



Distribution of goods into Singapore - Supply chain optimisation

Sector:

Manufacturing and distribution of industrial products

Annual turnover:

Global turnover in excess of SGD\$340 million

Client challenge:

- Issue importing goods into Singapore for onward sale
- Supply-chain tax optimisation

Grant Thornton services:

Design viable solutions through which the client could distribute and import goods into Singapore for onward sale, in a tax efficient manner.

Facilitate discussions and negotiations between the client and its Singapore based customer



A global producer of carbide solutions and top-class quality precision tools looks to expand its current distribution reach to include Singapore

Do you have similar challenges? Please contact:

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Client challenge

Identifying how to import its goods into Singapore in a tax efficient manner.

The client had already entered negotiations with its customer for a contract to supply raw materials under a consignment stock arrangement in Singapore.

The client was keen to find a tax efficient solution that enabled them to supply the goods and ensured a short lead-time, in a way that did not expose the client to irrecoverable import GST and/or require them to establish a tax presence in Singapore.

The Grant Thornton solution

Our tax team was engaged to identify highly agile and viable supply solutions. This required that the team to collaborate and work closely with the client to understand its key aims, challenges and future business plans for Singapore. The team adopted a phased approach which consisted of:

Phase 1: Proposed solutions

The team developed a number of viable solutions and the advantages and disadvantages of each option with the client.

Phase 2: Implementation

Once the client decided on the most efficient and workable solution that met its objectives the team produced a number of documents (including process flows and diagrams) to help facilitate the discussions and negotiations between the client and Singapore based customer.

The Outcome

With the support of Grant Thornton's team, the client was able to convince, with the assistance of our team, its Singapore based customer of the benefits of the proposed solution which led to the finalisation of the supply contract between the two companies.

In summary, the combination of the in-depth technical and practical knowledge of our tax team enabled the client to convert a multi-million-dollar opportunity into a signed distribution agreement thus expanding their distribution network to Singapore.

This is just another example of how our tax team's expert knowledge and excellent client service, has resulted in real value creation for the client.