

A GUIDE TO TRADE IN GOODS AND SERVICES ACCORDING TO THE FREE TRADE AGREEMENT

Between the **GCC** States and **Singapore**



INTRODUCTION

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- The GCC-Singapore FTA was signed in Doha, Qatar on 15 December 2008.

The full agreement can be found on the following link:

<http://www.mof.gov.kw>

- This agreement is considered fundamental for strengthening trade and investment ties between the GCC and Singapore. In order to develop these ties, we provide you with this guide to Investing in Trade in Services according to the Free Trade Agreement between the GCC states and Singapore.

TRADING IN SINGAPORE :-

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- Singapore is rated by the World Economic Forum as the world's most open and trade-friendly economy in its 2016 Global Enabling Trade Report, facilitating its institutions, policies, infrastructure and services to encourage the free flow of goods. A key economic pillar of the economy, Singapore's trade stands at 2.7 times its GDP.
- Singapore has a reputation for transparency, pro-business policies, and trusted legal and corporate governance systems. English is the official language of administration and commerce, making Singapore conducive for business.
- Singapore companies have always understood the need to look beyond the city-state's shores to overcome the limitations of a small domestic market. Their extensive experience in doing business around the region and the world has enabled them to evolve into excellent business partners with a strong track record of delivering integrated solutions and high-quality products and services.
- Singapore companies are known for their unparalleled dedication to quality, high standards of delivery and relentless drive to innovate. They excel in fields as varied as infocomm technology, education, transportation, urban planning, port services and seawater desalination, among others.
- For these reasons and more, Singapore companies make ideal business partners who can help you grow your business

A Guide to acquire customs exemption for imported goods from the republic of Singapore to the state of Kuwait according to the Free Trade Agreement between GCC and Singapore

First: visit Kuwait General Administration of Customs website to be informed with the required official papers for importation
www.customs.gov.kw

Second: refer to goods schedule for customs exempted goods (GCC-SING Tariff schedule)
Customs tariff will be applied for goods that are not listed in schedule

Acquire a certificate of origin from Singapore to complete customs exemption procedure

Any shipment not exceeding \$1000 is exempted from certificate of origin, An importation must be provided which includes the price of goods and qualifications as originating goods

TRADE IN SERVICES:-

- The trade in services Chapter will provide the GCC service suppliers enhanced business opportunities in Singapore.
- The GCC-Singapore FTA builds on the commitments made by Singapore and the GCC countries at the multilateral level. Specifically, the WTO General Agreement on Trade in Services (GATS). Singapore and GCC have committed to liberalize various services sectors beyond its WTO commitments.

The GCC countries will enjoy preferential access in the following services sectors:-

Business services

**Communication
services**

**Construction and
related engineering
services**

Distribution services

Educational services

**Environmental
services**

Financial services

**Health related and
social services**

**TOURISM AND
TRAVEL RELATED
SERVICES**

**Recreational, cultural
and sporting services**

Transport services

Business Activities Commitments:

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All business activity sectors fall under the following rules

1- A foreigner who wishes to register a business firm must have a local manager who should be a Singapore citizen or a Singapore Permanent Resident or a Singapore Employment Pass holder. (However, a foreigner who is a Singapore Permanent Resident or a Singapore Employment Pass holder can register a business without appointing a local manager)

2- Foreigners are not entitled for subsidies or grants or to any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies are offered exclusively to domestic services, service consumers or service suppliers.

3- All branches of foreign companies registered in Singapore must have at least 2 locally resident agents. (To qualify as locally resident, a person should be either a Singapore citizen or Singapore Permanent Resident or Singapore Employment Pass holder)

4- Temporary movement of intra-corporate transferees at the level of managers, executives, and specialists who are employees of firms that provide services within Singapore through a branch, subsidiary, or affiliate established in Singapore and who have been in the prior employ of their firms outside Singapore for a period of not less than one year immediately preceding the date of their application for admission, Entry for these intra corporate transferees is limited to a two year period that may be extended for up to three additional years each time for a total term not exceeding eight years.

