

# Goods and Services Tax

## **A Handbook on the Zero GST Warehouse Scheme**

If you are in the business of import, export, distribution or warehousing, this handbook may be for you. This handbook provides you with information on the Zero GST Warehouse Scheme - a GST suspension scheme which aims to facilitate your business by improving cash flow and reducing administration cost.



**Singapore Customs**  
Jun 2006 Version

## Preface

All goods are subject to Goods and Services Tax (GST) upon importation.

Even for a GST-registered importer who pays GST at the point of importation (i.e. input tax) and in turn charges GST on the supplies he makes (i.e. output tax), the input tax represents a cost to him in terms of cash flow. This is especially so if he re-exports his goods. This is because exports are zero-rated, i.e. he will not charge an output tax to help mitigate the cost of financing the input tax.

Moreover, the need to charge and account GST on all imports and local supplies may result in substantial administrative costs to businesses.

The Zero GST Warehouse Scheme (“Zero GST Scheme”) aims to strengthen Singapore’s status as a logistics and distribution hub in the region. It helps importers, exporters and distributors to reduce business costs.

A zero-GST warehouse is conceptually an extension of the Free Trade Zone (FTZ) into the premises of businesses. When the goods are removed from the FTZ or imported via the land checkpoints, and moved into a zero-GST warehouse, GST on the goods is suspended. Similarly, GST is suspended when the goods are transferred from one zero-GST warehouse to another. GST is only payable when the goods are removed from the zero-GST warehouse into the local market.

In addition, supplies of the goods while they are warehoused are disregarded for GST purposes. In other words, no GST is charged on “in-bond” sales (where ownership of the goods changes while the goods remain in warehouse). However, storage charges of zero GST warehouse will be subject to GST unless it is incurred directly in connection with goods that are meant for export and your services are provided to an overseas person.

Under the Zero GST Scheme, there are three licence types, namely Warehouse Type I, Warehouse Type II and Warehouse Type III, to cater to the different needs of companies. This handbook will explain in details the mechanism, the qualifying criteria and conditions of participating in the Zero GST Scheme.

If you need information on other customs documentation and procedures, please visit our website at <http://www.customs.gov.sg>.

# Contents

Section		Page
<b>1.</b>	<b>About This Handbook</b>	
1.1	Is this handbook meant for me?	5
1.2	What is this handbook about?	5
<b>2.</b>	<b>Overview of the Zero GST Scheme</b>	
2.1	What is a zero-GST warehouse?	6
2.2	How will a zero-GST warehouse benefit my company?	6
2.3	Who can operate a zero-GST warehouse?	6
2.4	What types of goods can be warehoused?	7
2.5	What operations can be performed on the zero-GST goods?	7
2.6	What are the basic qualifying criteria to operate a zero-GST warehouse?	7
2.7	What are the licence types available to my company?	7
2.8	Which licence type is meant for my company?	8
2.9	Flow chart to help determine the licence type for your company	9
<b>3.</b>	<b>Warehouse Type I</b>	
3.1	Whom is this for?	10
3.2	What are the benefits?	10
3.3	How do I qualify?	10
3.4	What are my responsibilities?	11
<b>4.</b>	<b>Warehouse Type II</b>	
4.1	Whom is this for?	12
4.2	What are the benefits?	12
4.3	How do I qualify?	12
4.4	What are my responsibilities?	13
<b>5.</b>	<b>Warehouse Type III</b>	
5.1	Whom is this for?	15
5.2	What are the benefits?	15
5.3	How do I qualify?	15
5.4	What are my responsibilities?	16
<b>6.</b>	<b>Other General Responsibilities of a Zero-GST Warehouse Licensee</b>	18
<b>7.</b>	<b>Other Administrative Details</b>	
7.1	Do I have to lodge a bank guarantee or insurance bond as security?	20
7.2	How much is the licence fee and how often do I need to renew the licence?	20

<b>Section</b>		<b>Page</b>	
	7.3	How do I apply for a licence to operate a zero-GST warehouse?	20
	7.4	Is the license transferable?	21
	7.5	Whom do I contact for further clarifications?	21
<b>8.</b>	<b>Glossary</b>		22
<b>9.</b>	<b>Annex</b>		
		Example of a monthly stock return by a Type II / III licensee	26

# 1 About This Handbook





## 1.1 Is this handbook meant for me?

If you wish to suspend GST on your imported goods and you belong to any of the four categories of traders listed below, you should read this handbook.

