

Annual Industry Survey (AIS) 2021 Explanatory Notes

Note (1): Not all sections and items may be applicable to your company.

Note (2): When submitting the survey form via excel upload, please do not use excel formulas/functions that reference values from local/internal files. Please paste the data as values before uploading the completed excel form.

SECTION 1 - GENERAL INFORMATION OF FIRMS, 2021

REPORTING PERIOD & CURRENCY

- a. The reporting period for this survey is for calendar year ending 31 December 2021.
- b. If your accounting period differs from the calendar year, please report data covering the majority of 2021.

NEW BRANCHES OPENED AND BRANCHES WHICH CLOSED DOWN

- a. Please indicate the addresses of the branches which have opened/closed after Dec 2020.
- b. Please indicate the commencement and/or cessation date of the branches which opened/closed after Dec 2020.
- c. If your firm has more than 6 branches, you may prepare a separate file with the listing of branches which opened or closed after Dec 2020 and upload it as a supporting document when submitting your returns.

INTELLECTUAL PROPERTY

- a. Intellectual property can include ownership rights of the conceptualisation, research & development (R&D) process, product design and engineering or specifications for production of the goods in Singapore, even if the actual production of the goods is outsourced.
- b. Intellectual property owned by a firm is usually reflected in royalty income and/or ownership of intangible assets. For instance, a firm may own patents, trademarks on brands or marketing authorisations.
- c. For example, if the R&D process, product design or specifications for production were:
 - I. Developed by personnel for or within your firm and your firm has retained the ownership rights, then **“Intellectual property developed in-house”** is applicable.
 - II. Originally developed by another firm from which your firm has purchased the ownership rights (e.g. patents, trademarks, marketing authorisations), then **“Original intellectual property purchased from other firms”** is applicable.
 - III. Owned by another firm to which your firm has paid royalties for use of the intellectual property, then **“Paid royalties on intellectual property to other firms”** is applicable.

If the intellectual property is not owned by your firm and your firm has not paid royalties to another firm for use of intellectual property, then **“Do not own the intellectual property used in the outsourced production process”** is applicable.

SECTION 2 - EMPLOYMENT AND REMUNERATION, 2021

Note: Employment figures reported should be as at 30 Jun of the year, while Remuneration reported should be for the whole financial year.

EMPLOYMENT

Please report the number of workers as at **30.06.2021**.

- a. **Persons working outside Singapore** refer to employees who have been working outside Singapore for more than a year as at 30.06.2021 and are on the Singapore company's payroll.
- b. **Persons working in Singapore** refer to paid employees, working directors/proprietor/partners and unpaid workers working in Singapore, including persons on medical and casual leave. It should include persons who have been working outside Singapore for one year or less as at 30.06.2021.
- c. **Paid employees** refer to workers on the payroll of your establishment including part-time workers (working less than 35 hours in a normal week), and workers on commission basis paid directly by your establishment. This also includes workers who have been rotated/re-deployed/attached to other subsidiaries but are still under the company's payroll.
 - i. For firms engaged in Transportation & Storage activities, please include crew onboard aircraft. Crew onboard vessels should be **excluded** and reported under "**Crew onboard vessels**".
- d. **Working directors** refer to members of Board of Directors actively engaged in the work of your establishment and paid by your establishment.
- e. **Working proprietor/partners** refer to proprietor/partners actively engaged in the work of your establishment, whether receiving remuneration or not.
- f. **Unpaid workers** refer to workers of proprietor/partners who do not receive fixed wages and salaries but may receive certain allowances.

For non-profit organisations, **Unpaid workers** refer to persons working for the establishment for remuneration-in-kind (e.g. lecturers who conduct courses for free for an educational institution in return for the use of the institution's research facilities).

REMUNERATION

Please report remuneration for **financial year 2021**.

- a. **Wages and salaries** refer to gross emoluments paid to employees, including commissions, bonuses and overtime pay before deduction of employee's contribution to CPF or any other deductions.
- b. **Employer's contribution to CPF/pension fund** refers to contribution by employers to employee's CPF/pension fund. It excludes pension and gratuities paid to retired employees which should be reported under **SECTION 4 – EXPENSES**.
- c. **Staff benefits** refer to medical benefits, cost of food, housing, travelling expenses to and from work and other benefits-in-kind provided to employed persons and valued at cost by your establishment. However, entertainment allowances, cost of uniforms, staff insurance premiums, retrenchment benefits, transport and hotel accommodation provided in connection with business travel should be reported under **SECTION 4 - EXPENSES**.

