure to maintain documents to support zero-rating of goods hand-carried out of Singapore via land

To avoid the above errors, GST-registered businesses are advised to subscribe to the TradeNet system rather than rely on their freight forwarders to declare export permits on their behalf. For more information on the TradeNet system, please refer to www.tradexchange.gov.sg.

Businesses are also reminded to refer to the e-Tax Guide “GST: Guide on Exports” for information on the documentation requirements to support the zero-rating on exports.