- (a) you trade in imported commodities which are sold many times (within the warehouse premises) before these commodities are released for regional/international and/or local distribution. In this case, a zero-GST warehouse affords the advantage of disregarding the multiple supplies for GST purposes;
- (b) you use Singapore as a regional/international distribution hub (import goods into Singapore and then re-export them). In this case, the zero-GST warehouse serves as your “FTZ”. Goods which are eventually re-exported will not attract GST. Goods are subject to GST only upon release into the local market;
- (c) you import goods for local distribution and you wish to defer the GST on your imported goods until they are released locally; or
- (d) you operate a service warehouse and you have customers belonging to the categories mentioned in (a), (b) or (c) above.

## 1.2 What is this handbook about?

This handbook tells you:

- (a) what you need to know about the Zero GST Scheme  *see Section 2*;
- (b) the licence types available, the benefits of each type and conditions you must meet to operate a zero-GST warehouse  *see Sections 3 to 5*;
- (c) what your obligations as a licensee are  *see Section 6*; and
- (d) how to apply for the scheme and other administrative details  *see Section 7*;

# 2 Overview of the Zero GST Scheme

## 2.1 What is a zero-GST warehouse?

A zero-GST warehouse is a designated area approved by Singapore Customs (SC) for storing imported goods with GST suspended.

Depending on circumstances, a zero-GST warehouse may be the entire premises, a designated part of the premises, a storage tank or any other places approved by SC. The designated part may be demarcated with lines, separating it from other areas.

You are allowed to use the non-designated area of the same warehouse premises for other purposes such as storing goods acquired locally or goods for which GST has been paid.

Non-zero-GST goods are not allowed to be stored in the designated zero-GST areas. However, you may seek approval to waive this condition if you have in place a computerised and up-to-date inventory tracking system, i.e. your inventory system is able to differentiate the non-zero-GST goods from the zero-GST goods, and can identify their exact locations.

## 2.2 How will a zero-GST warehouse benefit my company?

It will improve cash flow and reduce administrative costs for your business as GST is suspended on goods

- (a) imported into zero-GST warehouses;
- (b) traded within zero-GST warehouses;
- (c) removed between zero-GST warehouses; and
- (d) removed to traders registered under the Major Exporter Scheme (MES) and the Approved Third Party Logistics (A3PL) Company Scheme.

## 2.3 Who can operate a zero-GST warehouse?

Zero-GST warehouses may be operated by the owners of the goods or by service warehouse operators who take responsibility for the security, accountability and proper control of the zero-GST goods.

## 2.4 What types of goods can be warehoused?

As a general rule, you can warehouse any goods except:

- (a) dutiable goods;
- (b) locally-acquired or manufactured goods; and
- (c) GST-paid goods.

Dutiable goods must be stored in a Licensed Warehouse, while locally-acquired or manufactured goods and GST-paid goods can be stored in the non-designated areas of the same warehouse premises.

## **2.5 What operations can be performed on the zero-GST goods?**

Generally, value-adding operations intended to make the imported goods ready for the next link in the supply chain are permitted, as long as they do not change the original characteristics of the goods.

Examples of permitted operations are:

- (a) re-packing where the quantities of the zero-GST goods are preserved;
- (b) re-packaging, including mixing, sorting, grading, labelling, stamping, etc. for distribution or sale;
- (c) preservation to keep the zero-GST goods dry, cool or frozen; and
- (d) lubricating, rust-proofing, airing or cleaning the zero-GST goods.

## **2.6 What are the basic qualifying criteria to operate a zero-GST warehouse?**

To qualify, you must meet the following basic criteria:

- (a) You are a GST-registered trader with the Inland Revenue Authority of Singapore (IRAS);
- (b) You are a registered trader with SC;
- (c) You must not have major trade non-compliance records with SC and IRAS;
- (d) The premises designated to be the zero-GST area must be a storage-based facility that is physically-secured; and
- (e) You must have good stock record-keeping and warehouse procedures that ensure accountability of the goods. There must be clear lines of responsibility between the warehouse staff.


