

# INTERNATIONAL TRADE IN SERVICES SURVEY (MANUFACTURING / CONSTRUCTION / ENGINEERING) EXPLANATORY NOTES

## Table of Contents

1. General Instructions .....	1
1.1 What to report in this form .....	1
1.2 Residency of Transacting Parties .....	2
1.3 Digitally Delivered Services .....	3
2. How to Complete the Form (an example) .....	4
2.1 Revenue/Receipts .....	4
2.2 Expenses/Payments .....	5
3. Services Category Classification .....	6

## 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.

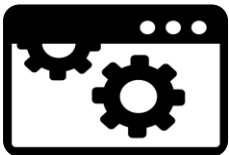
### 1.3 Digitally Delivered Services

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 (an example)

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

### 2.1 Revenue/Receipts

Suppose your company has the following transactions with non-residents.

- **Revenue/Receipts:** S\$800,000 and S\$1,000,000 for R & D services provided to your subsidiaries in Country A and Country B. An estimated S\$540,000 (30% of S\$1,800,000) were digitally delivered.

#### Section B1: Transactions with Non-Residents Checklist

Code	Item Description	Revenue/ Receipts	Expenses/ Payments
570	Research and development services	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

#### Section B2: Revenue / Receipts from Non-Residents

Item	Trading Partner	Revenue / Receipts (\$'000)
570 – Research and development services	Country A	800
570 – Research and development services	Country B	1,000

#### Section B4: Revenue / Receipts from Non-Residents (Percentage of Services Digitally Delivered)

Item	Percentage (%)
570 – Research and development services	30

## 2.2 Expenses/Payments

Suppose your company has the following transaction with a non-resident.

- **Expenses/Payments:** Your company paid S\$2,500,000 to a vendor in Country C for warehousing services.

### Section B1: Transactions with Non-Residents Checklist

Code	Item Description	Revenue/ Receipts	Expenses/ Payments
620	Cargo handling, warehousing and logistic services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

### Section B3: Expenses / Payments to Non-Residents
















Item	Trading Partner	Expenses / Payments (\$'000)
620 – Cargo handling, warehousing and logistic services	Country C	2,500

### Section B5: Expenses / Payments to Non-Residents (Percentage of Services Digitally Delivered)

In this example, there is no need to indicate a percentage in **Section B5** as “620 – Cargo handling, warehousing and logistic services” 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.

<b>Business Services</b>  <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="#">020. Recruitment and placement services</a></li> <li>➤ <a href="#">025. Trade fairs, exhibitions and conferencing services</a></li> <li>➤ <a href="#">035. Training 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>	<b>Communication Services</b>  <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>
<b>Construction Services</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">200. Amount accrued for construction services for overseas projects only</a></li> <li>➤ <a href="#">205. Construction-related consultancy for overseas projects only</a></li> <li>➤ <a href="#">206. Construction-related consultancy for local projects only</a></li> <li>➤ <a href="#">210. Construction labour for overseas projects only</a></li> <li>➤ <a href="#">215. Construction materials exported from Singapore for overseas projects only</a></li> <li>➤ <a href="#">216. Construction materials purchased from overseas for overseas projects only</a></li> </ul>	<b>Computer and Information Services</b>  <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> <li>➤ <a href="#">165. Editing, translation, publishing, interpretation and photographic services</a></li> </ul>
<b>Manufacturing Services</b>  <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>	<b>Financial Services</b>  <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>
<b>Professional Services</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">430. Membership and subscription fees</a></li> <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> <li>➤ <a href="#">565. Architectural and land surveying services</a></li> <li>➤ <a href="#">570. Research and development services</a></li> <li>➤ <a href="#">575. Agricultural and mining services</a></li> <li>➤ <a href="#">585. Waste treatment and de-pollution services</a></li> </ul>	<b>Insurance Services</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">462. Insurance on cargo excluding those on imported/exported goods</a></li> <li>➤ <a href="#">470. General insurance excluding insurance on cargo</a></li> </ul>
<b>Trade and Transport Related Services</b>  <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="#">705. Merchanting</a></li> <li>➤ <a href="#">715. Procurement services, purchasing agent's fees, distributor's fees, representative's fees</a></li> <li>➤ <a href="#">755. Charges for carriage of goods</a></li> </ul>	<b>Repair Services</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">610. Repair services (include: repairs of ships, aircrafts and other transport equipment; exclude: computer and construction repairs)</a></li> </ul>
<b>Professional Services</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">430. Membership and subscription fees</a></li> <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> <li>➤ <a href="#">565. Architectural and land surveying services</a></li> <li>➤ <a href="#">570. Research and development services</a></li> <li>➤ <a href="#">575. Agricultural and mining services</a></li> <li>➤ <a href="#">585. Waste treatment and de-pollution services</a></li> </ul>	<b>Royalties</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">650. Charges for the use of proprietary rights – patents, industrial design, industrial know-how, manufacturing rights and prototypes</a></li> <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="#">665. Charges to reproduce or distribute – publication copyrights</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>
<b>Trade and Transport Related Services</b>  <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="#">705. Merchanting</a></li> <li>➤ <a href="#">715. Procurement services, purchasing agent's fees, distributor's fees, representative's fees</a></li> <li>➤ <a href="#">755. Charges for carriage of goods</a></li> </ul>	<b>Reimbursement of Operating Expenditure</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">005. Reimbursement of operating expenditure</a></li> </ul>
	<b>Other Transactions</b>  <ul style="list-style-type: none"> <li>➤ <a href="#">990, 991... Other transactions</a></li> </ul>

