

**INTERNATIONAL TRADE IN SERVICES SURVEY  
(COMMERCE)  
EXPLANATORY NOTES**

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## 1. General Instructions

### 1.1 What to report in this form

✔ To report:	✘ Not to be reported:
<ul style="list-style-type: none"> <li>• All transactions with <b>non-residents</b> unless otherwise stated. Non-residents refer to any individual, business, company or entity located outside Singapore. <ul style="list-style-type: none"> <li>○ Please refer to “<a href="#">1.2 Residency of Transacting Parties</a>” for more details.</li> </ul> </li> <li>• <b>Accrual accounting:</b> Amount incurred in the period regardless of whether received or paid.</li> <li>• <b>Gross reporting:</b> Total value of services provided and received is recorded even if settled on net basis.</li> <li>• Monetary values in <b>units of thousand Singapore dollars (S\$’000)</b></li> </ul>	<ul style="list-style-type: none"> <li>• All transactions with <b>residents</b> unless otherwise stated. <ul style="list-style-type: none"> <li>○ Please refer to “<a href="#">1.2 Residency of Transacting Parties</a>” for more details.</li> </ul> </li> <li>• Goods imported into and exported out of Singapore which have already been reported to Singapore customs unless otherwise specified.</li> <li>• Remitted profits, interest, dividends, capital gains, loans, deposits, investments or any other capital flow.</li> <li>• Goods and Services Tax (GST)</li> </ul>

## 1.2 Residency of Transacting Parties



### **Definition of Non-residents**

- Overseas customers or suppliers
- Overseas subsidiary or branch of Singapore registered companies
- Related businesses, companies or entities located outside of Singapore (even if through intra-corporate accounting system)
- Individuals located in Singapore <1 year



### **Definition of Residents**

- Customers or suppliers located in Singapore
- Subsidiary/branch of foreign companies based in Singapore
- Individuals located in Singapore  $\geq 1$  year

Transactions should be identified based on the residency of the party whom you render services to or receive services from. It is not based on the party whom you receive reimbursement from or make payments to.

## 1.3 Merchanting & Countertrade

In **Section B1**, you are required to report transactions relating to merchanting and countertrade, where applicable. Merchanting, in this survey, refers to the trading of goods where the goods do not enter Singapore, and are not declared to Singapore Customs. Countertrade refers to the trading of goods where money is not exchanged. For further details, please refer to items 705 and 710 in the services definitions below.

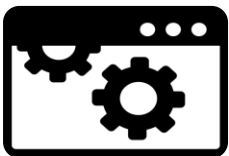
## 1.4 Digitally Delivered Services

Digitally delivered services are transactions delivered remotely in an electronic format over computer networks.

Digitally delivered services include:	Digitally delivered services exclude:
<ul style="list-style-type: none"><li>Any service delivered over the web / Internet (including via mobile devices), extranet, video conferencing, websites, applications, platforms, phone, fax or email.</li></ul>	<ul style="list-style-type: none"><li>Services provided in person, by personnel travelling abroad.</li></ul>

We understand that it could be challenging to obtain data of such nature. Hence, the information provided may be estimated on a best effort basis based on recall or general understanding of the firm's business operations.

### Examples of Digitally Delivered Services



Selling software programs to overseas customers



Selling market research reports to overseas customers via email



Purchasing consultancy services provided through video conferencing from an overseas advisory firm



Subscribing to cloud storage from an overseas provider

## 2. How to Complete the Form (examples)

The following examples depict how non-resident transactions are to be captured:

### Example 1: Section B1 - Merchanting & Countertrade (Barter-Trade)

- Suppose your company purchased S\$5,000,000 worth of goods from a resident company (Singapore) and sold them to buyers in Country A and Country B for S\$3,000,000 and S\$4,000,000 respectively. The physical goods (not declared to Singapore Customs) were shipped directly from Country C to Country A and Country B without entering Singapore. In addition, your company received S\$200,000 of commissions for direct shipment from Country C.
- Additional expenses were incurred during the transactions. For instance, freight charges of S\$30,000 was paid to company in Country C; insurance charges of S\$5,000 was paid to a resident company (Singapore); port charges and cargo handling fee of S\$5,000 and S\$10,000 were paid to Country A and Country B respectively.