## **2.7 What are the licence types available to me?**

Under the Zero GST Scheme, there are three licence types, namely Warehouse Type I, Warehouse Type II and Warehouse Type III, for you to choose from. Generally, the higher the level of facilitation and flexibility accorded to your company, the greater


will be SC's requirement on your company's quality of record-keeping and internal controls.

In this regard, the level of facilitation and flexibility accorded, as well as SC's requirement on your company's record-keeping and internal controls standard, increase as you move from Warehouse Type I to Warehouse Type III.


## **2.8 Which licence type is meant for my company?**

In selecting the licence type for your company, you have to consider your business activities and needs, and the licence type that you may qualify. An overview of the three licence types is given below. Always talk to our customs officers as they are ready to assist and advise you on the licence type most appropriate for your business activity.  See Section 7.4 for SC's contact information.


### **Warehouse Type I**

If you operate a storage facility and you need a zero-GST warehouse primarily to hub imported goods in Singapore for subsequent re-distribution in the region/internationally, this licence type may be suitable for you. You need to ensure that at least 80% of the goods imported and stored in the zero-GST warehouse are re-exported subsequently. Hence, SC's requirement on the quality of your record-keeping and internal controls is minimal.  See Section 3 for more details on this licence type.

### **Warehouse Type II**

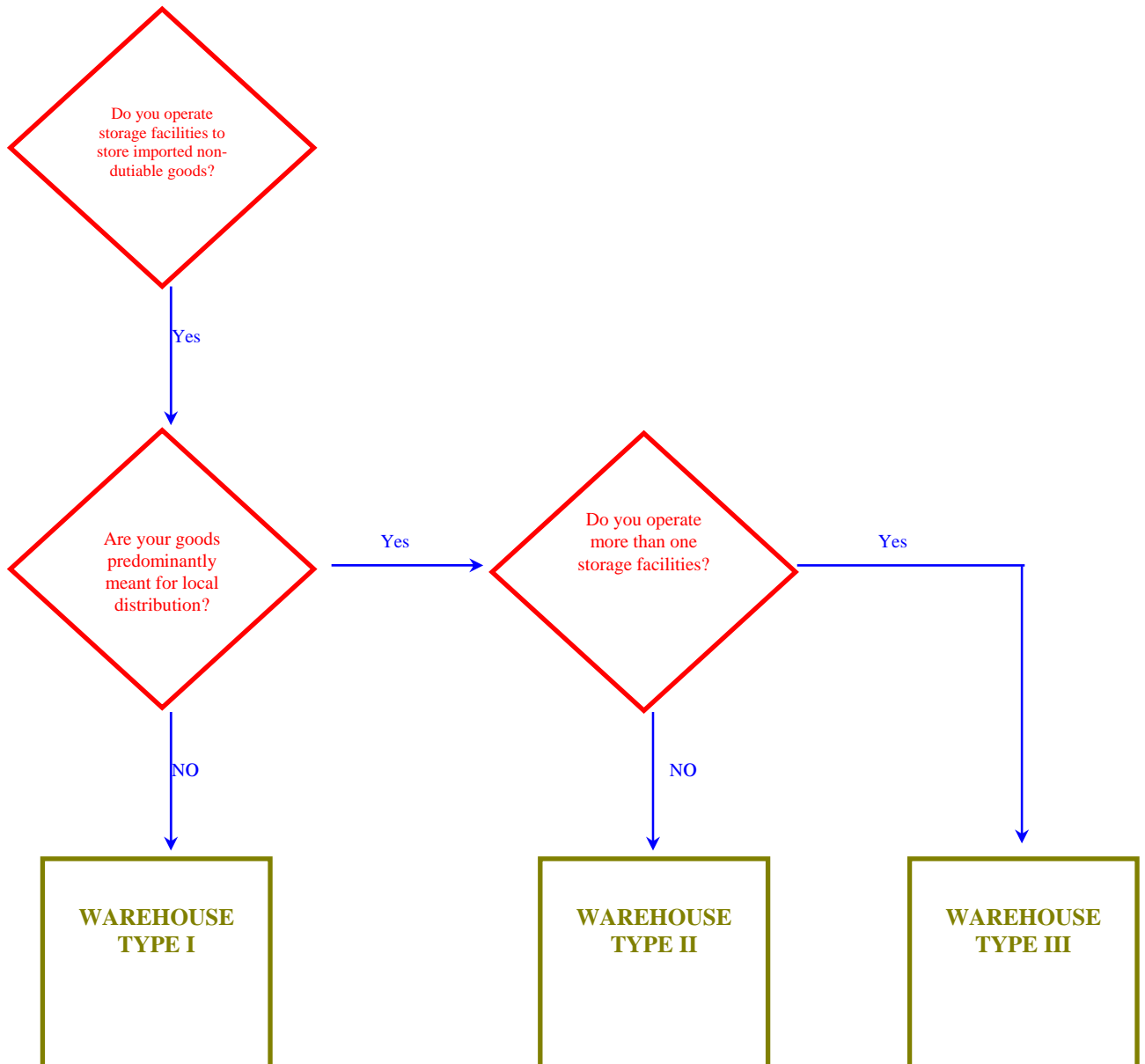
Besides using Singapore as a regional/international hub for imported goods, if your goods are also meant for local release, this licence type may be suitable for you. Unlike Type I, there is no cap on the percentage of your zero-GST goods that can be locally-released for this licence type. Hence, importers will be able to enjoy GST suspension until the zero-GST goods are released for local consumption. To qualify, your company must have good financial health and reasonably sound inventory system and internal controls for stock accountability.  See Section 4 for more details on this licence type.

