

# **eBook on East Asia Customs Procedures**

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The Republic of Singapore





# **eBook on East Asia Customs Procedures**

***An EABC Publication***

**December 2019**





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## **eBook on East Asia Customs Procedures**

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## MESSAGE FROM CHAIRMAN

Blessed with geographical proximity, cultural affinity, close business ties and natural advantages for trade and economic cooperation, East Asia is one of the regions in the world with the most potential and development prospects. Since its establishment in 2004, East Asia Business Council (EABC) has always held the belief that cross-border trade, investment liberalization and facilitation are the prerequisites and foundations for East Asian countries to



promote industrial advancement, reduce unemployment and improve the quality of economic development. EABC has long been devoting to reducing trade and investment barriers and facilitating enterprises to carry out cross-border trade and investment.

In 2018, EABC agreed to compile eBook on East Asia Customs Procedures and listed it as a top priority in the Council's annual work in 2019. Today, the eBook is officially launched, with the expectation to strengthen regional economic and trade information sharing and further improve trade facilitation and connectivity among East Asian countries.

The eBook on East Asia Customs Procedures covers the guides of Customs procedures in 13 countries in East Asia, with 24 major items related to the Customs clearance of goods such as legal system, clearance procedures,

prohibitions and restrictions, duty collection (including classification, valuation, rules of origin), trade statistics, violations and sanctions, FTAs, AEOs and etc. The eBook is published electronically in English, providing companies with practical reference for international trade.

I believe that the eBook will help enterprises in the region, especially small and medium-sized enterprises, improve their capabilities in business management, investment and financing, and international market development. We hope that enterprises will take full advantage of the eBook to actively explore the regional market and achieve development goals.

Lu Pengqi  
EABC Chairman 2019

## ACKNOWLEDGEMENTS

Heartfelt gratitude and sincere respects should be addressed to China Committee, East Asia Business Council (in short EABC China, also China Council for the Promotion of International Trade - CCPIT), to organize, support and sponsor the edition and publication of the eBook on East Asia Customs Procedures to provide manufactures, trader and related service-providers with comprehensive information and elaborate references on Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea, which is a unique, innovative and significant contribution to regional and even international trade community.

Cordial appreciations should be extended to the Trilateral Cooperation Secretariat (TCS) for supporting and partially sponsoring the eBook of China, Japan and the Republic of Korea and CCPIT Guangxi Sub-council for supporting the project.

Dedicated gratitude should also be expressed to all members of the editing team, proofreading team, project team for their arduous and continuous efforts during the process.

## EDITOR'S STATEMENT

Customs procedures in almost every country are usually very professional, diverse, technical, abstruse, ambiguous, and even trapped for cross-border manufactures, traders and related service-providers, sometimes even cause significant invisible “barriers” to trade. Thus all the stakeholders imminently need information, materials and references as comprehensive, elaborate and concrete as possible in different countries to enhance the effectiveness and efficiency of cross-border trade.

This eBook on East Asia Customs Procedures aiming to provide a general picture involves in almost all aspects of Customs procedures in 10 ASEAN member countries and China, Japan and the Republic of Korea. For each eBook, a framework of 24 parts of contents is basically followed with certain flexibility of adjustments according to specific situation of each individual country.

It is not an easy task to edit this panorama-type of eBook and during the process the editors are facing significant challenges including English language proficiency, professional competence and most importantly very limited information and materials in English for references.

The contents of each eBook are based on current publicly available information and materials in English, mainly contained in the publications and on the websites of related Customs administrations, government departments and agencies, international organizations and private professional institutions. The editors believe the selection and use of publicly available information will not affect the interests of the above-mentioned organizations and sincerely appreciate those organizations having their information and publications publicly available.

During the editing process, the biggest and greatest challenge is the lack of information and materials in English, which are very limited in almost all countries and even very deficient, very scarce in some countries. Therefore some citations from the official websites and excerpts from legal documents do exist in the eBook.

As a first remarkable pilot project in the fields, this eBook on East Asia Customs Procedures are not perfect and flawless and we are satisfied with the qualities of the majority and will keep on improving the rest.

## ABBREVIATIONS

AEO	Authorized Economic Operator
APEC	Asia and Pacific Economic Cooperation
ACRA	Accounting and Corporate Regulatory Authority
ASEAN	Association of Southeast Asian Nations
ASW	ASEAN Single Window
ATIGA	ASEAN Trade in Goods Agreement
CAs	Competent Authorities
CO	Certificate of Origin
CWC	Chemical Weapons Convention
GSP	Generalized System of Preferences
FTA	Free Trade Agreement
FTZ	Free Trade Zone
GATT	General Agreement on Tariff and Trade
GIR	General Interpretative Rules
GST	Goods and Services Tax
GSTP	Global System of Trade Preferences
HS	Harmonized Commodity Description and Coding System
IBG	Inter-Bank GIRO
IRAS	Inland Revenue Authority of Singapore
MFN	Most Favored Nation
NSW	National Single Window

NTP	Networked Trade Platform
OPCW	Organization for the Prohibition of Chemical Weapons
PSI	Post-clearance Audit
SGCA	Strategic Goods (Control) Act
STCCED	Singapore Trade Classification, Customs and Excise Duties
UEN	Unique Entity Number
WCO	World Customs Organization
WTO	World Trade Organization

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# **eBook on East Asia Customs Procedures**

## **The Republic of Singapore**

### **1. INTRODUCTION OF SINGAPORE CUSTOMS**

Singapore Customs is a department under the Ministry of Finance which is the lead agency for trade facilitation and revenue enforcement. It is reconstituted on April 1, 2003 to bring together revenue collection and enforcement, trade documentation, trade facilitation and security functions under one agency. Singapore Customs also upholds Customs and trade laws to build trust in Singapore's external trading system, facilitate trade, and protect revenue through collaboration with government agencies and businesses, robust regulations and effective enforcement.

#### **1.1 Mission**

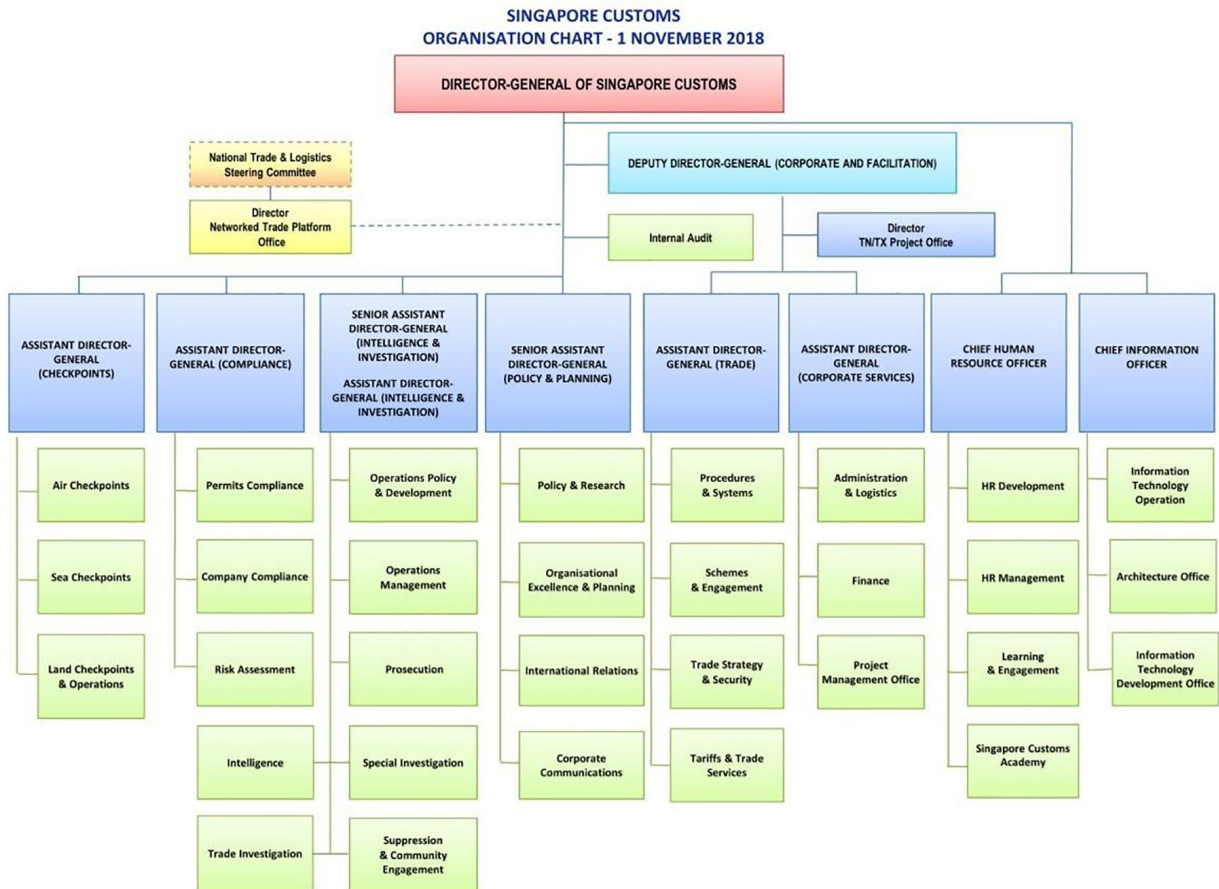
Just as Singapore Customs has announced, it plays a proactive role in balancing the intricate requirements of trade facilitation, security, and regulatory compliance to strengthen Singapore's position as a global trade hub trusted by foreign trading partners and businesses operating in Singapore. Based on above, the mission of Singapore Customs is "We protect revenue, and make trade easy, fair and secure".

