

**INTERNATIONAL TRADE IN SERVICES SURVEY
(FINANCIAL AND INSURANCE SERVICES)
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 a firm in country A provided your company legal services for S\$50,000. In addition, your company provided investment banking services amounting to S\$100,000 and S\$80,000 to your clients in country B and country C respectively.

(a) In **Section C**, please tick the appropriate items.

TRANSACTIONS WITH NON-RESIDENT CHECKLIST

Item Description	Code	Revenue/ Receipts	Expenses/ Payments
Investment Banking Services	351	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal Services	550	<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 D and E** (REVENUE/RECEIPTS or EXPENSES/PAYMENTS).

REVENUE / RECEIPTS - DURING 2019

Trading Partners	Please use item codes in Explanatory Notes		
	Item Code	Item Code	Item Code
	351		

S\$'000 (Please report in Thousand Singapore dollar)

Country B	100		
Country C	80		
Total value of all Trading Partners	180		

EXPENSES / PAYMENTS – DURING 2019

Country Code	Trading Partners	Please use item codes in Explanatory Notes		
		Item Code	Item Code	Item Code
		550		

S\$'000 (Please report in Thousand Singapore dollar)

Country A	50		
Total value of all Trading Partners	50		

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

- X promotions that are part of Trade Fairs, 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 (include these under the specific service)

020. Recruitment and Placement Services

- ✓ employment services such as search, placement and supply services of personnel
- ✓ commission earned from non-residents or paid to overseas employment agencies or head hunters for hiring of professionals (employment pass holders) and for labour recruitment (work permit holders)

Do not report

- X wages of workers

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

- ✗ exports and imports of goods and materials

035. Training Services

- ✓ training for non-educational purpose (full/part time) which is occupational related and 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 giving training overseas
- ✓ payments include fees for temporary engagement of non-resident trainers, lecturers or speakers to give speeches, lectures or to conduct any form of training curriculum 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 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

- ✗ international leased circuits (report in code 105)
- ✗ mailbox rental (report in code 100)
- ✗ safe deposit box service (report in code 355)
- ✗ 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

- ✗ 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
- ✓ 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

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

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

Financial Services

351. Investment Banking Services

- ✓ advising, arranging and underwriting of issuance, listing or placements of securities
- ✓ advising and arranging of corporate restructuring, mergers & acquisitions, project finance, debt issuance, equity issuance, private placements, privatisation, re-capitalisation and asset securitisation
- ✓ underwriting, placement of debt and equity issuance
- ✓ venture capital financing
- ✓ loan syndication

Do not report

- X capital gains/losses, remitted profits, interest, loans, deposits & dividends
- X value of fund transfer or loan issued
- X non-financial advisory services (report in code 015)

352. Financial Management Services

- ✓ investment management and advice for individuals and institutions
- ✓ investment research, provision of financial information and financial planning
- ✓ discretionary management of funds and management of collective investment schemes
- ✓ management of distressed debt, private equity and venture capital
- ✓ advisory services provided for funds not under discretionary management and wealth management for high net worth individuals (excluding deposit-taking services)

Do not report

- X capital gains/losses, remitted profits, interest, loans, deposits & dividends
- X value of fund transfer or loan issued
- X consultancy for other services such as banking (report in code 355), computer services (report in code 150)

355. Bank Services

- ✓ credit card commissions and guarantee fees
- ✓ charges & fees associated with fund transfers, loans, letters of credit, bankers' acceptance, cheque clearing, factoring, financial leasing, foreign exchange transactions and remittances 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

List of insurance items that are applicable to (1) insurance & reinsurance companies providing underwriting services, (2) insurance agents/brokers and (3) other companies domiciled in Singapore:

Insurance & Reinsurance Companies	Insurance Agents/Brokers	Other Companies
<ul style="list-style-type: none">• items 450, 455, 465, 466, 475• items 456, 460 (to report transactions with both resident & non-residents)	<ul style="list-style-type: none">• items 472, 474 (<u>on behalf of resident policyholders</u>)• item 475	<ul style="list-style-type: none">• items 470, 475

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

- ✗ if you are an insurance & reinsurance companies or a resident agent/broker
- ✗ insurance on cargo
- ✗ insurance on exported and imported goods

Note:

Insurance & reinsurance companies domiciled in Singapore are required to report the following insurance services items except for items 470, 472 & 474.