### **Warehouse Type III**

If you are operating multiple storage facilities which store imported goods for exports as well as local release, this license type may be suitable for you. Not only will you enjoy GST suspension on imported goods predominantly meant for local release, you will also enjoy flexibility in the storage and movement of goods between the storage facilities. If your business has a high volume of local releases, you may also take up the option available to you where you can enjoy the flexibility of making a consolidated GST payment declaration on a weekly basis. To qualify for this warehouse type, your company must be financially sound and demonstrate robust internal controls and inventory systems in stock monitoring and accounting.  See Section 5 for more details on this licence type.

To assist you in deciding the licence type most appropriate for your company, you may refer to the Flow Chart at Section 2.9.

## 2.9 Flow Chart to help determine the Licence Type for your company



# 3 Warehouse Type I

## 3.1 Whom is this for?

Warehouse Type I may be operated by importers and service warehouse operators who store imported goods, with at least 80% meant for re-export.

## 3.2 What are the benefits?

As an approved licensee, you enjoy the following benefits:

3.2.1 The zero-GST warehouse may be located anywhere in Singapore.


3.2.2 GST is suspended on goods

- (a) imported into the zero-GST warehouse;
- (b) traded within the zero-GST warehouse;
- (c) removed between zero-GST warehouses; and
- (d) removed to traders registered under the Major Exporter Scheme (MES) and the Approved Third Party Logistics (A3PL) Company Scheme.

3.2.3 You can keep the goods in the zero-GST warehouse for an indefinite period of time.

## 3.3 How do I qualify?

You may apply to operate this type of zero-GST warehouse if you satisfy the following criteria:

3.3.1 You meet the basic qualifying criteria to operate a zero-GST warehouse.   
*See Section 2.6 for the basic qualifying criteria.*

3.3.2 You have stock records that accurately monitor the level and movement of the zero-GST goods.


3.3.3 You have procedures that ensure the proper

- (a) handling, and
- (b) documentation

of the movement of the zero-GST goods by your staff.

### **3.4 What are my responsibilities?**

As an approved licensee, you need to comply with the following:

- 3.4.1 To ensure that at least 80% of the zero-GST goods are subsequently re-exported.
- 3.4.2 To submit annual financial statements to Singapore Customs.
- 3.4.3 To notify SC **before** changes are made to the following:
  - (a) list of your zero-GST warehouse's customers (if you are a service warehouse); and
  - (b) your zero-GST warehouse's organizational structure.
- 3.4.4 To use a Customs-assigned lot number for every product which will be used in the customs permits covering the movement of the zero-GST goods. The zero-GST goods must be stored in such a manner that they can be easily identified and tracked by their lot numbers.
- 3.4.5 To submit the following through Warehouse Inventory Submission Electronically (WISE) System:
  - (a) each movement of zero-GST goods in and out of warehouse; and
  - (b) monthly closing balances of zero-GST goods of active Customs-assigned lot numbers
- 3.4.6 To surrender the licence to SC and apply for a new licence when there are changes in the following:
  - (a) name of licensee;
  - (b) CR number; or
  - (c) address of zero-GST warehouse.
- 3.4.7 To undertake all other general responsibilities to operate a zero-GST warehouse.  See Section 6 for the other general responsibilities.