#### **1.2 Structure**

Singapore Customs is consisting of the Trade Division, Compliance Division, Human Resource Directorate, Policy & Planning Division, Checkpoints Division, Intelligence & Investigation Division, Corporate Services Division, and the Information Technology Directorate.

The Director-General of Customs is the highest leader of Singapore Customs.

Figure 1 Organization Chart of Singapore Customs



Source: [www.customs.gov.sg](http://www.customs.gov.sg)

### 1.3 Service Committed by Singapore Customs

Singapore Customs is committed to provide excellent service as outlined in their Service Charter, and they serve in the principle of 4F - Fast, Friendly, Firm and Fair.

For traders, they try to reply emails and letters within 3 working days except some complex queries. If they cannot fully answer a query on time, an interim response will be sent. The concrete time limits are as follows:

*Table 1 Business Processing Time Limit by Singapore Customs*

<b>Business Processing Time Limit for Traders</b>	
Process TradeNet Declarations (and Amendments)	<ul style="list-style-type: none"> <li>99% within 10 minutes</li> </ul>
Process Warehouse License and Zero-GST Warehouse (Type I) License Applications	<ul style="list-style-type: none"> <li>Within 7 working days</li> </ul>
Issue Customs Duty/Goods and Services Tax (GST) Refund	<ul style="list-style-type: none"> <li>Within 5 working days (if supporting documents are not required)</li> <li>Within 12 working days (upon receipt of all supporting documents)</li> </ul>
Process Certificates of Origin Online Applications	<ul style="list-style-type: none"> <li>Certificates of Origin for goods of Singapore origin applications within 2 hours</li> <li>Back-to-back Certificates of Origin applications within 2 working days</li> </ul>
Issue Import Certificates and Delivery Verifications	<ul style="list-style-type: none"> <li>100% within 2 working days upon receipt of complete application with all the relevant supporting documents</li> </ul>
Issue Customs Rulings	<ul style="list-style-type: none"> <li>Within 30 days upon receipt of full supporting documents</li> </ul>

Source: [www.customs.gov.sg](http://www.customs.gov.sg)

## 1.4 The Customs Advisory Council

Established in March 2000, the Customs Advisory Council is chaired by Permanent Secretary (Finance) and consists of key representatives from the trade associations, the industry and the public sector to advise on strategic directions to advance Singapore Customs as a world-class Customs organization. The Council also functions as an active platform for Singapore Customs to solicit feedback and advice on industry trends, government policies and other matters that may affect Singapore Customs.

## 2. CUSTOMS LEGAL SYSTEM

The current Customs legal system in Singapore include Customs Act and other major Acts which are also enforced by Singapore Customs including Goods and Services Tax Act, Regulation of Imports and Exports Act, Free Trade Zones Act, Strategic Goods (Control) Act and Chemical Weapons (Prohibition) Act and etc..

### 2.1 Customs Act

The Customs Act is an act relating to Customs and excise duties. Its subsidiary Customs legislation includes Customs (Duties) (Exemption) Order, Customs (Fuel Tank - Minimum Amount) Order 2011, Customs (Permits To Remove Goods) Order, Customs (Authorized Piers and Places) Regulations 2011, Customs (Composition of Offences) Regulations, Customs (Container) Regulations, Customs (Customs Airports) Regulations and so on.

### 2.2 Goods and Services Tax Act

The Goods and Services Tax Act is an act to provide for the imposition and collection of goods and services tax and for matters connected therewith. Goods and Services Tax (Imports Relief) Order and Goods and Services Tax (General) Regulations are the main subsidiary legislation of this Act.

### 2.3 Regulation of Imports and Exports Act

The Regulation of Imports and Exports Act is an act to provide for the regulation, registration and control of imports and exports and to make provisions for matters connected there with. The other legislations like Regulation of Imports and Exports Regulations, Regulation of Imports and Exports (Chewing Gum) Regulations, Regulation of Imports and Exports (Kimberley Process) Regulations, Regulation of Imports and Exports (Prescribed Fees) Regulations, Regulation of Imports and Exports (Composition of Offences) Regulations help the implementation of this Act.

### 2.4 Free Trade Zones Act

The Free Trade Zones Act (Chapter 114) is an act to provide for the establishment of Free Trade Zones in Singapore and for matters incidental thereto. Singapore Customs also enforce the other legislations on

the regulation of Declared Areas, Manufacture and Prescribed Goods.

## 2.5 Strategic Goods (Control) Act and Chemical Weapons (Prohibition) Act

The Strategic Goods (Control) Act is an act to control the transfer and brokering of strategic goods, strategic goods technology, goods and technology capable of being used to develop, produce, operate, stockpile or acquire weapons capable of causing mass destruction, and missiles capable of delivering such weapons; and for purposes connected therewith.

And the Chemical Weapons (Prohibition) Act (Chapter 37B) is an act to give effect to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction concluded at Paris on January 13, 1993.

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## 3. CUSTOMS CLEARANCE PROCEDURES

### 3.1 Import into Singapore

In Singapore Customs, the definition of import is that goods being brought into Customs territory from an entry point or a Free Trade Zone (FTZ), or overseas goods being brought into a Free Trade Zone for storage and pending re-export. If anyone wants to import goods into Singapore, it is required to make a declaration to Singapore Customs. Goods and Services Tax (GST) is payable on non-dutiable goods. Both GST and duty are payable for dutiable goods if these goods are imported for local consumption.

Mainly there are 7 steps for a fresh trader who is going to import goods into Singapore as follows:

#### **STEP 1: Register for UEN**

Register with the Accounting and Corporate Regulatory Authority (ACRA) or the relevant Unique Entity Number (UEN) issuance agency to obtain a UEN and activate its Customs Account.

## STEP 2: Check if Goods are Controlled

Check if the goods are controlled goods or goods subject to restrictions by Competent Authorities (CAs) in Singapore, which can be proved through the description of the goods, Harmonized System (HS) code or CA product code. If the item is subject to control, the name of the CA will be indicated next to its HS code. Their licensing requirements can be checked directly with the respective CAs.

## STEP 3: Apply for Inter-Bank GIRO

Anyone must maintain an Inter-Bank GIRO (IBG) with Singapore Customs to make payment of duties, taxes, fees, penalties and other charges on services offered by Singapore Customs from traders' bank account to Singapore Customs directly.

## STEP 4: Furnish Security

It is necessary to furnish security for transactions involving dutiable goods, temporary import of goods for approved purposes, and for the operation of licensed premises such as licensed warehouses and excise factories.

## STEP 5: Apply for Customs Import Permit

Register as a Declaring Agent and apply for a TradeNet user ID. All permit applications must be submitted via TradeNet, which is accessible through TradeNet front-end software from an approved software vendor or Government Front-End module.

## STEP 6: Prepare Documents for Cargo Clearance

Approved permits applications are issued with a validity period. The traders should ensure the validity of the permit presented for goods clearance. For imports of containerized cargo, the container number and shipper seal number are required when applying for a permit.

### - Documents Required for Containerized Cargo

For import of containerized cargo by sea, it is not required to present the printed copy of the Customs permit and supporting documents to the checkpoint officers at the entry points. For import of containerized cargo by air or land, it is required to produce the Customs permit and supporting

documents such as invoice, Packing List and Bill of Lading/Air Waybill, to the checkpoint officers for verification.

- **Documents Required for Conventional Cargo**

For conventional cargo, it is required to present the goods, printed copy of the Customs permit, and supporting documents such as invoice, Packing List and Bill of Lading/Air Waybill, to the checkpoint officers at the time of cargo clearance for verification.

### **STEP 7: Retain Trade Documents**

It is often required to retain the relevant supporting documents relating to the purchase, import, sale or export of the goods for a period of 5 years from the date of the permit application approval. These documents can be stored as physical hardcopies or as images. Upon request, such documents shall be submitted to Singapore Customs.

## **3.2 Export from Singapore**

Goods exported from Singapore are regulated under the Customs Act, the Regulation of Imports and Exports Act, the Strategic Goods (Control) Act, and other legislations by the relevant Competent Authorities (CAs). To export goods from Singapore, it is required to declare the goods to Singapore Customs. Goods and Services Tax (GST) and duty are not levied on goods exported from Singapore.

Mainly there are 5 steps for a fresh trader who is going to import goods into Singapore as follows:

### **STEP 1: Register for UEN**

Register with the Accounting and Corporate Regulatory Authority (ACRA) or the relevant Unique Entity Number (UEN) issuance agency to obtain a UEN and activate its Customs Account.