(a) In **Section B1**, please report the total amount transacted for merchanting & countertrade.

### Section B1: Merchanting and Countertrade (Barter-Trade)

Code	Item# Description	\$'000
705R	Sales in merchanting	$3,000+4,000=$ 7,000
705P	Less: Merchanting purchases	5,000
753P	Less: Freight charges	30
462P	Less: Insurance charges	5
616P	Less: Port charges, warehousing & cargo handling fees	$5+10=$ 15
706R	Add: Other income associated with merchanting/ countertrade	200

(b) Proceed to fill in the transaction values for the respective item codes by country of trading partner in **Sections C2 and C3**.

<b>Section C2: Revenue / Receipts</b>		
<b>Item#</b>	<b>Trading Partner</b>	<b>Revenue / Receipts (\$'000)</b>
705 - Sales in merchanting	Country A	3,000
705 - Sales in merchanting	Country B	4,000
706 - Other income associated with merchanting/ countertrade	Country C	200

<b>Section C3: Expenses / Payments</b>		
<b>Item#</b>	<b>Trading Partner</b>	<b>Expenses / Payments (\$'000)</b>
705 – Merchanting purchases	Singapore	5,000
753 – Freight charges	Country C	30
462 – Insurance charges	Singapore	5
616 – Port charges, warehousing & cargo handling fees	Country A	5
616 – Port charges, warehousing & cargo handling fees	Country B	10

*# Please refer to item definitions in the “Merchanting & Countertrade Services Definitions” section.*

- (c) In this example, there is no need to select any percentage ranges in **Sections C4 and C5** as none of the service items are part of the pre-defined list of digitally deliverable services.

Example 2: Section C1 – Transactions with Non-Residents Checklist

- Suppose your company received S\$20,000 and S\$50,000 in trading commissions (excluding 706R in **Section B1**) from your customers in Country A and Country B. In addition, your company paid S\$10,000 to a company in Country C for market research services.

(a) In **Section C1**, please select the appropriate items in the online form or select 'Yes' if you are using the Excel template.

**Section C1: Transactions with Non-Residents Checklist**

Code	Item* Description	Revenue/ Receipts	Expenses/ Payments
700	Third party commission and agency fees on trading of goods	<input checked="" type="checkbox"/>	<input type="checkbox"/>
040	Market research services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Note: Select “Yes” if you are using the Excel template.

(b) Proceed to fill in the transaction values for the respective item codes by country of trading partner in **Sections C2 and C3**.

<b>Section C2: Revenue / Receipts from Non-Residents</b>		
Item*	Trading Partner	Revenue / Receipts (\$'000)
700 - Third party commission and agency fees on trading of goods	Country A	20
700 - Third party commission and agency fees on trading of goods	Country B	50

<b>Section C3: Expenses / Payments to Non-Residents</b>		
Item*	Trading Partner	Expenses / Payments (\$'000)
040 – Market research services	Country C	10

- (c) Next, select the appropriate percentage range that corresponds to total value of digitally delivered services attributable to each service item in **Section C5**.
- (d) Your company paid S\$4,000 (40% of S\$10,000) to your overseas supplier in Country C for market research services which were digitally delivered to your company. Please select the service item “040-Market research services” followed by the percentage range ‘25-49%’ in **Section C5** as shown below.