# 4 Warehouse Type II

## 4.1 Whom is this for?

Warehouse Type II may be operated by importers and service warehouse operators who store imported goods, for regional/international and/or local distribution.

## 4.2 What are the benefits?

As an approved licensee, you enjoy the following benefits:

4.2.1 The zero-GST warehouse may be located anywhere in Singapore.

4.2.2 GST is suspended on goods


- (a) imported into the zero-GST warehouse;
- (b) traded within the zero-GST warehouse;
- (c) removed between zero-GST warehouses; and
- (d) removed to traders registered under the Major Exporter Scheme (MES) and the Approved Third Party Logistics (A3PL) Company Scheme.

4.2.3 You may release 100% of your zero-GST goods for local consumption upon payment of GST.


4.2.4 You can keep the goods in the zero-GST warehouse for an indefinite period of time.

## 4.3 How do I qualify?

You may apply to operate this type of Warehouse if you satisfy the following criteria:

4.3.1 You meet the basic qualifying criteria to operate a zero-GST warehouse.   
*See Section 2.6 for the basic qualifying criteria.*

4.3.2 You have a computerised stock inventory system that accurately monitors the level and movement of the zero-GST goods. The system must be able to record and display on demand, the following information:

- (a) Unique stock-keeping unit (SKU) number for goods  *See Section 4.4.1 for the requirements on SKU numbers.*

- (b) Description of goods.
- (c) Name of importing customer (if you are a service warehouse).
- (d) Inward / Outward quantity and the corresponding unit of measurement.
- (e) Stock balance and the corresponding unit of measurement.

4.3.3 You have procedures that ensure the proper

- (a) handling,
- (b) documentation, and
- (c) checking

of the movement of the zero-GST goods by your staff.

4.4.4 There is clear segregation of duties between your warehouse administrative staff and operational staff.

#### **4.4 What are my responsibilities?**

As an approved licensee, you need to comply with the following:


4.4.1 To submit audited annual financial statements by Certified Public Accountant to SC.


4.4.2 To notify SC **before** changes are made to the following:

- (a) list of your zero-GST warehouse's customers (if you are a service warehouse);
- (d) your zero-GST warehouse's organizational structure;
- (c) your zero-GST warehouse's operating procedures; and
- (d) features of the inventory system used for the zero-GST warehouse.

4.4.3 To conduct periodic stock counts of the zero-GST goods and to maintain documentary records of such counts.

4.4.4 To assign a SKU number (by your company) to every product which will be used in the customs permits covering the movement of the zero-GST goods. The zero-GST goods shall be stored in such a manner that they can be easily identified and tracked by their SKU numbers.

4.4.5 To submit a monthly inventory report (showing the stock movements and balances of the goods in the zero-GST warehouse in the month) to SC.  See Annex for an example of the required monthly inventory report.

- 4.4.6 To surrender the licence to SC and apply for a new licence when there are changes in the following:
- (a) name of licensee;
  - (b) CR number; or
  - (c) address of zero-GST warehouse.
- 4.4.7 To undertake all other general responsibilities to operate a zero-GST warehouse.  See Section 6 for the other general responsibilities.

# 5 Warehouse Type III

## 5.1 Whom is this for?

Warehouse Type III may be operated by importers and service warehouse operators who store imported goods at different locations, for international/regional and/or local distribution.



## 5.2 What are the benefits?

As an approved licensee, you enjoy the following benefits:

- 5.2.1 The zero-GST warehouse may be located anywhere in Singapore.
- 5.2.2 You may operate several zero-GST warehouses at different locations approved by SC, under a single licence. You can move the zero-GST goods between the zero-GST warehouses under the same licence without declaring customs permits.
- 5.2.3 GST is suspended on goods
  - (a) imported into the zero-GST warehouse;
  - (b) traded within the zero-GST warehouse;
  - (c) removed between zero-GST warehouses; and
  - (d) removed to traders registered under the Major Exporter Scheme (MES) and the Approved Third Party Logistics (A3PL) Company Scheme.
- 5.2.4 You may release 100% of your zero-GST goods for local consumption upon payment of GST.
- 5.2.5 You can keep the goods in the zero-GST warehouse for an indefinite period of time.
- 5.2.6 Non-zero-GST goods are allowed to be stored in the designated zero-GST area.
- 5.2.7 You may choose to make a consolidated GST payment declaration covering the local releases of goods at the end of each week.