### **STEP 2: Check if Goods are Controlled**

Check if the goods are controlled goods or goods subject to restrictions by Competent Authorities (CAs) in Singapore, which can be proved through the description of the goods, Harmonized System (HS) code or CA product code. If the item is subject to control, the name of the CA will be indicated next to its HS code. Their licensing requirements can be checked directly with the respective CAs.

### **STEP 3: Apply for Customs Export Permit**

Register as a Declaring Agent and apply for a TradeNet user ID. All permit applications must be submitted via TradeNet, which is accessible through TradeNet front-end software from an approved software vendor or Government Front-End module.

### **STEP 4: Prepare Documents for Cargo Clearance**

Approved permits are issued with a validity period. The validity of the permit presented for goods clearance shall be ensured.

#### **- Documents Required for Containerized Cargo**

For containerized cargo, please produce the cargo with the approved Customs export permit and supporting documents such as invoice, Packing List, Bill of Lading/Airway Bill, to the checkpoint officers if it is specified in the permit conditions or if the cargo is dutiable or controlled. Permit number is required to have at the point of cargo lodgement for verification purposes. A Customs export permit is required to cover for export of dutiable goods from licensed warehouses, export of goods from bonded warehouses, export of goods under the Temporary Export Scheme, re-export of goods previously imported under the Temporary Import Scheme.

#### **- Documents Required for Conventional Cargo**

For conventional cargo, produce the approved Customs export permit and supporting documents such as invoice, Packing List, Bill of Lading/Airway Bill, to the checkpoint officers if it is specified in the permit conditions or if the items are dutiable or controlled. Permit number is required to have at the point of cargo lodgement for verification purposes. A Customs export permit is required for export of dutiable goods from licensed warehouses, export of goods from bonded warehouse, export of goods under the Temporary Export Scheme, re-export of goods previously imported under the Temporary Import Scheme.

### **STEP 5: Retain Trade Documents**

It is often required to retain the relevant supporting documents relating to the purchase, import, sale or export of the goods for a period of 5 years from the date of the permit application approval. These documents can be stored as physical hardcopies or as images. Upon request, such documents shall be submitted to Singapore Customs.

### 3.3 Transshipping Via Singapore

The procedures of transshipment for those who wish to transship goods via Singapore is similar to import/export while the transshipment of all goods is not subject to duty or Goods and Services Tax (GST). There are also 6 main steps for this procedure.

#### **STEP 1: Register for UEN**

Register with the Accounting and Corporate Regulatory Authority (ACRA) or the relevant Unique Entity Number (UEN) issuance agency to obtain a UEN and activate its Customs Account.

#### **STEP 2: Check if Goods are Controlled**

Check if the goods are controlled goods or goods subject to restrictions by Competent Authorities (CAs) in Singapore, which can be proved through the description of the goods, Harmonized System (HS) code or CA product code. If the item is subject to control, the name of the CA will be indicated next to its HS code. Their licensing requirements can be checked directly with the respective CAs.

#### **STEP 3: Furnish Security**

For the transshipment of dutiable goods such as tobacco, liquor or motor vehicles under “through” or “non-through” Bill of Lading or Airway Bill through Customs territory, it is required to furnish security in the form of a Banker’s Guarantee or an Insurance Bond.

#### **STEP 4: Apply for Customs Transshipping Permit**

Register as a Declaring Agent and apply for a TradeNet user ID. All permit applications must be submitted via TradeNet, which is accessible through TradeNet front-end software from an approved software vendor or Government Front-End module.

#### **STEP 5: Prepare Documents for Cargo Clearance**

Present the goods with the printed copy of the Customs permit, and supporting documents such as invoice, Packing List, Bill of Lading or Air Waybill to the checkpoint officers at the entry and exit checkpoints for clearance.

## STEP 6: Retain Trade Documents

It is often required to retain the relevant supporting documents relating to the purchase, import, sale or export of the goods for a period of 5 years from the date of the permit application approval. These documents can be stored as physical hard copies or as images. Upon request, such documents shall be submitted to Singapore Customs.

## 4. TRADENET AND NTP

### 4.1 TradeNet

TradeNet is Singapore's National Single Window for trade declaration and is a global example of excellence for other countries. Launched on January 1, 1989, it allows various parties from the public and private sectors to exchange trade information electronically. It integrates import, export and transshipment documentation processing procedures and enables the trade and logistics communities to fulfil their trade formalities. Through TradeNet, Singapore Customs and other Competent Authorities monitor the movement of goods and enforce health, safety and other regulatory requirements. TradeNet reduces the cost and time to prepare, submit and process trade documents and expedites the clearance of cargo and allows fees and taxes to be deducted electronically.

### 4.2 Networked Trade Platform (NTP)

The Networked Trade Platform (NTP) is a national trade information management platform which provides the foundation for Singapore to be the world's leading trade, supply chain and trade financing hub. At its core, NTP represents a concerted effort to drive an industry-wide digital transformation to build a trade and logistics IT ecosystem that connects businesses, community systems and platforms and government systems.

Replacing TradeNet for trade-related applications and trade exchange for connecting the trade and logistics community, the NTP is designed to provide beyond the service offerings of the incumbent

systems. Specifically, it aims to be a one-stop trade information management system linked to other platforms, a next-generation platform offering a wide range of trade-related services, an open innovation platform allowing development of insights & new services with cross-industry data and a document hub for digitization at source that enables reuse of data to cut costs and streamline processes.

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## 5. CUSTOMS AGENT

In Singapore, the agent or employee of any person or firm may transact business generally at any Customs office on behalf of the person or firm if the person or a member of the firm identifies the agent or employee to the officer as empowered to transact such business and deposits with that officer a signed authority authorizing the agent or employee to transact such business on behalf of that person or firm. However, a senior officer of Customs in Singapore may in addition require that person or firm to give such security as he may consider adequate for the faithful and in-corrupt conduct of the agent or employee acting on behalf of that person or firm.

The day after the approval of Inter-Bank GIRO (IBG) application or successful registration of security with Singapore Customs, the Key Personnel of one entity whose particulars are registered with a Unique Entity Number (UEN) Issuance Agency such as Accounting and Corporate Regulatory Authority, Registry of Societies etc. or the Authorized Personnel of the entity may authorize the Declaring Agent to use the registers' IBG for the payment of duties and Goods and Services Tax for Customs permit and Security for permit applications. Any person or legal person can authorize up to 20 Declaring Agents.

## 6. PROHIBITIONS AND RESTRICTIONS

### 6.1 Controlled & Prohibited Goods for Import

Controlled goods require proper authorization (advance notification, license or certificate approval) from Competent Authorities (CA) before they may be imported into Singapore. It is advised to check if the goods are controlled using the description of the goods, Harmonized System (HS) code or CA product code. If the item is subject to control, importer may check directly with the respective CAs on their licensing requirements.

The prohibited list is as follows:

- Chewing gum (excluding Health Sciences Authority approved oral dental and medicinal chewing gum);
- Pistol or revolver - shaped cigarette lighters;
- Fire crackers;
- Rhinoceros horn (worked, unworked or prepared and the any part, power or waste of such horn);  
Endangered species of wildlife and products derived from the body of such animals;
- Telecommunication equipment;
  - Scanning receivers;
  - Military communication equipment;
  - Telephone voice changing equipment;
  - Radio-communication equipment operating in frequency bands 880-915 MHz, 925-960 MHz, 1900-1980 MHz and 2110-2170 MHz except cellular mobile phones or such other equipment approved by Info-communications Media Development Authority of Singapore;
  - Radio-communication jamming devices operating in any frequency band;
  - Obscene articles, publications and video tapes or discs;
  - Seditious and treasonable materials;
- Chewing tobacco (loose leaf chewing tobacco, plug chewing tobacco, twist chewing tobacco, tobacco bits intended for chewing);

- Imitation tobacco products (electronic cigarettes, vaporisers) and components of imitation tobacco products;
- Shisha;
- Smokeless cigars, smokeless cigarillos or smokeless cigarettes;
- Dissolvable tobacco or nicotine;
- Any product containing nicotine or tobacco that may be used topically for application, by implant or injected into any parts of the body;
- Any solution or substance, of which tobacco or nicotine is a constituent that is intended to be used with an electronic nicotine delivery system or vaporizers;
- Nasal snuff;
- Oral snuff;
- Gutkha, khaini and zarda.

## 6.2 Controlled & Prohibited Goods for Export

Controlled goods require proper authorization (advance notification, license or certificate approval) from Competent Authorities (CA) before they may be exported from Singapore. It is advised to check if the goods are controlled using the description of the product, Harmonized System (HS) code or CA product code here. If the item is subject to control, exporter may check directly with the respective CAs on their requirements. The items of this part is same as the Strategically Controlled Goods except the Rhinoceros horn (worked, unworked or prepared and any part, powder or waste of such horn).

## 6.3 Strategic Goods Control

Strategic goods refer to items and their related technology that can be used to produce weapons of mass destruction, and missiles capable of delivering such weapons. This includes arms and military equipment, and commercial items that can be used to develop weapons of mass destruction.