- d. **Remuneration due to working directors/proprietor/partners** refers to regular wages and salaries, contribution to CPF/pension fund and staff benefits paid to them. Any amount withdrawn by proprietors/partners other than remuneration should be **excluded**. For working directors, director's fees paid to them should be included and reported under this section.
- e. **Benefits to unpaid workers** refer to remuneration to unpaid workers and should be included and reported under this section.
- f. **Fees paid to non-working directors** refer to fees paid to directors for attending board meetings only.
- g. **Expenses on share-based payments to employees (includes shares and stock options)** refer to total expenses incurred from share-based payment transactions for employee performance shares or stock options which are offered by your establishment to working directors and employees as part of their remuneration package.

SECTION 3 - GROSS INCOME / REVENUE, 2021 (EXCLUSIVE OF GST)

- a. State the amount received and receivable from the various business activities during 2021. The amount collected with respect to previous year's receivables should be **excluded**.
- b. Please report business transactions with Singapore residents and firms, and also transactions with overseas clients.
- c. **Retail** is the sale of consumer goods to the general public for personal or household consumption. Retail sales exclude sales from concessionaires in department stores and supermarkets.
- d. **Wholesale** is the re-sale of new and used goods to retailers, to industrial, commercial, institutional or professional users; or to other wholesalers; or acting as agents or brokers in buying merchandise for, or selling merchandise to, such persons or companies.
- e. **Wholesale Sales outside Singapore:**
 - I. **Domestic exports** refer to exports of Singapore origin. Comprises commodities grown or produced in Singapore and goods manufactured, assembled or processed in Singapore, including those with imported materials or parts.
 - II. **Re-exports** refer to goods exported from Singapore in the same form as they have been imported (including goods that have undergone minor processing, such as re-packing, splitting into lots, sorting or grading, marking and the like). Includes transhipped goods consigned to a local party.
 - III. **Off-shore merchandise** refers to traded cargoes which are billed, transacted or brokered in Singapore but shipped directly from the source to destination without entering Singapore at all.
 - IV. **Transshipment cargo** refers to goods that are moved across Singapore purely in the course of transportation to another country, and supported through bills of lading, airway bills or manifest without being consigned to a local party.
- f. **Chilled, frozen and ambient meals**
 - I. **Ready-to-Eat (RTE)** are meals that are already prepared for immediate consumption (e.g. sandwiches, bag of ready-to-eat salad, pre-cut fresh fruits). This **excludes** food that require cooking before being eaten.
 - II. **Ready-to-Heat (RTH)** are meals that are already prepared but require heating (e.g. chilled and frozen ready meals).
 - III. **Ready-to-Cook (RTC)** are semi-prepared meals that require cooking and final preparation of ingredients (e.g. meal kits).
- g. **Rental related subsidies**
 - I. Rental subsidies in the form of **cash grants** given to offset rental costs directly should be reported under the item "Rental related subsidies". The amount of rental expenses paid before deduction of cash grants should be reported under Section 4.
 - II. All other rental subsidies not in the form of cash grants (e.g. waiver of/discount on rental costs) should be deducted from rental expenses/property taxes (Section 4) or principal repayment of lease liabilities/Right-of-Use assets (Section 6.2), where applicable.

SECTION 3.1 - OTHER INFORMATION ON INCOME, 2021

E-COMMERCE

- a. E-commerce revenue refers to the revenue earned from the sale of goods and services whereby your company receives orders or agrees on the price on terms of sale via online means.
 - I. This includes transactions through your company's website, third-party websites, mobile applications, extranet or Electronic Data Interchange such as GeBIZ.
 - II. This excludes agreement through telephone calls, facsimile and emails. Payment and delivery may or may not be made online.

SECTION 4 - EXPENSES, 2021 (EXCLUSIVE OF DEDUCTIBLE GST)