<b>Section C5: Expenses / Payments to Non-Residents (Percentage of Services Digitally Delivered)</b>	
<b>Item*</b>	<b>Percentage Range</b>
040 – Market research services	25-49%

*\* Please refer to item definitions in the “Services Definition” Section.*

- (a) In this example, there is no need to select any percentage ranges in **Section C4** as “700 - Third party commission and agency fees on trading of goods” is not part of the pre-defined list of digitally deliverable services.

### 3. Services Category Classification

The list of services items is shown below. Please click to see the detailed definitions.

<p><b><u>Merchanting &amp; Countertrade</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">705. Merchanting</a></li> <li>➤ <a href="#">710. Countertrade services</a></li> <li>➤ <a href="#">753. Freight charges</a></li> <li>➤ <a href="#">462. Insurance charges</a></li> <li>➤ <a href="#">616. Port charges, warehousing &amp; cargo handling fees</a></li> <li>➤ <a href="#">708. Other expenditure associated with merchanting/countertrade</a></li> <li>➤ <a href="#">706. Other income associated with merchanting/countertrade</a></li> </ul>	<p><b><u>Business Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">010. Advertising and design services</a></li> <li>➤ <a href="#">015. Business and management consulting and public relations services</a></li> <li>➤ <a href="#">025. Trade fairs, exhibitions and conferencing services</a></li> <li>➤ <a href="#">040. Market research services</a></li> <li>➤ <a href="#">052. Charter, rental and operational leasing without crew/operator</a></li> </ul>
<p><b><u>Communication Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">100. Portal and courier services</a></li> <li>➤ <a href="#">105. Telecommunications services</a></li> </ul>	<p><b><u>Financial Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">350. Investment and other finance consultancy services</a></li> <li>➤ <a href="#">355. Bank services</a></li> <li>➤ <a href="#">360. Commission, brokerage and underwriting fees on financial instrument such as shares, securities, finance derivatives</a></li> </ul>
<p><b><u>Computer and Information Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">150. Computer services</a></li> <li>➤ <a href="#">155. News agency services</a></li> <li>➤ <a href="#">160. Other information services</a></li> </ul>	<p><b><u>Insurance Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">470. General insurance excluding insurance on cargo</a></li> </ul>
<p><b><u>Manufacturing Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">580. Manufacturing services (value of related goods should be reported appropriately in items 581 or 582)</a></li> <li>➤ <a href="#">581. Goods for processing in Singapore</a></li> <li>➤ <a href="#">582. Goods for processing abroad</a></li> </ul>	<p><b><u>Professional Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">550. Legal services</a></li> <li>➤ <a href="#">555. Accounting, auditing, bookkeeping and tax consultancy services</a></li> <li>➤ <a href="#">560. Engineering and technical services</a></li> </ul>
<p><b><u>Royalties</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">655. License for use of computer software and multimedia</a></li> <li>➤ <a href="#">656. License to reproduce or distribute computer software and multimedia</a></li> <li>➤ <a href="#">660. Charges for use of proprietary rights – trademark and franchising fees</a></li> <li>➤ <a href="#">680. Other royalties not classified above</a></li> <li>➤ <a href="#">691-694. Purchase and sales of patents, copyright, trademark etc.</a></li> </ul>	<p><b><u>Trade and Transport Related Services</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">620. Cargo handling, warehousing and logistic services</a></li> <li>➤ <a href="#">700. Third party commission and agency fees on trading of goods</a></li> <li>➤ <a href="#">715. Procurement services, purchasing agent's fees, distributor's fees, representative's fees</a></li> </ul>
<p><b><u>Reimbursement of Operating Expenditure</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">005. Reimbursement of operating expenditure</a></li> </ul>	<p><b><u>Other Transactions</u></b> </p> <ul style="list-style-type: none"> <li>➤ <a href="#">990, 991... Other transactions</a></li> </ul>



## MERCHANTING & COUNTERTRADE SERVICES DEFINITIONS

### 705. Merchenting

- ✓ purchases and resale of the same goods whereby the goods are shipped directly between two countries without entering Singapore
- ✓ either the seller or the buyer should be a non-resident with the goods excluded from declarations to Singapore Customs
- ✓ include all credit purchases and resale
- ✓ identify purchases and resale of goods that do not enter Singapore as the main criteria and thereafter the country of the seller and the buyer

