

Tax Suspension Schemes

1) Major Exporter Scheme (MES)

The Major Exporter Scheme (MES) is administered by the Inland Revenue Authority of Singapore (IRAS) and is designed to alleviate the cash flow of major exporters who have significant imports. Once approved as a MES person, GST will be suspended when you import non-dutiable goods into Singapore.

A major exporter is a person (company/ partnership/ sole proprietorship etc.) who, in the course of its business, import goods substantially into Singapore and at the same time, will substantially export goods.

Once you are approved as an MES person, you do not have to pay GST (i.e. GST is suspended) on your importation of non-dutiable goods into Singapore.

If you sell the goods locally, you should charge GST at the standard rate and report in the GST return accordingly.

As an approved MES person, you can authorize up to 20 declaring agents (e.g. freight forwarders) to clear the goods on your behalf. However, you should not appoint more declaring agents than necessary as you will be held responsible for declarations that they take up for you.

2) Import GST Deferment Scheme (IGDS)

The Import GST Deferment Scheme (IGDS), announced on 22 February 2010 in the Budget Statement, is administered by the Inland Revenue Authority of Singapore (IRAS). It is designed to alleviate the cash flow of taxable traders by deferring the import GST payment at the point of importation.

Currently, GST on imported goods (import GST) is payable to Singapore Customs (SC) at the point of importation, unless the GST-registered importer

- has been granted a relief under the GST (Imports Relief) Order; or
- is under one of various import GST suspension schemes, for example the Major Exporter Scheme (MES).

Eligible GST-registered importers may now apply for the new Import GST Deferment Scheme (IGDS) that aims to ease the import GST cash flow arising from the time lapse between the payment of import GST and the claiming of import GST for GST registered businesses.

IGDS allows an approved business to defer the payment of import GST until the submission of the GST return for the prescribed accounting period. This scheme is not applicable to customs or excise duties, which remain payable upfront at the point of importation.

For more details, please refer to the IRAS' website at:
http://www.iras.gov.sg/irasHome/page04_ektid10126.aspx

3) Approved Import GST Suspension Scheme (AISS)

Approved Import GST Suspension Scheme, "AISS" for approved traders in the aerospace industry to import goods into Singapore with GST suspended. This new scheme is administered by the Inland Revenue Authority of Singapore (IRAS) and will take effect from 1 Apr 2009.

The import procedures for the AISS traders who are registered with IRAS to submit the TradeNet® declarations are as follows:

- a) The TradeNet® declaring agent must be authorised by the registered AISS trader through IRAS.
- b) A TradeNet® permit under the Message Type "IN-NON-PAYMENT" with Declaration Type "APS – Approved Premise/Scheme" should be declared for each direct import or subsequent release from the FTZ:
 - i. For direct import, the **Place of Receipt** code should be declared as "**AISS**".
 - ii. For subsequent release from FTZ, a corresponding previous import permit number should be declared if available. For locally sourced goods (goods purchased locally) or localized goods (imported goods returned to ALPS and other FTZs), the **Place of Receipt** code should be declared as "**AISSLOC**".
 - iii. For release from approved ZGS warehouse, the **Place of Receipt** code should be declared as "**AISS**".