## 5.3 How do I qualify?

You may apply to operate this type of Warehouse if you satisfy the following criteria:

- 5.3.1 You meet the basic qualifying criteria to operate a zero-GST warehouse.  See Section 2.6 for the basic qualifying criteria.
- 5.3.2 You have a computerised stock inventory system that accurately monitors the level and movement of the zero-GST goods. The system must be able to record and display on demand, the following information:
- (a) Unique stock-keeping unit (SKU) number for goods  See Section 5.4.1 for the requirements on SKU numbers.
  - (b) Description of goods.
  - (c) Location of goods
  - (d) Name of importing customer (if you are a service warehouse).
  - (e) Customs permit number
  - (f) Inward / Outward quantity and the corresponding unit of measurement.
  - (g) Stock balance and the corresponding unit of measurement.
- 5.3.3 Your inventory system has security features and can log the access and data changes.
- 5.3.4 To ensure that all zero-GST stocks at multiple warehouses can be accessed at any of the locations and via a single system.
- 5.3.5 You employ automatic identification technology (e.g. barcoding or RFID).
- 5.3.6 You have procedures that ensure the proper
- (a) handling,
  - (b) documentation,
  - (c) checking, and
  - (d) verification
- of the movement of the zero-GST goods by your staff. These procedures are properly documented.
- 5.3.7 There is clear segregation of duties between your warehouse administrative staff and operational staff.
- 5.3.8 The staff receiving/releasing goods is different from the staff verifying such operations.
- 5.3.9 You have no default payment records with IRAS and SC.

## 5.4 What are my responsibilities?

As an approved licensee, you need to comply with the following:

5.4.1 To submit the following to SC annually:


- (a) audited financial statements by Certified Public Accountant; and
- (b) audited warehouse procedures.

5.4.2 To notify SC **before** changes are made to the following:

- (a) list of your zero-GST warehouse's customers (if you are a service warehouse);
- (e) your zero-GST warehouse's organizational structure;
- (c) your zero-GST warehouse's operating procedures; and
- (d) features of the inventory system used for the zero-GST warehouse.

5.4.3 To conduct periodic stock counts of the zero-GST goods and to maintain documentary records of such counts.


5.4.4 To assign a SKU number (by your company) to every product which will be used in the customs permits covering the movement of the zero-GST goods. The zero-GST goods shall be stored in such a manner that they can be easily identified and tracked by their SKU numbers.

5.4.5 To generate from the inventory system and submit an inventory report showing the movements and balances of the goods stored in the zero-GST warehouse to SC upon request.  See Annex for an example of the required monthly inventory report.

5.4.6 To surrender the licence to SC and apply for a new licence when there are changes of the following:

- (a) name of licensee;
- (b) CR number; or

5.4.7 To authorise a person to handle all matters related to the zero-GST warehouse with SC. This person must have control of the warehouse operation and has full knowledge of the customs requirements and obligations as a zero-GST warehouse licensee.

5.4.8 To undertake all other general responsibilities to operate a zero-GST warehouse.  See Section 6 for the other general responsibilities.



# 6 Other General Responsibilities

As an approved licensee, you must also comply with the following:

- 6.1 To declare relevant customs permits for all goods moved into and out from the zero-GST warehouse. GST shall be paid on the GST-suspended goods stored in the zero-GST warehouse when released for local consumption. GST-paid goods cannot be brought back into the zero-GST warehouse regime. However, if you are operating a Type III warehouse, you are not required to take up removal permits for zero-GST goods moved between different locations under the same licence.
- 6.2 To state customs-assigned zero-GST warehouse licence number in the customs permits for movement of the zero-GST goods.
- 6.3 To ensure that the nature and quantity of zero-GST goods received into or released from the zero-GST warehouse are in accordance with those described in the customs permits.
- 6.4 To store the zero-GST goods in the designated storage area marked in the approved layout plan. Approval has to be sought from SC for any reduction or extension of the designated storage area.
- 6.5 To be responsible for the zero-GST goods stored in the zero-GST warehouse and to be accountable for the GST payable on the zero-GST goods.
- 6.6 To ensure that value-adding activities on the zero-GST goods do not change the original characteristics of these goods.
- 6.7 To report to SC in writing any discrepancies, by the following working day. Such discrepancies include those detected during stock counts, receipt of goods into, and release of goods from, the zero-GST warehouse.
- 6.8 To keep all inventory records up-to-date.
- 6.9 To maintain all in-handling documents, out-handling documents and other supporting records for the movement of the zero-GST goods.
- 6.10 To maintain records and supporting documents on zero-GST goods released locally.
- 6.11 To make all payments of GST and customs-related fees via InterBank GIRO.
- 6.12 To produce records and documents to SC within 7 working days upon request.
- 6.13 To provide adequate support to SC performing audit and stock checks.
- 6.14 To obtain the necessary clearance from other relevant authorities.

- 6.15 To comply with Regulations 94 to 103 of the Goods and Services Tax (General) Regulations and any other conditions imposed by SC from time to time.
- 6.16 To ensure that the zero-GST warehouse is not used as a container yard for the temporary storage of containers.

# 7

## Other Administrative Details

### 7.1 Do I have to lodge a bank guarantee or insurance bond as security?

No. However, SC may require you to furnish one if you have major trade non-compliance records with SC or IRAS, or if you do not fulfil SC's requirements as a zero-GST warehouse operator.

### 7.2 How much is the licence fee and how often do I need to renew the licence?

Licence fee details can be found at our website <http://www.customs.gov.sg/>. It is payable before the issuance of the licence and will be pro-rated where necessary.

The licence is renewable every year. However, renewal is not guaranteed as it depends on your compliance records with SC or IRAS.

### 7.3 How do I apply for a licence to operate a zero-GST warehouse?

Step 1: You may apply for a licence to operate a zero-GST warehouse by e-filing at <http://www.customs.gov.sg/>.

Step 2: You are also required to submit the following documents to Revenue Control Branch, Singapore Customs, 55 Newton Road #09-01, Singapore 307987:

1. A copy of the site plan and the layout of the intended zero-GST warehouse.
2. Information about the warehouse (This form can be downloaded from Customs website at <http://www.customs.gov.sg/>).

Step 3: On receipt of your application, our officers will contact you for a meeting. Please take this opportunity to raise queries or to clarify your doubts.

Step 4: Our officers may inspect your proposed zero-GST warehouse. You need to also register your company and signatories for Customs and/or GST transactions, by e-filing at <http://www.customs.gov.sg/>, if you have not already done so.

Step 5: In addition, you need to submit the following documents before the field inspection (Forms 1 to 3 can be downloaded from Customs website at <http://www.customs.gov.sg/>):

1. Application for Interbank GIRO (you need not submit this form if you already have an Interbank GIRO account with SC)
2. Authorisation of Declaring Agent(s) for Licensed Premises
3. Netrust Digital Certificate Application Form (ONLY IF you are applying for Warehouse Type I)
4. Your organisation chart showing staff involved in the zero-GST warehouse. The chart should show the full names and responsibilities of the staff.

5. Your latest year-end audited financial statement, if any.
6. Your warehouse procedural manual on:
  - (i) the handling of in-bound cargoes (from receipt of customers'/supplier's instructions, to receipt of the goods into the warehouse and the updating of stock records);
  - (ii) the handling of out-bound cargoes (from receipt of delivery instructions from your customers, to the point when your stock records are updated);
  - (iii) stock-taking;
  - (iv) discrepancy-reporting; and
  - (v) other controls in place to ensure that the records are updated and accurate.

Your procedural manual should include step-by-step details of the tasks performed by your staff and the documents prepared/generated in the process.

#### **7.4 Is the licence transferable?**

The licence is strictly non-transferable. You are to ensure that there is no sub-letting of the zero-GST warehouse. You should be responsible for managing all movements of zero-GST goods in your warehouse.