- a. State the amount paid and payable for the purchases of goods and services used in rendering services and for sale, and other expenses incurred during 2021.
- b. Purchases should be valued at delivered cost to your establishment irrespective of whether full payments have been made. They should include import and excise duties and should be net of rebates and discounts, except rental-related subsidies in the form of cash grants.
- c. Purchases of fixed assets (e.g. machinery and equipment) which are **capitalised** should be reported under **SECTION 6.1 - STRUCTURE OF FIXED ASSETS IN SINGAPORE**.
- d. Purchases of intangible assets which are **capitalised** should be reported under **SECTION 6.3 - STRUCTURE OF INTANGIBLE ASSETS IN SINGAPORE**.
- e. Remuneration reported under **SECTION 2 - REMUNERATION** should be **excluded**.
- f. **Purchases of computer software for own use (include development cost of customised software)** refer to the purchase of both pre-packaged software (software that can be purchased or licensed "off-the-shelf" from commercial software vendors) and custom-designed software (software tailored to your organisation's specific needs whose development is out-sourced to third party software developers).
- g. **Expenses on in-house development of software** refer to expenses incurred in connection with the development of software carried out by your establishment's employees for own use for more than a year. It includes cost of materials and supplies, maintenance and repair of plant and equipment used for the software development, as well as all other development costs. It **excludes** expenses on routine maintenance and application support, which should be reported under "**Servicing and repairing of machinery & equipment**". In-house expenses on software that is to be included into computers or equipment with the intention for sale should also be **excluded**.

SECTION 4.1 - DEVELOPMENT EXPENSES, 2021 (EXCLUSIVE OF DEDUCTIBLE GST)

- a. Report the detailed items of development expenses incurred during Financial Year 2021. It should **exclude** operating expenses already reported under **SECTION 4 – EXPENSES**.

SECTION 5 – INVENTORIES, NET PROFIT/LOSS, SUPPLEMENTARY INFORMATION

BOOK VALUE OF INVENTORIES, 2021 (EXCLUSIVE OF GST)

- a. Report all inventories owned by your establishment including materials and supplies for rendering services and goods for resale.
- b. **In Singapore** refers to inventories held in Singapore.
- c. **Outside Singapore** refers to inventories held outside Singapore.

WORK-IN-PROGRESS (WIP), 2021 (EXCLUSIVE OF GST)

- a. Please report work-in-progress undertaken by your establishment.
- b. **In Singapore** refers to work-in-progress undertaken in Singapore.
- c. **Outside Singapore** refers to work-in-progress undertaken outside Singapore.
- d. For real estate developers, work-in-progress refers to the total amount of development expenses for uncompleted projects undertaken by your establishment.

NET PROFIT / (LOSS), 2021

- a. Please report your firm's net profit/(loss) before taxation, dividends expenses and withdrawals by sole proprietors/partners for the year of 2021
- b. The reported Net Profit/(Loss) should tally with the reported income and expenses which were recorded in the questionnaire. i.e. Net Profit/(Loss) for the Year = Total Income of the year less Total Expenses of the year (incl. Remuneration, change in WIP/inventories)

SECTION 6.1 - STRUCTURE OF FIXED ASSETS IN SINGAPORE (EXCL. RIGHT-OF-USE ASSETS), 2021 (EXCLUSIVE OF GST)

Please consolidate figures of fixed assets of each establishment in Singapore in the survey returns if applicable.

Please **exclude** figures related to Right-Of-Use assets, which should be recorded in SECTION 6.2 - STRUCTURE OF RIGHT-OF-USE ASSETS IN SINGAPORE, 2021 (EXCLUSIVE OF GST)

- a. **Net book value** refers to cost of fixed assets net of accumulated depreciation.
- b. **Additions (including major repairs)** refer to the total cost of acquiring the assets, inclusive of import duty, registration fees, delivery and installation charges.
- c. **Land** refers to the ground, including the soil covering and any associated surface waters, over which ownership rights are enforced. It can be empty or with buildings or other structures situated on it or running through it. However, the value of land should **exclude** any buildings or other structures situated on it or running through it.
- d. **Building and structure** consists of residential buildings and other buildings and structures, including fixtures, facilities and equipment such as storage tanks, water and sewerage systems, lifts and escalators, central cooling and ventilation equipment that are integral to the building and structure. (e.g. commercial, institutional and industrial buildings, civil engineering works, industrial and power plants and public monuments). It also includes the costs of site clearance and preparation as well as major reconstruction and capitalised repairs and improvements.
- e. **Transport equipment** consists of equipment for moving people and objects. Examples include motor vehicles; trailers and semitrailers; railway locomotives and rolling stock; ships, boats and other floating structures (including floating or submersible drilling or production platforms) and aircraft. It also includes major reconstruction and capitalised repairs and improvements.
- f. **Telecommunications equipment** includes mobile phones, personal digital assistants (PDAs), satellite dishes, fibre optics, audio-visual equipment (e.g. radios, television sets); and other television / radio / microwave transmitters and receivers.
- g. **Other machinery and equipment** consist of machinery and equipment not classified in other asset categories. Examples include generators, engines and turbines; cranes and other lifting and handling equipment; electrical machinery and equipment; medical equipment and instruments; precision, optical and photographic instruments; accounting machinery (e.g. ATMs, cash registers and ticket-issuing machines); sports equipment; musical instruments; and other special purpose machinery. Machinery and equipment integral to buildings and structures should be **excluded**. Tools that are relatively inexpensive and purchased at a relatively steady rate, such as hand tools, may be **excluded**.
- h. **Computers and peripheral equipment** include computers, servers (hardware), laptops, printers, copiers, fax machines etc.
- i. **Furniture and fittings** refer to furniture and lighting fixtures of a kind used in offices. It **excludes** medical, surgical, dental and veterinary furniture which are treated as medical equipment and should be classified under **Other machinery and equipment**.
- j. **Assets under construction** refer to expenditure or cost recognised in the carrying amount of the property, plant and equipment under development. Cost associated with the assets should be transferred/reclassified to/from the appropriate asset category when the construction of the assets is completed and placed into service. Expenditure for assets that are developed/constructed for sale should be **excluded**.