450. Life Insurance

- ✓ **Receipts:** report gross *premiums* received or receivable from non-residents
- ✓ **Payments:** report gross *claims* paid or payable to non-residents

Do not report

- ✗ reinsurance transactions (report in code 465 or 466)
- ✗ commissions, agency & brokerage fees (report in code 475)

455. General Insurance excluding Insurance on Cargo

- ✓ **Receipts:** report gross *premiums* received or receivable from non-residents
- ✓ **Payments:** report gross *claims* paid or payable to non-residents

Do not report

- ✗ reinsurance transactions (report in code 465 or 466)
- ✗ commissions, agency & brokerage fees (report in code 475)

456. Insurance on Outward Cargo

- ✓ covers insurance on goods that are in the process of being exported
- ✓ includes transactions with both residents (**Select Trading Partner as “Singapore” in Sections D & E**) and non-residents
- ✓ **Receipts:** report gross *premiums* received or receivable from residents and non-residents
- ✓ **Payments:** report gross *claims* paid or payable to residents and non-residents

Do not report

- X reinsurance transactions (report in code 465 or 466)
- X commissions, agency & brokerage fees (report in code 475)

460. Insurance on Transshipment and Other Types of Cargo

- ✓ covers insurance on goods that are on transshipment or any other types of cargo such as those traded on a merchanting basis
- ✓ includes transactions with both residents (**Select Trading Partner as “Singapore” in Sections D & E**) and non-residents
- ✓ **Receipts:** report gross *premiums* received or receivable from residents and non-residents
- ✓ **Payments:** report gross *claims* paid or payable to residents and non-residents

Do not report

- X reinsurance transactions (report in code 465 or 466)
- X commissions, agency & brokerage fees (report in code 475)

465. Inward Reinsurance

- ✓ life and general (including cargo insurance, treaty insurance) reinsurance placed by non-residents insurers with your company
- ✓ **Receipts:** report gross reinsurance premiums received or receivable from non-residents insurers
- ✓ **Payments:** report gross reinsurance claims paid or payable to non-residents insurers

466. Outward Reinsurance

- ✓ life and general (including cargo insurance, treaty insurance) reinsurance placed by your company with non-residents reinsurers
- ✓ **Receipts:** report gross reinsurance claims received or receivable from non-residents reinsurers
- ✓ **Payments:** report gross reinsurance premiums paid or payable to non-residents reinsurers

Note:

Resident Agents/Brokers are required to report item 475 and items 472, 474 (on behalf of resident policyholders).

472. General Insurance excluding Insurance on cargo

- ✓ **Receipts:** report gross claims received or receivable from non-resident insurers on behalf of resident policyholders
- ✓ **Payments:** report gross premiums paid or payable to non-resident insurers on behalf of resident policyholders

Do not report

- ✗ if you are **not** a resident agent/broker
- ✗ commissions, agency & brokerage fees (report in code 475)

474. Insurance on cargo

- ✓ **Receipts:** report gross claims receivable from non-resident insurers on behalf of resident policyholders
- ✓ **Payments:** report gross premiums paid or payable to non-resident insurers on behalf of resident policyholders

Do not report

- ✗ if you are **not** a resident agent/broker
- ✗ commissions, agency & brokerage fees (report in code 475)

475. Other Insurance-Related Charges

- ✓ non-resident transactions that are closely related to insurance operations
- ✓ agency fees and commissions
- ✓ insurance/reinsurance brokerage fees & insurance consultancy services
- ✓ charges for risk survey, evaluation & loss adjustment services, actuarial services, salvage administration services
- ✓ regulatory and monitoring services on indemnities & recovery services

Do not report

- ✗ gross premiums received and gross claims paid

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

- ✓ 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
- ✓ including transactions such as:
 - resident companies seeking services from non-resident law firms/departments
 - 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 & consultancy and preparation of tax documents

Do not report

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

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)

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

- X license related to computer software (report in code 656)
- X license related to audiovisual works (report in code 680 - Please specify type of royalty)
- X purchases/sales of ownership rights for such intellectual property (report in code 694)

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

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 survey)
- 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