5- At least one director of the company must be locally resident.

Continued: Definitions

Managers

- persons within an organization who primarily direct the organization, or a department or subdivision of the organization, supervise and control the work of other supervisory, professional or managerial employees, have the authority to hire and fire or recommend hiring, firing, or other personnel actions (such as promotion or leave authorization), and exercise discretionary authority over day-to-day operations. Does not include first-line supervisors, unless the employees supervised are professionals, nor does it include employees who primarily perform tasks necessary for the provision of the service.

Executives

- persons within the organisation who primarily direct the management of the organisation, exercise wide latitude in decision making, and receive only general supervision or direction from higher level executives, the board of directors, or stockholders of the business. Executives would not directly perform tasks related to the actual provision of the service or services of the organisation.

Specialists

- persons within an organisation who possess knowledge at an advanced level of expertise and who possess proprietary knowledge of the organisation's service, research equipment, techniques, or management. (Specialists may include, but are not limited to, members of licensed professions)

Specific Business Activity Sectors:

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1- BUSINESS SERVICES

A- Professional Services

1. Legal Services

- Individual law firms of each GCC State which are or have been duly constituted under the laws of their respective home countries will be permitted to register as foreign law firms under the Legal Profession Act.
- Temporary entry of up to 2 years will be granted to individual lawyers of each GCC State who are duly qualified in their respective home countries for their practice in law firms which are or have been duly constituted under the laws of their respective home countries and are or have been registered as foreign law firms in Singapore upon their registration as foreign lawyers under the Legal Profession Act (Cap. 161) and the rules made thereunder in order to provide legal advisory services in Singapore in any home country law, foreign law and/or international law in which they are qualified to practice (but excluding any direct or indirect practice of Singapore law as the domestic law (host country law)).
- Every applicant for temporary entry of up to 2 years must meet prevailing work pass requirements in Singapore, as may be amended and specified by the relevant Singapore authority from time to time.

2. Accounting/Auditing and Bookkeeping Services

- public accountants must be effectively resident in Singapore or at least one of the partners of the firm must be effectively resident in Singapore

3. Taxation services

- No restrictions for investment.

4. Other tax-related services

- public accountants must be effectively resident in Singapore or at least one of the partners of the firm must be effectively resident in Singapore. Only Public Accountants registered with the Public Accountants Board Singapore can practice as tax consultants for local tax laws

● **Limited corporation and Unlimited corporation :**

- a) At least 51% of its directors shall be registered architects or allied professionals, each of whom shall have in force a valid practising certificate; and
- b) The business of the corporation, so far as it relates to such architectural services in Singapore, will be under the control and management of a director of the corporation who is a registered architect ordinarily resident in Singapore and who has in force a valid practising certificate.

● **Partnership :**

- a) The beneficial interest in the capital assets and profits of the partnership must be held by registered architects or allied professionals, each of whom shall have in force a valid practising certificate; and
- b) The business of the partnership, so far as it relates to architectural services in Singapore, will be under the control and management of a partner who is a registered architect ordinarily resident in Singapore and who has in force a valid practising certificate.

● **Limited liability partnership :**

- a) At least one of the partners of the limited liability partnership shall be registered as an architect or allied professional and shall have in force a valid practising certificate; and
- b) The business of the limited liability partnership, so far as it relates to architectural services in Singapore, will be under the control and management of a partner who is a registered architect ordinarily resident in Singapore and who has in force a valid practising certificate.

6. Engineering Services/ Integrated Engineering Services

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● Limited corporation and Unlimited corporation :

- a) at least 51% of its directors shall be registered professional engineers or allied professionals each of whom shall have in force a valid practising certificate; and
- b) the business of the corporation, so far as it relates to such professional engineering work in Singapore, will be under the control and management of a director of the corporation who is a registered professional engineer and who has in force a valid practising certificate.