Singapore implemented the Strategic Goods (Control) Act or SGCA on January 1, 2003 to regulate the trade in strategic goods and strategic goods technology for avoiding the proliferation of weapons of mass destruction and against the illicit movement of items through its ports that can contribute to such proliferation.

Singapore Customs is the National Authority to administer the SGCA. There are 5 main functions carried out by Singapore Customs such as processing of strategic goods permit applications, registering and auditing of arms brokers, conducting industry outreach and public awareness programs, enforcing the SGCA and its regulations, serving as the focal point for local and international enquiries.

With effect from October 1, 2019, Singapore is implementing the updated list of strategic goods and technology which are subject to controls under the SGCA, in the Strategic Goods (Control) Order 2019.

## 6.4 Chemical Weapons Convention (CWC)

The Chemical Weapons Convention (CWC) is an international treaty which prohibits the development, production, stockpiling, transfer and use of chemical weapons and stipulates their timely destruction. It entered into force in 1997. The Organization for the Prohibition of Chemical Weapons (OPCW) is the implementing body for the CWC. Its activities include monitoring the implementation status of Member States, conducting on-site verification measures and providing a forum for consultation and co-operation amongst Member States. Singapore ratified the CWC in May 1997 and Singapore Customs is the designated National Authority (NA) for the CWC (NA-CWC)). The NA-CWC is the national focal point and liaison with the Organization for the Prohibition of Chemical Weapons (the implementing body of the CWC), and other Member States of the Convention. The NA-CWC administers the Chemical Weapons (Prohibition) Act and its subsidiary legislations to fulfill Singapore's obligations under the Convention.

The Chemical Weapons Convention lists 3 schedules of toxic chemicals, their precursors and an additional category of chemicals known as unscheduled discrete organic chemicals (DOCs). Schedule 1 covers chemicals that possess lethal or incapacitating toxicity and other properties that would enable it to be used as a chemical weapon (Schedule 1A), and their final stage precursors (Schedule 1B). They pose a high risk to the objectives of the Convention and have little or no commercial application. Schedule 2 covers chemicals which are potential chemical warfare agents (Schedule 2A and 2A\*), and other chemical weapons precursors (Schedule 2B). They pose a significant risk to the objectives of the Convention and have moderate level of commercial application. Schedule 3 covers chemicals which had previously been produced, stockpiled or used as a chemical weapon. They pose a risk to the objectives of the Convention by virtue of its importance in the production of one or more chemicals listed in Schedule 1 or Schedule 2B. Schedule 3 chemicals have widespread commercial application.

The schedules are organized to reflect the risk posed by the chemical to the objectives of the Convention, with decreasing risk across the schedules. Although DOCs are not directly related to making chemical

agents, the facilities built for their production (with quantity exceeding threshold limits) can potentially be converted to chemical weapons production facilities.

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## 7. DUTIES AND TAXES COLLECTIONS

### 7.1 Import Duty, Excise Duty, Good and Service Tax (GST)

In Singapore only import goods are required to pay duties and taxes and there are three types of duties and taxes levied on import goods:

- Import Duty: Import Duty is the Customs duty levied on goods imported into Singapore;
- Excise Duty: Excise Duty is the duty levied on goods manufactured in, or imported into Singapore;
- Good and Service Tax (GST): GST is the acronym for Goods and Services Tax, which is levied on all goods imported into Singapore.

### 7.2 Dutiable Goods

There are 4 categories of dutiable goods in Singapore listed below and all other products are non-dutiable.

- Intoxicating liquors;
- Tobacco products;
- Motor vehicles;
- Petroleum products and biodiesel blends.

For their respective duty rates, please refer to the list of dutiable goods of Singapore on the following website:

<https://www.customs.gov.sg/businesses/valuation-duties-taxes--fees/duties-and-dutiable-goods/list-of-dutiable-goods>

## 7.2.1 Import Duty

Only intoxicating liquors are required to pay Import Duty. The duties of the intoxicating liquors are based on specific rates, which is a specified amount per unit of weight or other quantity (for example, S\$100.00 per litre or per kilogramme).

- a) For alcoholic products with duty rates on per litre of alcohol

Duties payable = Total quantity in litres x Customs duty rate x Percentage of alcoholic strength

Example: Company A imports 100 litres of porter of alcoholic strength of 6% vol. Assuming the Customs duties for porter is S\$16 per litre of alcohol, so the Customs duties payable =  $100 \times \text{S\$}16 \times 6\%$  = S\$96

- b) For alcoholic products with duty rates based on dutiable content (weight/volume)

Duties payable = Total dutiable quantity in kilogrammes x Customs duty rate

Example: If 1 kilogramme of alcoholic composite concentrates contains 0.2 kilogramme of powdered alcohol, duties payable =  $0.2\text{kg} \times \text{S\$}113 = \text{S\$}22.60$

## 7.2.2 Excise Duty

Some intoxicating liquors, all tobacco products, motor vehicles and petroleum and biodiesel blends are required to pay Excise Duty.

### 7.2.2.1 Intoxicating Liquors

The duties of the intoxicating liquors are based on specific rates.

For alcoholic products with duty rates on per litre of alcohol,

Duties payable = Total quantity in litres x Excise duty rate x Percentage of alcoholic strength

Example: Company A imports 100 litres of porter of alcoholic strength of 6% vol. Assuming the excise duties for porter is S\$60 per litre of alcohol, so the excise duties payable =  $100 \times \text{S\$}60 \times 6\% = \text{S\$}360$

### 7.2.2.2 Tobacco Products

The duties of the tobacco products are based on specific rates.

**a) All Tobacco Products Except Cigarettes**

Duties payable = Total weight (in kilogrammes) x Excise duty rate

Example: Company A imports 50 kilogrammes (kgm) of tobacco (unmanufactured not stemmed). Assuming the excise duty for this is S\$388 per kilogramme, duties payable =  $50 \times \text{S\$}388 = \text{S\$}19400$ .

**b) Cigarettes**

Duties payable = Total number of sticks x Weight of individual sticks (every gramme or part thereof) x Excise duty rate

Example: Company A imports 100 sticks of cigarettes weighing 2 grammes each. Assuming the excise duty for cigarettes is 42.7 cents for every gramme or part thereof of each stick. Hence, duties payable =  $100 \times 2 \times \text{S\$}0.427 = \text{S\$}85.40$ .

**7.2.2.3 Motor Vehicles**

The duties of motor vehicles are based on ad valorem, which is a percentage of the goods' Customs value (for example, 25% of the Customs value).

Duties payable = Customs value x Excise duty rate

Example: Company A imports a motor car that was bought at S\$110,000 on CIF incoterms. Assuming the excise duty for motor cars is 20% of the Customs value, duties payable =  $\text{S\$}110,000 \times 20\% = \text{S\$}22000$ .

**7.2.2.4 Petroleum and Biodiesel Blends**

Duties of petroleum and biodiesel blends are based on specific rates.

**a) Petroleum Products**

Duties payable = Total volume x Excise duty rate

Example: Company A imports 100 litres of unleaded and unblended Motor spirit of RON 90. Assuming the excise duty for this is S\$5.60 per dal (1 dal = 10 litres), duties payable =  $\text{S\$}5.60 \times 100/10 = \text{S\$}56$

**b) Compressed Natural Gas (Cng)**

Duties payable = Total weight x Excise duty rate

Example: Company A imports 50 kilogrammes of compressed natural gas. Assuming the excise duty for compressed natural gas is S\$0.20 per kgm, duties payable = S\$0.20 x 50 = S\$10.

### c) Biodiesel Blend

Duties payable = Volume of diesel x Excise duty rate

Example: Company A imports 1,000 litres of biodiesel blend, comprising 100 litres of diesel. Assuming the excise duty for diesel is S\$2.00 per dal (1 dal = 10 litres), duties payable = S\$2 x 10 = S\$20.

## 7.2.3 GST

GST is calculated based on Customs value of the goods, plus all duties, or value of the last selling price plus all duties (if there has been more than one sale, then the value is the amount that the last buyer pay for the goods) and the specific rates. The current GST rate is 7%. Please check the GST rate on the official website in case it changes.

### 7.2.3.1 Non-dutiable Goods

GST payable = 7% x Customs value or Last Selling Price (LSP)

Example: Company A bought 100 boxes of vitamins at S\$1000 on CIF incoterms. Company A sold the vitamins to Company B before the vitamins reached Singapore for S\$1,200. GST payable by Company B = 7% x S\$1,200 = S\$84

### 7.2.3.2 Dutiable Goods

GST payable = 7% x (Customs value or Last Selling Price (LSP) + duties payable)

Example: Company A imported a motor car that was bought at S\$101,000 on CIF incoterms. Assuming the excise duty for motor cars is 20% of the Customs value and Duties payable = S\$101,000 x 20% = S\$20,200, thus, GST payable = 7% x (S\$101,000 + 20,200) = S\$8,484

## 7.3 Preferential Tariff

Preferential tariff treatment allows goods imported into Singapore to pay lower or no Customs duty under a Free Trade Agreement or Scheme of Preferences. To check whether the goods are covered under the Free Trade Agreement or Scheme of Preferences and the preferential tariffs, please refer to Enterprise Singapore's Tariff Finder Tool.