### 710. Countertrade services

- ✓ also known as barter-trade i.e. one good is exchanged for another
- ✓ no money is involved in the transaction though the trader might value the goods in monetary terms
- ✓ sales and purchases of these goods are to be shipped directly between two countries without entering Singapore and the seller or buyer can be a *resident or non-resident*, so long as the goods were not declared to Singapore Customs
- ✓ identify purchases and resale of goods that do not enter Singapore as the main criteria and thereafter the country of the seller and the buyer

#### **Do not report (applies to both item codes 705 and 710)**

- ✗ if the buyer and seller of the transacted goods are **both residents** even if the goods were directly shipped from one country to another
- ✗ any sales and purchases that do not involve physical movement of goods
- ✗ exports and imports of goods out of/into Singapore
- ✗ goods declared to Singapore Customs
- ✗ imported materials for manufacturing or for assembly
- ✗ purchase of commodity futures for hedging

### 753. Freight charges

- ✓ payment of freight charges pertaining to the **direct shipment of goods**
- ✓ the party receiving payment can be a **resident or non-resident** as long as the goods were not declared to Singapore Customs

### 462. Insurance charges

- ✓ payment of insurance pertaining to the **direct shipment of goods**
- ✓ service provider can be a **resident or non-resident** as long as the goods were not declared to Singapore Customs

#### **Do not report (applies to both item codes 705 and 710)**

- ✗ insurance on exported and imported goods

### 616. Port charges, warehousing & cargo handling fees

- ✓ payment of services **pertaining to the direct shipment of goods** for warehousing, cargo handling and port services
- ✓ service provider can be a **resident or non-resident** as long as the goods were not declared to Singapore Customs

## 708. Other expenditure associated with merchanting/countertrade

- ✓ expenses paid that are directly associated with the **direct shipment of goods**
- ✓ the party receiving payment can be a **resident or non-resident** as long as the goods were not declared to Singapore Customs
- ✓ include services such as discount allowed, demurrages, finance charges, trading commissions paid, deviations, etc.

## 706. Other income associated with merchanting/countertrade

- ✓ income received that are directly associated with the **direct shipment of goods**
- ✓ the party receiving income can be a **resident or non-resident** as long as the goods were not declared to Singapore Customs
- ✓ include services such as discount received, trading commissions received, insurance claimed, etc.

# SERVICES DEFINITIONS

## Business Services

### 010. Advertising and design services

- ✓ design, creation, production and marketing of advertisement in various media (e.g. magazines, newspapers, television, radio, social media websites etc.)
- ✓ purchase and sales of advertisement time and space
- ✓ fees for the right to use an advertisement made by a third party
- ✓ media placement services
- ✓ promotion of products and other promotional-related activities of products and/or services

#### Do not report

- ✗ promotions that are part of trade fairs, exhibitions and conferences (report in item code 025)
- ✗ exports and imports of goods and materials

### 015. Business and management consulting and public relations services

- ✓ management or business consultancy, advisory, guidance and operational assistance provided to businesses for business policy and strategy
- ✓ overall planning, structuring and control of an organisation, organisation/systems review
- ✓ management auditing, market management, human resources, production management and project management consulting and evaluation
- ✓ short-term attachment of management staff
- ✓ public relation services related to improving the image of the clients and their relations with the public and other institutions

#### Do not report

- ✗ consultancy for other services such as banking and financial, computer services etc. (report these items under the specific service)

## 025. Trade fairs, exhibitions and conferencing services

- ✓ receipts include fees received from non-residents who participate in local or overseas conferences, exhibitions and trade fairs organised by local companies
- ✓ payments include expenses by local companies participating in overseas exhibitions
- ✓ transactions for rental of exhibition space, consultancy, designer fees, contractor fees and all other exhibition services
- ✓ entry fees, organisation and administration fees charged by exhibition promoters and conference organisers
- ✓ supply and setting up of exhibition equipment