## 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 under the specific service)

#### 020. Recruitment and placement services

- ✓ employment services such as search, placement and supply of manpower (professionals, managers, executives, technicians, skilled and semi-skilled workers)
- ✓ commission earned from non-residents or paid to overseas employment agencies or headhunters for hiring of manpower

##### **Do not report**

- ✗ wages of workers

## 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

## 035. Training services

- ✓ skilled-based or occupational training (full/part time) which include seminars, workshops and other short-term training courses such as computer or management courses for employees
- ✓ receipts include training of non-residents in Singapore and fees received by resident instructors providing training overseas
- ✓ payments include fees for temporary engagement of non-resident trainers, lecturers, or speakers to give speeches, lectures or to conduct training
- ✓ training fees will also include reimbursement of the trainer's transport cost and lodging expenses in Singapore

## 040. Market research services

- ✓ market research and telemarketing services
- ✓ public opinion polling
- ✓ 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 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**

- ✗ 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)

## 165. Editing, translation, publishing, interpretation and photographic services

- ✓ editing, translation, publishing, photographic services
- ✓ interpretation services refer to the engaging of non-resident interpreters to perform oral translations and vice versa



### **Do not report**

- ✗ exports and imports of books, materials, etc.

## **Construction Services**

This section covers services transactions whereby your company has direct involvement in overseas projects as a main contractor, sub-contractor, project management team, installation work team, etc., except for item code 206 which applies to local projects.

### **Do not report**

- ✗ projects carried out, or amount accrued to/paid by your overseas branches, subsidiaries or associates
- ✗ other expenses incurred in the projects e.g. legal services
- ✗ transactions on the building of vessels, gas and oil drilling rigs and production platform e.g. ships and aircrafts

**200. Amount accrued for construction services for overseas projects only**



- ✓ report the full value of the overseas construction project(s)
- ✓ include the creation, management, renovation, repair or extension of buildings and other constructions such as roads, bridges and dams
- ✓ include installation & assembly work, building & civil engineering, site preparation, exterior cleaning work and construction repairs
- ✓ renting of construction and demolition of equipment with operator
- ✓ specialised services such as painting, plumbing and demolition

**Do not report**

- ✗ construction of mobile structures e.g. ships, mobile drilling platforms

**205. Construction-related consultancy for overseas projects only**



- ✓ consultancy fees paid to all non-resident consultants such as civil engineers, architects, interior designers and other professionals involved in the overseas construction project(s)

**Do not report**

- ✗ labour hired in the country of project (report in item code 210)

**206. Construction-related consultancy for local projects only**



- ✓ consultancy fees paid to all non-resident consultants such as civil engineers, architects, interior designers and other professionals involved in the local construction project(s)

**Do not report**

- ✗ revenue from local projects
- ✗ wages paid to employees such as hired labour workers on work pass or permits

**210. Construction labour for overseas projects only**



- ✓ expenses paid to labour hired in country of project during the course of the construction

**Do not report**

- ✗ revenue from construction labour
- ✗ expenses paid to civil engineers, architects, interior designers and other professionals involved in the overseas construction project (report in item code 205)

**215. Construction materials exported from Singapore for overseas projects only**



- ✓ purchases of construction materials from Singapore for the sole purpose of the overseas construction project

**Do not report**

- ✗ trading or wholesaling of construction materials

## 216. Construction materials purchased from overseas for overseas projects only

- ✓ purchases of construction materials in the country where the project(s) have taken place or from any other country(s) other than Singapore, for the sole purpose of the overseas construction project

