

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

GENERAL INSTRUCTIONS

Transactions to be reported in this form

1. In this form, you are required to report all transactions with non-residents unless otherwise stated. **Non-residents** are defined as:
 - (a) Persons whose main centre of interest is not in Singapore or whose residence in Singapore does not exceed one year;
 - (b) Companies and other bodies whose permanent or registered address is outside Singapore, including overseas branches or subsidiaries of Singapore-registered companies or institutions. Branches or subsidiaries of foreign companies located within Singapore are considered as residents.
2. Report transactions with non-resident related companies, even if they are made through the intra-corporate accounting system.

Transactions not to be reported in this form

3. In general, you need not report any transactions with **residents**. For example, payments to Singapore Telecoms for international calls need not be reported in this form. However, there are some exceptions. **Please refer to specific notes for these items.**
4. Do **not** report any goods imported into and exported from Singapore which have already been reported to Singapore Customs unless otherwise specified.
5. Do **not** report any remitted profits, interest, dividends, capital gains, loans, deposits, investments or any other capital flows.
6. Do **not** report any transactions with the following entities in Singapore, including their transactions on behalf of their non-resident principals:
 - (a) business representative offices of foreign companies;
 - (b) branches and offices of foreign airlines and shipping lines;
 - (c) shipping agencies acting on behalf of foreign shipping lines.

Residency of Transacting Parties

7. For services transactions, you should identify transactions based on residency of the party whom you render services to or receive services from, and not based on the party whom you receive reimbursements from or make payments to. For example, if your company provided legal services to a firm located in country A but was paid through a local business associate of that firm, you should report the legal services as receipts from country A.
8. Transactions with non-residents through your overseas agents should be treated as your own transactions with non-residents. Services rendered by your overseas agents to you should be reported as import of services.

Accrual Basis

9. Report amount earned and expenses incurred during the period whether or not the amount had been received or paid.

Gross Reporting

10. Transactions are to be reported on a gross basis. Expenses incurred in the course of rendering the service, e.g. commissions, other services, etc., are to be included. Report them separately, if applicable.

Currency

11. Report payments and receipts in ***thousand Singapore dollar***. Convert payments and receipts denominated in foreign currency to Singapore dollar at the exchange rate prevailing at the time of transaction.

How to Complete the Form

12. The following example depicts how non-resident transactions are to be captured:

Example

- Suppose your company received S\$20,000 and S\$50,000 in trading commissions 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 E**, please tick the appropriate items.

TRANSACTIONS WITH NON-RESIDENT CHECKLIST

Item Description	Code	Revenue/ Receipts	Expenses/ Payments
Third Party Commission and Agency Fees on trading of Goods	700	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Market Research Services	040	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(b) Proceed to fill in the transaction values for the respective item codes by country of trading partner in **Sections F and G** (REVENUE/RECEIPTS or EXPENSES/PAYMENTS).

REVENUE / RECEIPTS - DURING 2019

Trading Partners	Please use item codes in Explanatory Notes		
	Item Code	Item Code	Item Code
	<i>700</i>		
S\$'000 (Please report in Thousand Singapore dollar)			
Country A	<i>20</i>		
Country B	<i>50</i>		
Total value of all Trading Partners	<i>70</i>		

EXPENSES / PAYMENTS – DURING 2019

Trading Partners	Please use item codes in Explanatory Notes		
	Item Code	Item Code	Item Code
	<i>040</i>		
S\$'000 (Please report in Thousand Singapore dollar)			
Country C	<i>10</i>		
Total value of all Trading Partners	<i>10</i>		

MERCHANTING & COUNTERTRADE SERVICES DEFINITIONS (SECTION C)

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 - 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 (apply to both items 705 & 710)

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

753. Freight Charges

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

Do not report

- X 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, so 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
- ✓ party paid to can be a resident or non-resident, so 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 received from can be a resident or non-resident, so long as the goods were not declared to Singapore Customs
- ✓ include services such as discount received, trading commissions received, insurance claimed, etc.

SERVICES TRANSACTIONS WITH NON-RESIDENTS (SECTION D)

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

- X** promotions that are part of Exhibitions and Conferencing Services (report in code 025)
- X** 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

- X** 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 exhibitions (trade fairs, conferences) organised by local companies
- ✓ payments include expenses by local companies participating in exhibitions overseas
- ✓ 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

- X exports and imports of goods and materials

040. Market Research Services

- ✓ market research and telemarketing services
- ✓ public opinion polling on various issues
- ✓ the 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

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

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

- X transactions with local service providers (e.g. Singapore Post)
- X 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
- ✓ hardware and software consultancy implementation and installation
- ✓ 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 that are downloaded or delivered electronically

Do not report

- ✗ charges for license to use computer software and multimedia (report in code 655)
- ✗ charges for license to reproduce/distribute computer software and multimedia (report in code 656)
- ✗ sales and purchases of ownership rights of computer software and multimedia (report in 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/local publishing companies: 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 on-line news, financial information, business and 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

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

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

- X capital gains/losses, remitted profits, interest, loans, deposits, dividends
- X value of fund transfer or loan issued and any other investment or capital flows
- X non-financial advisory services (see code 015)
- X 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.

Do not report

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

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

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
- ✓ cover 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

- X insurance on cargo
- X 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

- X value of goods that have already been reported to Singapore's customs
- X assembly of prefabricated construction (report under Other Transactions)
- X labelling and packing incidental to transport (report in code 620)

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 (*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 (*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

- ✓ legal advisory and representation services in any legal, judicial and statutory procedures
- ✓ drafting services for legal documentation and instruments
- ✓ certification consultancy
- ✓ escrow and settlement services
- ✓ include transactions such as:
 - resident companies seeking services from non-resident law firms
 - resident law firms providing legal services to non-resident clients
 - services between resident law firm and non-resident law firm in the form of advisory and/or consultation

Do not report

- X** compensation for damages and settlements paid out to third party
- X** 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

- X administrative and management services (report in code 015)

560. Engineering and Technical Services

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

Do not report

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

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
- ✓ license paid as an end user, without further reproduction or distribution

Do not report

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

656. License to Reproduce or Distribute Computer Software and Multimedia

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

Do not report

- X purchases/sales of ownership rights for such intellectual property (report in 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

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

680. Other Royalties not classified above

- ✓ refers to all other royalty receipts/payments that are not included in the list above
- ✓ specify the type of royalty receipts/payments in the text box provided

691- 694. Purchase and Sales of Patents, Copyright, Trademark, etc.

- ✓ payment of royalties must also be distinguished from the purchase/sale of intellectual property such as patents, copyrights and trademark
- ✓ while 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 Logistic Services

- ✓ harbour and airport services fees received from or paid to non-residents in 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

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

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

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

- X market research activities (report in 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

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

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