### **Do not report**

- ✗ exports and imports of goods and materials

## 040. Market research services

- ✓ market research and telemarketing services
- ✓ public opinion polling on various issues
- ✓ sale and purchase of market research or polling results
- ✓ conducting of market feasibility studies

## 052. Charter, rental and operational leasing without crew/operator

- ✓ fees received from or paid to non-residents for chartering, renting or operational leasing of equipment, machinery, ships, aircrafts, vehicles; and transportation equipment such as containers and rigs without crew
- ✓ expenses/payments should include lease payments for Right-Of-Use assets under FRS116 whereby the lease arrangement is regarded as an operating lease
- ✓ lease payments include the principal repayment and interest and exclude depreciation

### **Do not report**

- ✗ rental of property; financial leasing, including lease with an intent to eventually take possession of the good
- ✗ international leased circuits (report in item code 105)
- ✗ mailbox rental (report in item code 100)
- ✗ safe deposit box service (report in item code 355)

## **Communication Services**

### 100. Postal and courier services

- ✓ pick-up, transport and delivery of letters, newspapers, periodicals, brochures, other printed matters, parcels and packages by national postal administrations and private courier service operators
- ✓ post office counter and mailbox rental services

### **Do not report**

- ✗ transactions with **local** service providers (e.g. Singapore Post)
- ✗ transport of mail by air transport enterprises (report under Other Transactions)

## 105. Telecommunications services

- ✔ broadcast or transmission of sound, images, data or other information by telephone, telex, telegram, radio, cable, satellite, electronic mail or facsimile etc.
- ✔ business network services, teleconferencing, cellular phone services, related technical support services, international leased circuits and frame relay
- ✔ internet backbone services and online access services including internet access provision

### **Do not report**

- ✘ charges by local telecommunication companies for overseas calls or connections

## **Computer and Information Services**

### 150. Computer services

- ✔ provision of IT services such as data processing and hosting services including data entry, tabulation and recovery services
- ✔ development, design, analysis, programming, production, supply and documentation of systems and customised software
- ✔ consultancy, implementation and installation of hardware and software
- ✔ maintenance & repair of computers and peripheral equipment
- ✔ provision of applications, hosting clients' applications, and computer facilities and resource management
- ✔ systems maintenance and other related support services
- ✔ Sales and purchases of customised software (however delivered) and non-customised (mass-produced) software, including video games, that are downloaded or delivered electronically

### **Do not report**

- ✘ charges for license to use computer software and multimedia (report in item code 655)
- ✘ charges for license to reproduce/distribute computer software and multimedia (report in item code 656)
- ✘ sales and purchases of ownership rights of computer software and multimedia (report in item code 693)
- ✘ rental and operational leasing of hardware (report in code 052)
- ✘ exports and imports of computer hardware and packaged (non-customised) software on physical media such as CD-ROM

### 155. News agency services

- ✔ provision of news, photographs and other news materials to the media

## 160. Other information services

- ✔ for resident publishing companies, please report **total receipts from non-resident subscribers**
- ✔ services include data storage, database conception, dissemination of data and databases (including directories and mailing lists)
- ✔ online and through magnetic, optical or printed media and web search portals
- ✔ library and archive services; direct non-bulk subscriptions to magazines, newspapers and periodicals by mail, electronic transmission or other means
- ✔ other online content provision services such as news, financial information, business, economic, medical, legal, technical, demographic and bibliographic databases services
- ✔ these materials are intended for own consumption by the subscribers and not for subsequent resale

### **Do not report**

- ✘ bulk exports and imports of publishing materials, books, newspaper and periodicals
- ✘ downloaded software (report in item code 150)
- ✘ audio-video products (report under Other Transactions)