#### **7.5 Whom do I contact for further clarifications?**

This handbook is designed for general information only. It may not answer all your questions on the Zero GST Scheme. Should you need further clarifications or advice, you may e-mail to us at [customs\\_revenue\\_control@customs.gov.sg](mailto:customs_revenue_control@customs.gov.sg)



## Glossary

### **APPROVED THIRD PARTY LOGISTICS (A3PL) COMPANY SCHEME**

The Approved 3PL (A3PL) Company Scheme, administered by IRAS, is designed to cater to the specific business needs of third-party logistics (3PL) companies. It facilitates the movement of goods that are managed by 3PL companies under a Vendor-Managed Inventory (VMI) environment, so that the local 3PL companies can offer their services more competitively. Generally, the scheme allows an approved 3PL company to import goods belonging to itself or its overseas principals without collecting GST.

### **CENTRAL REGISTRATION NUMBER (CR)**

Central Registration Number (CR) is the number issued by SC to traders who wish to conduct import, export, trans-shipment and other trading activities in Singapore.

### **CUSTOMS LOT NUMBER**

Customs Lot Numbers are numbers (five unique alpha prefix with four numeric characters running serially from 0001 to 9999) assigned to you by SC. Unique Customs lot numbers must be used for each product in a shipment and must be declared in the respective customs clearance permits covering the zero-GST goods. Customs lot numbers are required for tracking the various zero-GST goods in a shipment.

### **DUTIABLE GOODS**

Dutiable goods are goods subject to the payment of customs duty or excise duty on entry into customs territory, or goods manufactured in Singapore for which customs duty or excise duty is liable.

### **APPROVED COMMODITIES**

Approved commodities include coffee, pepper, rubber, base metals (copper, nickel, aluminium, lead, zinc and tin), crude oil and petroleum.

### **GOODS & SERVICES TAX (GST)**

Goods & Services Tax (GST) is a tax on domestic consumption. GST is charged on all supplies of goods and services in Singapore and on goods imported into Singapore. SC collects GST at the point of importation, as well as goods which are locally manufactured and which attract excise duty.

### **FREE TRADE ZONE (FTZ)**

Free Trade Zone is any area in Singapore which has been declared to be a free trade zone under the Free Trade Zones Act. There are no customs formalities on the movement of goods within a FTZ.

## **LICENSED WAREHOUSE**

Licensed warehouse is a designated area approved by SC with corresponding licensing conditions, for the storage of dutiable goods.

## **MAJOR EXPORTER SCHEME (MES)**

The Major Exporter Scheme (MES), administered by IRAS, is designed to alleviate the cash flow of importers who have significant exports. GST will be suspended on goods imported by approved MES companies.

## **NON-ZERO-GST GOODS**

Non-zero-GST goods are any goods other than zero-GST goods. They include dutiable goods or goods for which GST is not liable.

## **NON-DUTIABLE GOODS**

Non-dutiable goods are goods not subject to the payment of customs duty or excise duty.

## **STOCK-KEEPING UNIT (SKU) NUMBERS**

SKU numbers are numbers assigned to the zero-GST goods by the licensee himself. Unique SKU numbers must be used for each product in a shipment and must be declared in the respective customs permits covering the zero-GST goods. They are required for tracking the various zero-GST goods in a shipment.

## **STORAGE-BASED FACILITIES**

Storage-based facilities are warehouses meant for the storage of goods only.

## **WAREHOUSE INVENTORY SUBMISSION ELECTRONICALLY VIA INTERNET (WISE)**

WISE is an internet application that allows licensees of each licensed premise to create, submit and amend daily or monthly inventory statements to SC.

## **ZERO-GST GOODS**

Zero-GST goods are imported, non-dutiable goods stored in a zero-GST warehouse with GST suspended.

# 9 Annex

## Example of a Monthly Inventory Report Required of a Type II / III Licensee

**Company** A B C LTD  
**License Number** BW0000  
**Print Date** DD/MM/YYYY

In- House SKU	Description of Goods	Customs Permit Number	Inward		Outward		Balance	
			Quantity	Unit of Measurement	Quantity	Unit of Measurement	Quantity	Unit of Measurement
AAAAA0000	Tyres	II5D000628	10	PCS			10	PCS
AAAAA0000	Tyres	RM5E000101			2	PCS	8	PCS
AAAAA0000	Tyres	OO5F100200			2	PCS	6	PCS
AAAAA0001	Car Seats	II5G000250	100	PCS			100	PCS