## 7.4 Duty Exemptions

### 7.4.1 Be Exempted from Duties

Some imports can be exempted from duties. Please refer to Customs (Duties) (Exemption) Order and Section 2 (1A) of Customs (Duties) Order on the following websites:

<https://sso.agc.gov.sg/SL/CA1960-OR5#pr2->.

<https://sso.agc.gov.sg/SL/CA1960-OR4#pr2->.

### 7.4.2 Be Exempted from GST

Some imports can be exempted from GST. Please refer to Goods and Services Tax (Imports Relief) Order on the following website:

<https://sso.agc.gov.sg/SL/GSTA1993-OR3>.

In addition, there's a GST Exemption for Investment Precious Metals. Individuals or businesses importing Investment Precious Metals (IPM) into Singapore are exempted from paying Goods and Services Tax (GST) if the IPMs meet the IPM Qualifying Criteria. Please read more about the GST exemption for IPMs on the following website:

<https://www.iras.gov.sg/irashome/GST/GST-registered-businesses/Working-out-your-taxes/When-is-GST-not-charged/Supplies-Exempt-from-GST/#title5>.

### 7.4.3 Temporary Export Re-imported

GST and/or duty-paid goods temporarily exported for approved purposes under the Temporary Import/Export Scheme under Singapore Customs can be re-imported without GST and duty (where applicable). Please refer to the following website for more details:

<https://www.customs.gov.sg/businesses/importing-goods/temporary-import-scheme>.

## 7.5 Refund or Delayed Payment

### 7.5.1 Refund of Duties & GST

#### 7.5.1.1 Reasons for Refund

Common reasons for refund in Singapore include:

- Double declaration;
- Double payment;
- Exemption/GST relief granted;
- Importer under the Major Exporter Scheme;
- Shipment cancelled;
- Shipment for re-export/transship;
- Shipment under personal efforts;
- Shipment under temporary import;
- Wrong declaration of Harmonized Systems code;
- Wrong declaration of value;
- Wrong importer's name/Unique Entity Number.

#### **7.5.1.2 Deadline for Refunds**

- Within 5 years from the date of payment of duty;
- Within 5 years from the date of payment of GST.

#### **7.5.1.3 Application for Refund**

Apply for an online refund and be notified of the outcome through the Refund Module in TradeNet.

#### **7.5.1.4 Possible Outcomes for Refund**

- Rejection: This could include requiring the taxable importer to claim from the Inland Revenue Authority of Singapore (IRAS).
- Approval: All successful refunds will be credited directly into the Inter-Bank GIRO (IBG) accounts of the payers who maintained IBG accounts with Singapore Customs.
- Pending supporting documents: The applicant will receive a notification to submit the following supporting documents:
  - a) Refund Permit;

- b) Replacement Permit (if applicable);
- c) Commercial Invoice;
- d) Packing List;
- e) Arrival Notice/Freight Notification or Delivery Order;
- f) Bill of Lading/Airway Bill;
- g) GST/Duty Computation;
- h) Bank Slip and Bank Statement (for payment made at the bank);
- i) Any other documents required by Singapore Customs to verify the claim.

If the GST was deducted via IBG from the taxable importer's bank account registered with Singapore Customs, (i.e. payment permits with the permit conditions "GF" & "TX"), the importer is advised to claim the GST as input tax from IRAS during the company's accounting period. The same applies if the GST was paid by the taxable importer at the bank.

However, if the claim for refund is due to stating the wrong importer's name or UEN, the importer can apply for a GST refund from Singapore Customs. Applicant may log in to TradeNet to check the status of related refund application.

### **7.5.2 Delayed Payment**

There are 4 scenarios that payment of duty and/or GST can be delayed:

- Duty and/or GST are suspended when goods remain inside a FTZ.
- When good are moved from a FTZ or entry point into a Customs licensed premises (such as zero-GST warehouses or licensed warehouses), duty and /or GST will be suspended as long as the goods are stored in the licensed premises.
- Goods temporarily imported for approved purposes, duty and /or GST will be suspended up to a maximum of 6 months (where applicable). Please refer to the following website for more details in Temporary Import Scheme under Singapore Customs: <https://www.customs.gov.sg/businesses/importing-goods/temporary-import-scheme>.
- Goods imported under the relevant Inland Revenue Authority of Singapore(IRAS) Schemes:
  - a)Major Exporter Scheme (MES), companies approved under the MES can enjoy GST suspension

for non-dutiable goods imported in to Singapore, and on goods removed from a zero-GST warehouse. Please refer to the following website for more details:

<https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/iras-schemes/major-exporter-scheme>.

b)Approved Import GST Suspension Scheme(AISS),this scheme will allow approved Goods and Tax(GST)-registered businesses in the aerospace industry to import goods into Singapore with GST suspended and remove qualifying aircraft parts from the Airport Logistics Park of Singapore(ALPS) or other Free Trade Zones with GST Suspended. Please refer to the following website for more details:

<https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/iras-schemes/approved-import-gst-suspension-scheme>.

c)Import GST Deferment Scheme (IGDS), companies approved under the IGDS can defer the imports' Goods and Services Tax (GST) payment at the point of import. Please refer to the following website for more details:

<https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/iras-schemes/import-gst-deferment-scheme-igds>.

## 8. CUSTOMS SECURITY

### 8.1 Scenarios to Furnish Security

Declaring Entities, or their appointed Declaring Agents, are required to furnish security for various scenarios, such as:

- Temporary importation of goods for approved purposes;
- Movements involving dutiable goods not under temporary import;

- Operation of licensed premises such as licensed warehouses and excise factories;
- Compliance with the regulatory requirements of Singapore Customs;
- Revenue protection purposes;
- Liquor and tobacco products (see circular on the following webpage for more information: [https://www.customs.gov.sg/-/media/cus/files/circulars/corp/2016/circular\\_01\\_2016v3.pdf](https://www.customs.gov.sg/-/media/cus/files/circulars/corp/2016/circular_01_2016v3.pdf)).

Singapore Customs may also require security to be furnished for situations not mentioned above, or vary the security amount on a case-by-case assessment.

## 8.2 Amount of Security Required

The amount of security required for a permit application is dependent on the movement type and goods type.

- For Temporary Importation of Goods for Approved Purposes, the amount of security required can be found in the following website:  
<https://www.customs.gov.sg/businesses/registering-to-trade/registration-procedures/security-lodgement>.
- For Movements Involving Dutiable Goods not under Temporary Import, the amount of security required can be found in the following website:  
<https://www.customs.gov.sg/businesses/registering-to-trade/registration-procedures/security-lodgement>.

### Security is not required for:

- Transactions where the security amount required for a permit application is S\$2,000 or less, please see Circular No. 19/2010 on the following website for more information:  
<https://www.customs.gov.sg/~/-/media/cus/files/circulars/corp/2010/cir19201015nov2010.pdf>.
- All movement of unmanufactured tobacco.
- Outward movement of undenatured ethyl alcohol (of alcoholic strength by volume of 80% or more) by road.

For first-time security lodgement for permit applications, companies need to compute and lodge the amount of security required. The amount of security lodged should be sufficient to meet operational needs and a buffer amount should be included to avoid any possible disruption to the transactions, as a permit application will be rejected if the amount of security required for the permit application exceeds the amount of security lodged with Singapore Customs.

### **Operation of Licensed Premises and Other Purposes**

For first-time security lodgement for the operation of licensed premises and other purposes, Singapore Customs will inform the amount of security required to be lodged.

## **8.3 Lodgement of Security**

Three forms of security are acceptable to Singapore Customs: Banker's Guarantee, Finance Company Guarantee, or an Insurance Bond.

The Security Application Form can be downloaded and brought to the bank, finance company or insurance company for lodgement of the Banker's Guarantee/Finance Company Guarantee/Insurance Bond at the following website:

<https://www.customs.gov.sg/eservices/customs-forms-and-service-links#Registration>.

### **Further points to note:**

- Except for securities that are lodged for an ad-hoc basis (e.g. temporary importation of an ad-hoc shipment), the security lodged should be valid for at least one year, with the expiry date set to December 31 of the following year.
- The bank, finance company or insurance company must be registered with the Monetary Authority of Singapore (MAS).
- The insurance company must be a Direct Insurer (General) or Direct Insurer (Composite) listed under MAS's Financial Institutions Directory at the MAS's official website of <https://eservices.mas.gov.sg/fid>.

Original security needs to be submitted to the Registration Unit, Procedures & Systems Branch of Singapore Customs. Once the security is received, Singapore Customs will register the security within 3 working days. Upon successful registration, a notification will be sent by email or fax to the Primary

Contact (or the Secondary Contact should transmission to the company's Primary Contact fails) registered in the company's Customs Account. Please ensure that the particulars of the Primary Contact and Secondary Contact registered in the company's Customs Account are updated for them to receive the notifications.

## **8.4 Renewal of Security**

If the security lodged with Singapore Customs expiring in the month of December, Singapore Customs will inform the company of the recommended security amount to lodge for the following year in November of the current year.