## **Financial Services**

## 350. Investment and other finance consultancy services

- ✔ fund/asset management, security custody service, credit rating service, nominee service
- ✔ investment consultancy, corporate finance advisory fee, financial research, custodian charges and any other investment and financial management services

### **Do not report**

- ✘ capital gains/losses, remitted profits, interest, loans, deposits, dividends
- ✘ value of fund transfer or loan issued and any other investment or capital flows
- ✘ non-financial advisory services (see item code 015)
- ✘ consultancy for other services such as banking, computer services, etc. (include them under the specific service)

## 355. Bank services

- ✔ charges and fees associated with fund transfers, loans, letters of credit, bankers' acceptance, cheque clearing, factoring, financial leasing, foreign exchange transactions, remittances, credit card commissions and guarantee fees, etc.
- ✔ transaction processing fees derived from payment network services or platforms

### **Do not report**

- ✘ transactions with resident or foreign banks located in Singapore
- ✘ capital gains/losses, remitted profits, interest, loans, deposits, dividends
- ✘ value of fund transfer or loan issued
- ✘ any other investment or capital flows

### 360. Commission, brokerage and underwriting fees on financial instrument such as shares, securities, finance derivatives

- ✔ share registration expenses, stock exchange listing fees, arbitrage service income, payment to foreign stock exchange
- ✔ commissions, brokerage and underwriting fees on financial instruments such as shares, securities, financial derivatives, commodity futures, etc.

#### Do not report

- ✘ capital gains/losses, remitted profits, interest, loans, deposits and dividends
- ✘ investment or capital flows
- ✘ credit card commissions (report in item code 355)

## Insurance Services

### 470. General insurance excluding insurance on cargo

- ✔ **Receipts:** report **gross claims** received or receivable from non-resident insurers
- ✔ **Payments:** report **gross premiums** paid or payable to non-resident insurers
- ✔ includes insurance such as medical, accident, health, life, motor, aviation & other transport, theft, fire & other property damage, business loss, general liability insurance and other general insurance except cargo

#### Do not report

- ✘ insurance on cargo
- ✘ insurance on exported and imported goods

## Manufacturing Services

### 580. Manufacturing services (value of related goods should be reported appropriately in items 581 or 582 below)

- ✔ include processing, assembly, labelling and packing of goods, oil refining and liquefaction of natural gas
- ✔ **Receipts:** fees received for manufacturing services performed on goods owned by the non-resident clients
- ✔ **Payments:** expenses paid to non-residents clients by your company for manufacturing services performed on goods owned by your company
- ✔ there is no change of ownership of the goods involved

#### Do not report

- ✘ value of goods that have already been reported to Singapore's customs
- ✘ value of raw materials used in the manufacturing process
- ✘ labelling and packing incidental to transport (report in item code 620)
- ✘ assembly of prefabricated construction (report under Other Transactions)

## 581. Goods for processing in Singapore



- ✓ applicable only if your company provides processing/manufacturing services to non-resident clients on goods that are **not** owned by your company
- ✓ refers to Singapore resident company (your company) engaging in processing activities such as manufacturing, assembly, labelling and packing of goods, oil refining and liquefaction of natural gas on goods received from non-resident clients, with the non-resident clients retaining ownership of the goods throughout the process
- ✓ after processing, the goods may return to the respective non-resident clients or delivered to customers in Singapore or shipped to yet another country

### Example

Your company in Singapore receives S\$600,000 worth of materials from a client (i.e. principal) in Malaysia for processing in Singapore and part of the finished goods are expected to be returned to Malaysia after processing. The client bought 50% of the materials from a Singapore wholesaler and sent the materials to your company from a warehouse in Singapore. The other 50% were sent to your company from Malaysia.