● Multi-disciplinary Partnership :

- a) the beneficial interest in the capital assets and profits of the partnership must be held by registered professional engineers and allied professionals, each of whom shall have in force a valid practising certificate; and
- b) the business of the partnership, so far as it relates to professional engineering work in Singapore, will be under the control and management of a partner who is a registered professional engineer; and has in force a valid practising certificate.

● Limited liability partnership :

- a) at least one of the partners of the limited liability partnership shall be a registered professional engineer who has in force a valid practising certificate; and
- b) the business of the limited liability partnership, so far as it relates to professional engineering work in Singapore, will be under the control and management of a partner who is a registered professional engineer who has in force a valid practising certificate.

7. Landscaping services

- No restrictions for investment.

9. Dental Services

- No restrictions for investment.

8. General Medical Services and Specialised Medical Services

- No restrictions for investment other than the number of new foreign doctors registered each year may be limited depending on the total supply of doctor

10. Veterinary Services

- No restrictions for investment.

B- Computer and Related Services

1. Computer Services

2. Consultancy services related to the installation of computer hardware

3. Software implementation services

4. Data processing services

5. Data base services

- No restrictions for investment.

C- Research and Development Services

1. R&D services on natural sciences, specifically biotechnology services and industrial research

2. R&D services on social sciences and humanities, specifically economic and behavioural research

3. Interdisciplinary R&D services for projects undertaken by education institutions

- No restrictions for investment.

D- Real Estate Services

Residential and non-residential property management services on a fee or contract basis

- No restrictions for investment, except that only the Sentosa Development Corporation is allowed to develop and manage the resort island of Sentosa and its waterways and the Southern Islands of Singapore

E- Rental/Leasing Services without Operators

1. Relating to ships

2. Relating to aircraft

3. Relating to motor vehicles

- No restrictions for investment.

F- Other Business Services

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● The Following Sectors Have No Restrictions for Investment :

1. Advertising Services

2. Market Research and public opinion polling services:

- Commercial Market Research

3. Management Consulting Services

4. Services related to management consulting

5. Technical testing and analysis services:

- Technical testing and analysis services of motor vehicles.
- Technical testing and analysis services, excluding testing and analysis services of motor vehicles and classification societies.
- Professional, Advisory and Consulting Services Relating to Agriculture, Forestry, Fishery And Mining, including Oilfield Services.
- Services incidental to manufacturing except for Publishing and printing, on a fee or contract basis.

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6. Placement and supply services of personnel

7. Investigation and security:
- Security consultation services.
- Alarm monitoring services

8. Maintenance and repair of equipment
(not including maritime vessels, aircraft or other transport equipment)

9. Building cleaning services

10. Photographic services

11. Packaging services

12. Convention Services

13. Other:
- Translation/ Interpretation Services.
- Interior Design Services, Excluding Architecture.

2- COMMUNICATION SERVICES

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C- Telecommunication Services

1. Basic Telecommunication Services (facilities-based):

- **Public Switched Services**
- **Leased Circuit Services**

2. Mobile Services:

- **Public Mobile Data Service (PMDS)**
- **Public Trunked Radio Service (PTRS)**
- **Public Radio Paging Service (PRPS)**
- **Public Cellular Mobile Telephone Service (PCMTS)**

- A cumulative total of 73.99% foreign shareholding, based on 49% direct investment and 24.99% indirect investment is allowed.

3. Resale basis:

- **Public Switched Services (local and international) (not including the use of leased circuits connected to public switched networks).**
- **Leased Circuit Services (local and international) (without connection to the public switched network).**
- **Public Cellular Mobile Telephone Services.**
- **Public Radio Paging Services.**

- No restrictions for investment.

4. Value-added Network (VAN) services :

- **The services covered are:**
electronic-mail / voice-mail / on-line information and data-base retrieval / electronic data interchange / on-line information and/or data processing / store-and-forward (S&F) / store-and-retrieve (S&R)

- Provision of VAN services is subjected to licence from the Infocomm Development Authority of Singapore (IDA).