The recommended security amount is computed based on the entity's past transaction and its TradeFIRST (TF) band, Declaring Agent (DA) band and the entity's compliance records with Singapore Customs. Entities that have been accorded a better TF band or DA band, or have maintained exemplary compliance records can expect lower or waiver of security requirements for most types of transactions.

If the security lodged does not expire in the month of December, Singapore Customs will notify the company on the expiry of the security two months before the expiry date.

## **8.5 Extension of Security**

A new security can be lodged using the Security Application Form or extend the expiry date of the existing security using the Security Extension Form. Submit the new security or security extension to Customs at least two weeks before the expiry of the existing security to allow sufficient time for processing and amendments in case of discrepancies. Both Forms can be downed from the following website:

<https://www.customs.gov.sg/eservices/customs-forms-and-service-links#Registration>.

## **8.6 Withdrawal of Security**

Companies can write in to Singapore Customs to withdraw a valid security. Singapore Customs will return the original security once they have confirmed that the company does not have any outstanding matters with them.

## 8.7 Expiration of Security

Customs will retain all expired securities. All liabilities of the bank, finance company or insurance company will be fully discharged after the claim period as stated in the security.

## 8.8 Forfeiture of Security

Entities, in particular Declaring Agents, should exercise due diligence before allowing their security to be used for permit applications by another party. Customs may forfeit the security if there is non-compliance with any regulatory requirements.

## 8.9 Authorize a Declaring Agent

Companies may authorize a Declaring Agent to use their security for their permit applications. More Information about authorizing Declaring Agents can be learned from the following website:

[https://www.tradenet.gov.sg/TN41EFORM/tdsui/authdeclaringagent/addanddelete.do?doAction=INITIALIZE&APPLICATION\\_ID=TXWP](https://www.tradenet.gov.sg/TN41EFORM/tdsui/authdeclaringagent/addanddelete.do?doAction=INITIALIZE&APPLICATION_ID=TXWP)

After companies have authorized their Declaring Agent to use their security, their authorized Declaring Agent may select "I" (for importer/exporter) under the "BG Indicator" field to make use of their security for their permit applications. If the "BG Indicator" field is "D" or left blank, the Declaring Agent's security will be used.

# 9. TARIFF CLASSIFICATION

## 9.1 Tariff

The Singapore Trade Classification, Customs and Excise Duties (STCCED) 2018 adopts the ASEAN Harmonized Tariff Nomenclature (AHTN) 2017. The HS codes in STCCED 2018 is harmonized at the 8-digit code, which is based on the Harmonized System developed by the World Customs Organization.

## 9.2 STCCED 2018

The STCCED 2018 comprised 21 Sections covering 98 Chapters. Chapter 98 (Postal Packages and Special Transactions not classified according to kind) is added by Singapore to make the STCCED 2018 more suitable for its national conditions.

The STCCED 2018 can be reached on the following website:

<https://www.customs.gov.sg/-/media/cus/files/business/harmonized-system-classification-of-goods/resources/stcced/stcced-2018-march-2019-version/index.html> .

## 9.3 General Interpretative Rules (GIR)

The General Rules for the Interpretation of the Harmonized System, also known as the General Interpretative Rules (GIR) are also applied in Singapore and the following is a complete version of GIR.

The General Interpretative Rules (GIR) is a set of 6 rules for classification of goods. The rules are provided to ensure uniform legal interpretation of the Harmonized System Nomenclature for proper classification of goods and these 6 rules have to be applied in sequential order.

### Rule 1

The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions.

### Rule 2

a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.

b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures

or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3.

### **Rule 3**

When by application of Rule 2 (b) or for any other reason, goods are, *prima facie*, classifiable under two or more headings, classification shall be effected as follows:

a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to Rule 3 (a), shall be classified as if they consisted of the material or component which gives them their essential character, in so far as this criterion is applicable. (c) When goods cannot be classified by reference to Rule 3 (a) or 3 (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

### **Rule 4**

Goods which cannot be classified in accordance with the above Rules shall be classified under the heading appropriate to the goods to which they are most akin.

### **Rule 5**

In addition to the foregoing provisions, the following Rules shall apply in respect of the goods referred to therein:

a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles

when of a kind normally sold therewith. This Rule does not, however, apply to containers which give the whole its essential character.

b) Subject to the provisions of Rule 5 (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.

## **Rule 6**

For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, *mutatis mutandis*, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purpose of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.

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# **10. CUSTOMS VALUATION**

## **10.1 Introduction**

Imported merchandise must be appraised for purposes of determining duty, taxes and fees. For importers, the process of estimating the value of a product at Customs is important. The WTO Agreement on Customs Valuation adopts the transaction value as the Customs value of imported goods, aiming for a fair, uniform and neutral system for the valuation of goods for Customs purposes. Coverage of the Agreement sets forth a number of principles which must be implemented by the Customs administrations of WTO Member countries. Six Customs valuation methods are described in the Agreement. When determining Customs value, national administrations must begin by applying the first method described (transaction value). Where Customs administrations have reason to doubt the accuracy of the declared value of imported goods, the agreement provides the right to request further information from importers. If the administration maintains a reasonable doubt and the value cannot be determined by this method, or

the price has been distorted as a result of certain conditions, or where no transaction value is available, Customs must apply the second and subsequent methods in the order provided for in the Agreement.

Based on the principles of the WTO Agreement on Customs Valuation, Singapore Customs adopts five of the six valuation methods listed on the WTO Agreement on Customs valuation and made its own Customs Valuation Regulations, which can be seen on the following website: <https://sso.agc.gov.sg/SL/CA1960-RG8?DocDate=20020930>.

## 10.2 Valuation Methods

### 10.2.1 Transaction Value Method

The Transaction Value Method is first considered in establishing the Customs value, which is the Cost, Insurance and Freight (CIF) value under International Commercial Terms (incoterms).

To establish the Customs value using this method, all other charges incidental to the sale and delivery of the imports must be added to the transaction value or the price paid or payable for the imports. Examples of these charges include selling commissions, assists (materials supplied by the importer), packing costs, proceeds of resale accruing to the seller, royalties and license fees, freight and insurance charges.

If any component of the Customs value is settled in a foreign currency, that value should be converted to Singapore dollars using the prevailing Customs exchange rate at the time of import.

Using the transaction value method by Singapore Customs is subject to the following conditions:

- a) There must be evidence of a sale. Such evidence may be in the form of commercial invoices, sale contracts, purchase orders, etc.
- b) There must not be restrictions on the use of the goods by the buyer,
- c) The sale or price is not subject to conditions for which a value cannot be determined with respect to the goods being valued. Examples include:
  - Seller establishes the price of the imported goods on condition that the buyer will also buy other goods in specified quantities,
  - Price of semi-finished goods is established by the seller on condition that the buyer will give the

seller a specified quantity of the finished goods,

d) It must be shown that the transaction value has not been affected by any relationship between the importer and supplier.

### 10.2.2 Other Valuation Methods

If the Transaction Value Method cannot be used, the following alternatives will be used to determine the Customs value:

- Identical or Similar Goods Value - the transaction value of identical or similar goods sold for export to Singapore,
- Deductive Value - the sale price of the goods in Singapore, adjusted for costs incurred after shipment,
- Computed Value - the value based on cost of production, general expenses and profits in the country of origin of the imported goods,
- Residual Valuation - the value determined by Singapore Customs, based on flexible interpretation of all the previous methods.

## 11. RULES OF ORIGIN

There are two different systems of rules of origin used in Singapore, one is for ordinary or non-preferential Certificate of Origin, and the other is for preferential Certificate of Origin.

### 11.1 Rules of Origin for Non-preferential Certificate

Rules of origin for non-preferential Certificate of Origin are covered by WTO Agreement on Rules of Origin, which elaborates 3 criteria: “the criterion of change of tariff classification”, “the ad valorem percentage criterion” and “the criterion of manufacturing or processing operation” without giving specific

requirements on details. Singapore has created its own Rules of Origin for ordinary Certificate of Origin under the general spirits of the WTO document.

And the criteria include:

- a) Wholly Obtained (i.e. wholly grown or produced, refer to Annex I);
- b) Manufactured in Singapore with minimum 25% of Local Content based on the exactor price of the finished product;
- c) Attained a Change in Tariff Classification at 6 digit level (i.e. Change in Tariff Subheading); or
- d) Undergone a Chemical Reaction (only for products under HS Chapters 27 to 40).

Products which have only undergone minimal processes as indicated in Annex II will not qualify for Ordinary Certificates of Origin. Please refer to the following website for a related handbook:

<https://www.customs.gov.sg/businesses/certificates-of-origin/certificates-of-origin>.

## 11.2 Rules of Origin for Preferential Certificate

The Rules of Origin for preferential COs issued under Free Trade Agreements and Schemes of Preferences in Singapore.

### A. Rules of Origin for Preferential Certificates of Origin

The Rules of Origin for preferential COs are the ones applied under the various Free Trade Agreements (FTAs). A good is considered to be originated from Singapore if it is:

- Wholly Obtained (WO) in Singapore;
- Undergone substantial transformation in Singapore including (a) Change in Tariff Classification (CTC), (b) Regional Value Content (RVC) and (c) Process Rule.