After processing, the finished goods are now worth S\$700,000 (inclusive of S\$60,000 processing fee for the manufacturing services carried out). 50% of the finished goods are delivered back to the client (i.e. principal) in Malaysia. The rest of the finished goods are sold in Singapore.

Throughout this process, the client retains the ownership of the materials and finished goods. In this example, the manufacturing services provided by your firm and goods involved should be reported as follows:

(a) Manufacturing Services (reported in item code 580) Receipt from Malaysia (S\$'000): 60

(b) Goods before processing in Singapore:

Value of goods before processing (S\$'000)	600
of which received from abroad (S\$'000)	300

(c) Goods after processing in Singapore:

Value of goods after processing (S\$'000)	700
of which sold in Singapore (S\$'000)	350

## 582. Goods for processing abroad



- ✓ applicable only if your company procures processing/manufacturing services from non-resident processor on goods that are owned by your company
- ✓ refers to Singapore resident company (your company) sending goods abroad to the overseas processor for processing activities such as manufacturing, assembly, labelling and packing of goods, oil refining and liquefaction of natural gas, with your company retaining ownership of the goods throughout the process
- ✓ after processing, the goods may be sent back to Singapore, or are directly delivered to customers in the country where the processing takes place or yet another country without returning to Singapore

## Example

Your company in Singapore sends S\$600,000 worth of materials to a company in Malaysia for processing and part of the goods are expected to be returned to Singapore after processing. 50% of the materials were sent from Singapore while the other 50% were bought from Indonesia and sent directly to Malaysia without passing through Singapore.

After processing, the finished goods are now worth S\$700,000 (inclusive of the S\$60,000 processing fee for the manufacturing service carried out). 50% of the finished goods are delivered to Vietnam and other countries while 50% of the finished goods are returned to Singapore.

Throughout this process, your company retains the ownership of the materials and finished goods before they are sold abroad. In this example, the manufacturing services outsourced to overseas firms and goods involved should be reported as follows:

(a) Manufacturing Services (reported in item code 580) Payment to Malaysia (S\$'000): 60

(b) Goods before processing in Malaysia:

Value of goods before processing (S\$'000)	600
of which sent from Singapore (S\$'000)	300

(c) Goods after processing in Malaysia:

Value of goods after processing (S\$'000)	700
of which sold abroad without returning to Singapore (S\$'000)	350

## Professional Services

### 550. Legal services

- ✓ provision of legal advisory, consultation and representation services in any legal, judicial and statutory procedures
- ✓ drafting services for legal documentation and instruments
- ✓ certification consultancy
- ✓ escrow and settlement services

#### **Do not report**

- ✗ compensation for damages and settlements paid out to third party
- ✗ unutilised legal provisions

### 555. Accounting, auditing, bookkeeping and tax consultancy services

- ✓ provision of accounting, bookkeeping, related auditing services; business tax planning and consultancy; and preparation of tax documents

#### **Do not report**





- ✘ administrative and management services (report in item code 015)

## 560. Engineering and technical services

- ✔ provision of after sales service of machines
- ✔ the design, development, calibration and utilisation of machines, materials, instruments, structures, processes and systems
- ✔ product testing and certification
- ✔ engineering/technical inspection
- ✔ engineering/technical consultancy services
- ✔ cartography, surveying and any other engineering and technical services

### **Do not report**

- ✘ cargo surveying (report in item code 620)
- ✘ computer repairs and maintenance (report in item code 150)
- ✘ construction services (report under Other Transactions)
- ✘ land and geologic surveying (report under Other Transactions)
- ✘ mining engineering (report under Other Transactions)
- ✘ exports and imports of goods

## **Royalties**

### 655. License for use of computer software and multimedia

- ✔ a one-time fee paid upfront for use of the intellectual property embodied in computer software and multimedia
- ✔ a regular payment for use of the intellectual property embodied in computer software and multimedia
- ✔ intellectual property includes license paid as an end user, without further reproduction or distribution