SECTION 6.2 - STRUCTURE OF RIGHT-OF-USE ASSETS IN SINGAPORE, 2021 (EXCLUSIVE OF GST)

Please consolidate Right-of-Use (ROU) assets figures of each establishment in the survey returns if applicable.

Composition of Right-of-Use (ROU) assets leased from others

- a. Please select according to the type of lease that is being leased from other firms **prior to FRS116 / IFRS16** (i.e. financial reporting standard before 2019, where firms were required to differentiate between operating leases and financial leases contracts).

Principal repayment made for Right-of-Use (ROU) lease liabilities

- a. Principal repayment figures are used to estimate the rental expense on operating leases, which are recorded as ROU assets currently.
- b. Typically, the figures can be found in the cashflow statement or ROU notes.

Percentage of principal repayment by type of Right-of-Use (ROU) lease liabilities

- a. Please report the percentage of principal repayment by type of ROU lease liabilities leased from others.
- b. Percentage by type of ROU assets should correspond approximately to percentage by type of rental expense (e.g. rental of premise, rental of machinery, charter etc.) recorded **before FRS116 / IFRS16**.
- c. Please provide your best estimates if actual figures are not available.

Right-of-Use (ROU) assets

- a. **Net book value** refers to cost of ROU assets net of accumulated depreciation.
- b. **Additions** refer to the total cost of acquiring **new** ROU assets, inclusive of import duty, registration fees, delivery and installation charges.
- c. Figures reported in this section will only account for ROU assets leased from others.
- d. Please report leased shop/office premise under **Land, Building & Structure**.

SECTION 6.3 - STRUCTURE OF INTANGIBLE ASSETS IN SINGAPORE, 2021 (EXCLUSIVE OF GST)

Please consolidate intangible assets figures of each establishment in the survey returns if applicable.

- a. **Copyrights of entertainment, literary and artistic works** refer to ownership rights of literary, dramatic, musical and artistic works such as novels, plays, musical compositions, photographs and images, as well as other subject-matter, such as films, sound recordings radio and television programmes and broadcasts.
- b. **Patents and other industrial proprietary rights** refer to ownership rights for intellectual property such as patents, industrial design and industrial expertise. Capitalised development expenditure of such intellectual property arising from in-house development activities (includes cost of labour, materials and supplies, maintenance and repair of plant and equipment used, and other development costs) should also be included.
- c. **Computer software** consists of computer programs, program descriptions and supporting materials for both systems and applications software. The value includes:
 - I. Capitalised pre-packaged software (software that is purchased or licensed 'off-the-shelf' from commercial software vendors).
 - II. Capitalised customised software (software tailored to the organisation's specific needs whose development is outsourced to third-party software developers).
 - III. Software reproduction / distribution rights.
 - IV. Capitalised in-house software development for own use (includes cost of labour of software professionals, materials and supplies, maintenance and repair of plant and equipment used, and other development costs); development expenses on software meant for sale (with / without hardware) should be **excluded**.
- d. **Goodwill and marketing assets.** Goodwill refers to the value of assets acquired in a business combination that are not individually identified and separately recognised. Marketing assets include brand names, mastheads and publishing titles, trademarks, logos and domain names.
- e. **Other intangible assets** include exploration and evaluation assets, service and operating rights, other licences, etc.
- f. **Assets under development** refers to expenditure or cost recognised in the carrying amount of the intangible assets under development. Cost associated with the assets should be transferred/reclassified to/from the appropriate asset category when the development of the assets is completed and placed into service. Expenditure for assets that are developed/constructed for sale should be **excluded**.