D- Audiovisual Services

**services related to production, distribution and public display of motion pictures/
video recordings/ sound recordings**

**(excluding: Free-to-air broadcasting/ Cable and pay television/ Direct broadcasting
by satellite/ Teletext)**

- No restrictions for investment.

3- CONSTRUCTION AND RELATED ENGINEERING SERVICES

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Construction Services consisting of:

- **General Construction for Buildings**
- **General Construction work for civil engineering**
- **Installation and assembly work**
- **Building Completion and finishing work**
- **Others**

- No restrictions for investment.

4- DISTRIBUTION SERVICES

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Unless otherwise specified, distribution services of any product subject to import prohibition or nonautomatic import licensing shall be excluded from the scope of these commitments.

Singapore reserves the right and flexibility to modify and/or increase the list of products stipulated in the laws, regulations and other measures governing Singapore's import prohibition or non-automatic import licensing regime

1. Commission Agents' Services

2. Wholesale trade services except for pharmaceutical goods and medical goods and surgical and orthopaedic instruments

4. Retail sales of pharmaceutical, medical and orthopaedic goods

3. Retailing Services except for food, beverages and tobacco

5. Retail sale of motor fuel

6. Sales of motor vehicles only:

- Wholesale trade services of motor vehicles
- Retail sales of motor vehicles
- Sales of parts and accessories of motor vehicles
- Sales of motorcycles and snowmobiles and related parts and accessories

7. Franchising services

- No restrictions for investment.

5- EDUCATION SERVICES

- Specific commitments on Market Access and National Treatment through any mode of supply shall not be construed to apply to the recognition of university degrees for the purposes of admission, registration and qualification for professional practice in Singapore.

1. Secondary and post-secondary technical and vocational education services

2. Other Higher Education Services

3. Adult education services

4. Short term training including language courses

- No restrictions for investment.

6- ENVIRONMENTAL SERVICES

1. Sanitation and similar services

2. Cleaning services of exhaust gases

3. Noise abatement services

- No restrictions for investment.

8- HEALTH RELATED AND SOCIAL SERVICES

1. Acute care hospitals, nursing homes and convalescent hospitals run on a commercial basis

- No restrictions for investment.

2. Guidance and counselling services not elsewhere classified related to children

3. Welfare services not delivered through residential institutions

- No restrictions for investment, except for facilities/ service operations run by non-profit service suppliers that are partially or totally state-funded

9- TOURISM AND TRAVEL RELATED SERVICES

1. Hotel and Restaurants:

- Hotel and other lodging services
- Restaurant and Catering Services

2. Tourist Guide Services

- No restrictions for investment.

3. Travel Agent and Tour Operators Services

- No restrictions for investment other than travel agencies and tour operators must be private limited companies.

10- RECREATIONAL, CULTURAL AND SPORTING SERVICES **(OTHER THAN AUDIOVISUAL SERVICES)**

1. Entertainment Services (including theatre, live bands, and circus services)

2. Libraries, archives, museums and other cultural services:

- Library Services
- Parks except for national parks, nature reserves and public parks

- No restrictions for investment.

11- TRANSPORT SERVICES

A- Maritime Transport Services

A. Maritime Transport Services (Freight Transportation)

B. Maritime Auxiliary Services

- Shipping agency services
- Shipping brokerage services
- International Towage
- Classification societies, except for statutory services for Singapore flag ships

- No restrictions for investment.

C- Air Transport Services

Aircraft repair and maintenance services

- No restrictions for investment.

E- Rail Transport Services

Maintenance and repair of urban and suburban rail transport equipment

- No restrictions for investment.

F- Road Transport Services

A. Freight transportation of liquids or gases

B. Parking services

- No restrictions for investment.

12- OTHER SERVICES NOT INCLUDED ELSEWHERE

A. Washing, cleaning and dyeing services

B. Hairdressing and other beauty services

C. Funeral, cremation and undertaking services except maintenance services of cemeteries, care of graves and graveyards

- No restrictions for investment.