### **Do not report**

- ✘ license paid for further reproduction or distribution (report in item code 656)
- ✘ purchases/sales of ownership rights for such intellectual property (report in item code 693)

### 656. License to reproduce or distribute computer software and multimedia

- ✔ fees paid for the authorised reproduction and distribution (through licensing agreements) of computer software and multimedia originals

### **Do not report**

- ✘ purchases/sales of ownership rights for such intellectual property (report in item code 693)

## 660. Charges for use of proprietary rights - trademark and franchising fees

- ✓ intellectual property related to trademark as well as franchising fees paid for the right to provide goods and services of a particular brand
- ✓ a one-time fee paid upfront for the right to use of the above intellectual property
- ✓ a regular payment for continuous use of the above intellectual property

### **Do not report**

- ✗ purchases/sales of ownership rights for such intellectual property (report in item code 692)

## 680. Other royalties not classified above

- ✓ refers to all other royalty receipts/payments that are not included in item codes 655, 656 and 660
- ✓ specify the type of royalty receipts/payments in the text box provided

## 691- Purchase and sales of patents, copyright, trademark, etc.

### 694. ✓ refers to the purchase/sale of intellectual property such as patents, copyrights and trademark and not payment of royalties

- ✓ royalties normally involve continuous payments and the resulting use of intellectual property rights for a limited period of time, the purchase of intellectual property means the company has total ownership of the proprietary rights and can freely transfer it to a third party
- ✓ one way to distinguish usage and purchase is that for usage the transaction is entered into the income and expenditure account while for purchase the company will carry it as an intangible asset in the balance sheet

## **Trade and Transport Related Services**

### 620. Cargo handling, warehousing and logistics services

- ✓ harbour and airport services fees received from or paid to non-residents for cargo and container handling, lighterage, stevedoring and cargo surveying
- ✓ logistics services include freight forwarding, repacking, sorting, grading, assembling of goods, stock management, custom clearance, shipping documentation and logistic consultancy
- ✓ also include storage charges, warehousing and other distribution services

### **Do not report**

- ✗ international freight charges at the ports
- ✗ port charges, warehousing & cargo handling fees that are reported in **Section C** (see explanation for item code 616)

## 700. Third party commission and agency fees on trading of goods

- ✔ third-party commission or agency fee received for acting as an intermediary between companies on the trading of goods
- ✔ payment to non-resident companies for acting as your intermediaries

### Do not report

- ✘ services where agent acquires ownership of goods
- ✘ commission and agency fees that are reported in **Section C** (see explanations for item codes 706 and 708)
- ✘ procurement service, purchasing agent's fee, distributor's fee, representatives' fee (report in item code 715)
- ✘ market research (report in item code 040)

## 715. Procurement services, purchasing agent's fees, distributor's fees, representative's fees

- ✔ procurement services such as finding and acquiring goods, materials, supplies etc. from an external source, and ensuring that buyer receives goods, services at the best possible price
- ✔ purchasing agent's fee, distributor's fee, representative's fee

### Do not report

- ✘ market research activities (report in item code 040)

## Reimbursement of Operating Expenditure

### 005. Reimbursement of operating expenditure

- ✔ **Receipts:** reimbursement received from your overseas Head Office and other related entities to cover your general operating expenses including wages and other expenses relating to the establishment's operations
- ✔ **Payments:** reimbursement to your overseas branches, business representative offices and other related entities for similar purpose

### Do not report

- ✘ amount received/paid on behalf of another related entity
- ✘ sales and purchases of goods with related entities
- ✘ administrative and management services (report in item code 015)
- ✘ specific services rendered to or received from overseas Head Offices/related entities (report under other relevant codes listed in the form)

## Other Transactions not indicated above

### 990, 991...

- ✔ report transactions with non-residents that are not found in any of the above items
- ✔ specify the type of transaction in the text box provided
- ✔ each service to be coded beginning with 990, 991 and so on