### **Do not report**

- ✗ trading or wholesaling of construction materials
- ✗ construction materials brought into Singapore for local projects
- ✗ construction materials brought over from Singapore for overseas project (report in item code 215)

## **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

- ✓ credit card commissions, guarantee fees
- ✓ 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**

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

## **Insurance Services**

### 462. Insurance on cargo excluding those on imported/exported goods

- ✓ **Receipts:** report **gross claims** received from non-resident insurers
- ✓ **Payments:** report **gross premiums** paid to non-resident insurers for insurance on outward cargo

#### **Do not report**

- ✗ insurance on exported and imported goods

### 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-resident firms 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
- ✗ assembly of prefabricated construction (report in item code 200)
- ✗ labelling and packing incidental to transport (report in item 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 (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

### 430. Membership and subscription fees

- ✓ **Receipts:** fees received from non-resident individuals or corporations to be a member or an affiliation to your establishment
- ✓ **Payments:** fees paid to foreign country clubs and international organisations as an individual member or an affiliation to it

### 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 code 150)
- ✗ construction services (report in item code 200)
- ✗ land and geologic surveying (report in item codes 565 and 575 respectively)
- ✗ mining engineering (report in item code 575)
- ✗ exports and imports of goods

### 565. Architectural and land surveying services

- ✓ property-related architectural & land surveying services (e.g. landscaping and interior design; quantity and building appraisal services)

#### **Do not report**

- ✗ construction services (report in item code 200)

### 570. Research and development services

- ✓ provision of basic research, applied research and experimental development in the area of life sciences, electronics, chemicals, engineering, information technology, social sciences, humanities and other natural sciences

#### **Do not report**

- ✗ market research services (report in item code 040)

### 575. Agricultural and mining services

- ✓ provision of agricultural machinery with crew, harvesting, treatment of crops, horticulture, forestry and logging
- ✓ livestock and fish farming, pest control, animal boarding, care and breeding services, hunting, trapping, fishing and veterinary services
- ✓ mining services provided at oil fields and gas fields including drilling, oil and gas well casing cementing, derrick building, repair and dismantling services
- ✓ mineral prospecting and exploration, mining engineering and geologic surveying



## 585. **Waste treatment and de-pollution services**



collection, treatment and disposal of waste

- ✓ remediation activities (e.g. land remediation)
- ✓ cleaning up of pollution including oil spills
- ✓ restoration of mining sites, decontamination and sanitation services
- ✓ all other services related to the cleaning or restoring of the environment

## Repairs

### 610. **Repair services (include: repairs of ships, aircrafts and other transport equipment; exclude: computer and construction repairs)**



- ✓ repair services such as the repair of ships, aircrafts and other transport equipment

#### Do not report

- ✗ value of goods that have already been reported to Singapore's customs
- ✗ computer repairs and maintenance (report in item code 150)
- ✗ cleaning of transport equipment (report under Other Transactions)
- ✗ construction repairs and maintenance (report in item code 200)

## Royalties

### 650. **Charges for use of proprietary rights - patents, industrial design, industrial know-how, manufacturing rights and prototypes**



- ✓ intellectual property includes patents, industrial know-how, industrial design, manufacturing rights and prototypes for the manufacturing sector
- ✓ a one-time fee paid upfront for the right to use 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 691)

### 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

- ✗ 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)

- 665. Charges to reproduce or distribute - publication copyrights** 

- ✓ fees paid mainly on a piece by piece basis for the rights to reproduce and/or distribute books or other original works of authors (e.g. translation rights), painters and sculptors, etc.




**Do not report**

- ✗ license related to computer software (report in item code 656)
- ✗ license related to audiovisual works (report in item code 680)
- ✗ purchases/sales of ownership rights for such intellectual property (report in item code 694)

- 680. Other royalties not classified above** 

- ✓ refers to all other royalty receipts/payments that are not included in item codes 650, 655, 656, 660 and 665
- ✓ 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 logistic 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

### 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
- ✗ procurement service, purchasing agent's fee, distributor's fee, representatives' fee (report in item code 715)
- ✗ market research (report in item code 040)

### 705. Merchanting

- ✓ 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

#### Do not report

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

## 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)

## 755. Charges for carriage of goods

- ✓ direct freight charges paid to non-residents
- ✓ freight charges received from non-residents for the carriage of goods

### **Do not report**

- ✗ reimbursements of freight charges on behalf of another company
- ✗ freight charges for goods exported from and imported into Singapore

## **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
- ✓ **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
- ✗ 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)
- ✗ sales and purchases of goods with related entities
- ✗ wages of workers

## **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