Please refer to the following website for a related handbook:

<https://www.customs.gov.sg/businesses/certificates-of-origin/certificates-of-origin>.

## **B. Rules of Origin for Schemes of Preference**

The Rules of Origin for preferential COs are the ones applied under Generalized System of Preferences (GSP) and Global System of Trade Preferences (GSTP).

To qualify for GSP, the products must either be: a) Wholly Obtained (i.e. wholly grown or produced) in the beneficiary country; or b) Manufactured wholly or partly from materials, parts or components imported into the country or of unknown origin according to the appropriate rules of origin (substantial transformation).

To qualify for GSTP, the products must either be: a) wholly obtained (wholly grown or produced) in a participant country; or b) manufactured wholly or partly from materials, parts or components imported into the participant country or of unknown origin. Products which have undergone minimal processes as indicated in Annex I will not qualify for GSTP.

Please refer to the following website for a related handbook:

<https://www.customs.gov.sg/businesses/certificates-of-origin/certificates-of-origin>.

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## **12. FREE TRADE AGREEMENTS (FTAS)**

### **12.1 FTAs signed by Singapore**

Singapore has signed 24 Free Trade Agreements (FTAs), and is currently working with the European parliament to promote the EU-Singapore FTA signed in February 2019 Into effect at the end of 2019, actively participating in the regional comprehensive Economic partnership agreement (RCEP) negotiations, and working with Eurasian Economic Union (Eurasian Economic Union, the South American Common Market (MERCOSUR) and Pacific Alliance (Pacific Alliance) on the discussion of economic and trade liberalization.

24 FTAs Singapore participates till now are as follows:

- ASEAN - Australia - New Zealand Free Trade Area (AANZFTA);
- ASEAN - China Free Trade Area (ACFTA);
- ASEAN - Hong Kong, China Free Trade Area (AHKFTA);
- ASEAN - India Free Trade Area (AIFTA);
- ASEAN - Japan Comprehensive Economic Partnership (AJCEP);
- ASEAN - Korea Free Trade Area (AKFTA);
- ASEAN Free Trade Area (AFTA);
- China - Singapore Free Trade Agreement (CSFTA);
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP);
- EFTA - Singapore Free Trade Agreement (ESFTA);
- GCC - Singapore Free Trade Agreement (GSFTA);
- India - Singapore Comprehensive Economic Cooperation Agreement (CECA);
- Japan - Singapore Economic Partnership Agreement (JSEPA);
- Korea - Singapore Free Trade Agreement (KSFTA);
- Agreement Between New Zealand And Singapore On A Closer Economic Partnership (ANZSCEP);
- Panama - Singapore Free Trade Agreement (PSFTA);
- Peru - Singapore Free Trade Agreement (PeSFTA);
- Singapore - Australia Free Trade Agreement (SAFTA);
- Singapore - Costa Rica Free Trade Agreement (SCRFTA);
- Singapore - Jordan Free Trade Agreement (SJFTA);
- Sri Lanka - Singapore Free Trade Agreement (SLSFTA);
- Trans - Pacific Strategic Economic Partnership (TPSEP);
- Turkey - Singapore Free Trade Agreement (TRSFTA);
- US - Singapore Free Trade Agreement (USSFTA).

More information regarding related FTAs can be found on the following webpage:

<https://www.enterprisesg.gov.sg/non-financial-assistance/for-singapore-companies/free-trade-agreements/ftas/overview>.

## 12.2 Benefits of FTAs

The benefits of each FTA can be generalized as complement each other's economic advantages, boost win-win cooperation, bring mutual benefits and promote the in-depth development of bilateral economic and trade ties.

For example, the benefits of US - Singapore Free Trade Agreement (USSFTA) include: (1) Elimination of all tariffs for Singapore's exports to the US, (2) Waiver of the Merchandise Processing Fee for Singapore originating products, (3) Tariff preference given based on importer's declaration, no application required, (4) Safeguards market access and ensures a more predictable operating environment for service suppliers, (5) Protection for Singapore investors and investments in the US.

Again for example, the benefits of Trans-Pacific Strategic Economic Partnership include: (1) Elimination of all tariffs for Singapore's exports to TPSEP markets, (2) Tariff preference given based on exporter's declaration, no application required, (3) Safeguards market access and ensures a more predictable operating environment for service suppliers.

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## 13. Advance Rulings

Same as other advanced Customs administration in the world, Singapore Customs also issues advance rulings for Customs affairs.

Section 29 of Customs Act stipulates "(1) The Director-General may, on an application made in accordance with the Schedule, make a ruling on any of the matters specified in the Schedule in accordance with the Schedule. (2) The Schedule shall apply to and in connection with an application under subsection and any ruling made by the Director-General under that subsection. (3) The Minister may, by order published in the Gazette, amend, add to or revoke the whole or any part of the Schedule."

Section 29 of Customs Act also has detailed regulations regarding necessary aspects of Customs rulings including:

**Application for Customs rulings:** (1) Subject to sub-paragraph (3), any person concerned in the importation of any goods may apply to the Director-General for a ruling on one or more of the following matters: (a) the classification of the goods; (b) the country of origin of the goods; (c) the application of a provision of the Customs (Valuation) Regulations (Rg 8) to the goods. (2) Subject to sub-paragraph (3), any person concerned in the local manufacture of any goods may apply to the Director-General for a ruling on one or more of the following matters: (a) the classification of the goods; (b) the application of a provision of the Customs (Valuation) Regulations to the goods. (3) Where any goods are the subject of any Free Trade Agreement to which Singapore is a party, and that Free Trade Agreement identifies the person who may apply for a ruling in relation to those goods, only that person may apply under sub-paragraph (1) or (2) for a ruling in relation to those goods. (4) An application for a ruling shall (a) be made in such form as the Director-General may determine; (b) comply with the disclosure requirements of paragraph 4; and (c) be made at such time as the Director-General may determine.

**Director-General may Decline to Make a Ruling if:** (a) the application for the ruling would require the Director-General to determine any question of fact; (b) the Director-General considers that the correctness of the ruling would depend on the making of assumptions, whether in respect of a future event or any other matter; (c) the application is frivolous or vexatious; (d) the matter on which the ruling is sought involves the interpretation of any foreign law; or (e) after the Director-General has requested further information, (i) the applicant fails to provide the information within the time specified by the Director-General for the provision of the information; or (ii) in the Director-General's opinion, the applicant has not provided sufficient information in relation to the application. The Director-General shall, where he has declined to make a ruling, notify the applicant in writing of his decision and the reasons therefor.

**Duration of Ruling:** A ruling shall apply in relation to a matter only for such period as may be stated in the ruling.

**Information to be Provided to Director-General:** (1) An application for a ruling shall, (a) identify the applicant; and (b) disclose all relevant facts and documents relating to the matter in respect of which the ruling is sought. (2) The Director-General may, at any time, request further relevant information from an applicant for the purpose of making a ruling. (3) An applicant for a ruling shall provide the Director-General with the information referred to in sub-paragraph (2) within such time as the Director-General may determine.

**Director-General may Make Assumptions:** If the Director-General considers that the correctness of a ruling would depend on assumptions being made about any future event or other matter, the Director-

General may make the assumptions that he considers to be most appropriate.

**Making of Ruling:** (1) A ruling made by the Director-General shall state (a) that it is a ruling made under section 29; (b) the identity of the person or class of persons to whom, and the particulars of the matter to which, the ruling applies; (c) any material assumptions about future events or other matters made by the Director-General; and (d) the conditions (if any) applicable to the ruling. (2) The Director-General shall notify the person to whom the ruling applies of the making of the ruling by sending him a copy of the ruling. (3) Where there is any Free Trade Agreement applicable to the matter to which a ruling applies, and the Free Trade Agreement specifies the period within which the ruling shall be made, the Director-General shall make the ruling within that period. (4) The Director-General may make a ruling notwithstanding that no application has been made under paragraph 1.

**Modification or Withdrawal of Ruling:** (1) The Director-General may, at any time, modify or withdraw a ruling by notifying the person to whom the ruling applies in such manner as the Director-General may determine of the modification or withdrawal and the reasons therefor. (2) Subject to sub-paragraphs (3) and (4), a ruling is modified or withdrawn from the date specified in the notice of modification or withdrawal, as the case may be. (3) The Director-General may, on the application of a person to whom a ruling applies, postpone the date the ruling is modified or withdrawn to such later date as the Director-General may determine, if that person shows that (a) he had relied in good faith on the ruling; and (b) the modification or withdrawal, as the case may be, of the ruling would be detrimental to him. (4) The Director-General may postpone the date the ruling is modified or withdrawn to such later date as he may determine notwithstanding that no application has been made under sub-paragraph (3). (5) If the Director-General withdraws a ruling, the ruling shall not apply in relation to any goods, the subject-matter of the ruling, which are imported or manufactured locally, on or after the date of the withdrawal. (6) If (a) the Director-General withdraws a ruling made pursuant to an application by a person under paragraph 1; and (b) the person to whom the ruling applies has not acted in accordance with any condition applicable to the ruling, the ruling shall cease to apply to that person in relation to any goods, the subject-matter of the ruling, which are imported or manufactured locally, before the date of the withdrawal. (7) If the Director-General modifies a ruling, the modified ruling shall apply in relation to any goods, the subject-matter of the modified ruling, which are imported or manufactured locally, on or after the date of the modification. (8) If (a) the Director-General modifies a ruling made pursuant to an application by a person under paragraph 1; and (b) the person to whom the original ruling applies has not acted in accordance with any condition applicable to the original ruling, the modified ruling shall apply to that person in relation to any goods, the subject-matter of the modified ruling, which are imported or manufactured locally, before the date of the modification. (9) The Director-General may modify or withdraw a ruling if (a) the ruling is based on

an error of fact; (b) there is a change in the circumstances after the ruling was made; (c) any information provided by the applicant in support of his application for the ruling is false, inaccurate or misleading; (d) there is a change in the basis of the classification of the goods after the ruling was made; (e) there is a change in the circumstances relating to the sale and import or local manufacture of goods after the ruling was made; (f) an offence is suspected to have been committed in relation to the goods; or (g) it is one of the grounds of modification or withdrawal provided under any Free Trade Agreement applicable to the matter to which the ruling applies.

**Typographical or Minor Error in Ruling:** The Director-General does not have to withdraw and re-issue a ruling to correct any typographical or minor error, if the correction does not change the meaning of the ruling.

**Amendment of Act:** A ruling does not apply from the date a provision of this Act is repealed or amended to the extent that the repeal or amendment changes the way the provision applies in the ruling.

## 14. BONDED SYSTEM

### 14.1 Free Trade Zones (FTZs)

Throughout the country, Singapore now has altogether 9 Free Trade Zones (FTZs) including (1) TanjongPagar Terminal and Keppel Terminal FTZ, (2) Jurong Port (including PulauDamarLaut) FTZ, (3) Sembawang Wharves FTZ, (4) Changi Airport Cargo Terminal Complex FTZ, (5) Brani Terminal FTZ, (6) Keppel Distripark FTZ, (7) Keppel Distripark Linkbridge FTZ, (8) Pasir Panjang Terminal FTZ and (9) Airport Logistics Park of Singapore FTZ.

Singapore's Free Trade Zones (FTZs) has been playing a critical role in building Singapore's position as a trading hub. To maintain the competitiveness of all FTZs, Singapore Customs ensure that they remain secure. A robust regulatory regime of the FTZs has been put in place to govern the security of FTZs. Strict controls and limits are imposed on activities permissible within the FTZs. Transactions and activities within the FTZs must comply with all related laws and regulations in Singapore, which empower government

authorities to impose controls on the FTZs and undertake enforcement action such as routine checks and operations against illicit trading activities. There are no other exemptions or special treatment for FTZs operators.

Singapore companies operating in one of these FTZs are not required to pay Customs duties until their goods exit the free zones. These companies also benefit from streamlined Customs procedures when importing goods in the city-state.

In order to operate in one of Singapore's free zones, local companies must obtain a permit from TradeNet which allows them to import, export and transport their goods overseas. Local companies must also obtain permission from the Singapore Customs in order to keep their goods in the FTZs. Foreign companies operating in Singapore must work with local transporters and traders.

Foreign investors seeking to open a company in one of Singapore's FTZs can do so without any restrictions. The minimum share capital for setting up a business in FTZs depends on whether the company needs a warehouse or office spaces and it must be deposited within the first year of the registration. The company must also obtain a permit from the free zone's authority in order to obtain a license.

## **14.2 Bonded Schemes**

### **(1) Air Store Bond Scheme**

An air store bond is a designated area licensed by Singapore Customs for storing dutiable goods, namely liquor, with the duty and Goods and Services Tax (GST) suspended. These dutiable goods are meant for supply to the various airlines operating out of Changi Airport terminals. The designated area is also termed as licensed premises. The licensed premises must be physically demarcated and separated from other areas, while the non-licensed premises may be used for other purposes.

### **(2) Bonded Truck Scheme**

The Bonded Truck Scheme allows air express companies to handle time-sensitive transshipments from the land checkpoints to Changi Free Trade Zone for subsequent re-export or release into Customs territory under a simplified Customs permit. Similarly, the scheme also facilitates transshipments from Changi Free Trade Zone to the land checkpoints.

### **(3) Container Freight Warehouse License**

A Container Freight Warehouse License allows approved logistics operators to conduct bulk breaking and consolidation operations on cargoes with less than full container load outside a Free Trade Zone. Only non-dutiable, non-controlled and non-strategic goods can be brought into a container freight warehouse.

### **(4) Duty Free Shop Scheme**

The Duty Free Shop (DFS) Scheme is designed for companies who wish to sell dutiable goods, such as liquor, at prices free of duty to travelers departing from or returning to Singapore. The areas where duty free goods are sold must be designated and licensed by Singapore Customs as licensed premises.

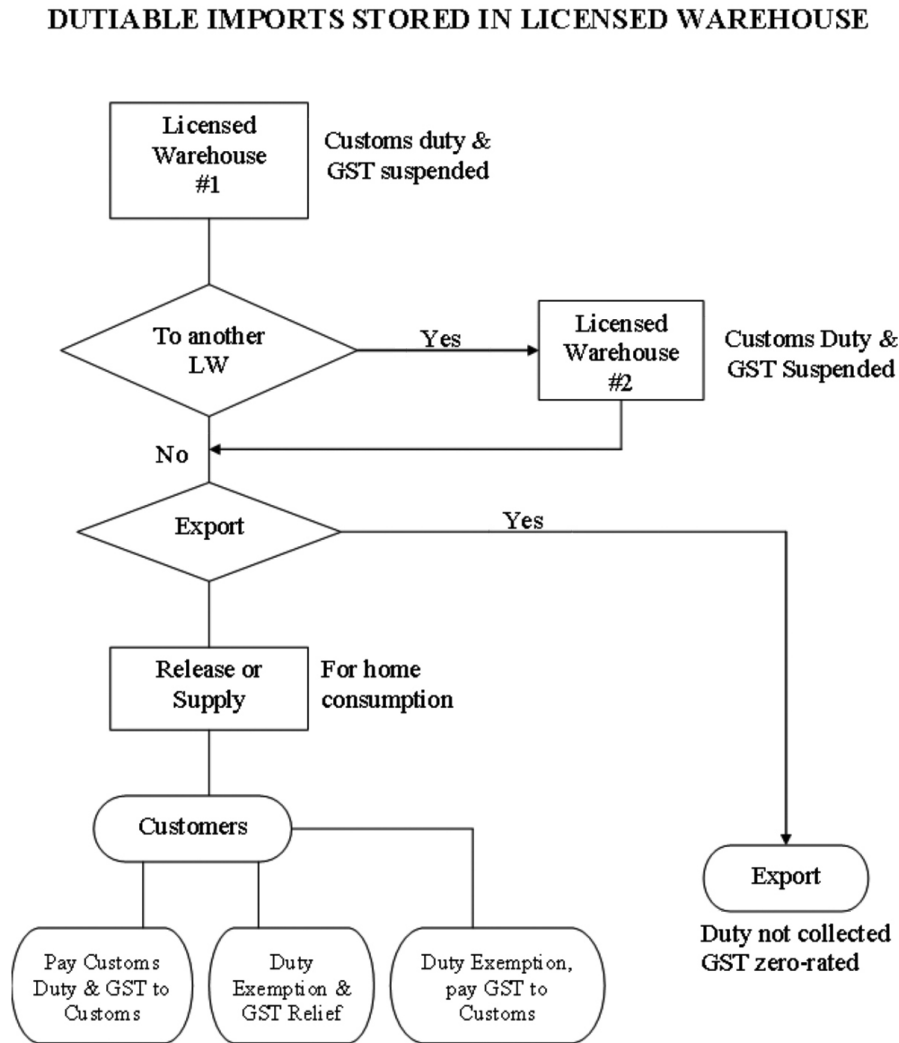
### **(5) Industrial Exemption Factory Scheme**

The Industrial Exemption Factory Scheme is a duty exemption scheme for industries that use dutiable goods (except diesel products and bio-diesel blends) as raw materials solely to manufacture non-dutiable finished goods. Under this scheme, dutiable goods (except diesel products and bio-diesel blends) would be duty exempted as long as they are used solely for the manufacture of non-dutiable finished goods and stored at the place of manufacture approved by Singapore Customs. The duty-exempted raw materials must not be sold, transferred or disposed of in any way without permission from Singapore Customs.

### **(6) Licensed Warehouse Scheme**

The Licensed Warehouse (LW) Scheme allows approved companies to store imported dutiable goods, namely liquor, tobacco, motor vehicles, petroleum and biodiesel blends, for an indefinite period of time in a designated area licensed by Singapore Customs, with the duty and Goods and Services Tax (GST) suspended. This designated area is termed as licensed premises. Duty and GST will be payable when these goods are removed from the licensed warehouse for local use or consumption. Duty and GST are not payable when these goods are removed for export, or when supply or sale of these goods takes place while they are in the warehouse.

Figure 2 Process for Dutiable Imports Stored in Licensed Warehouse



Source: Singapore Customs Official Website

### (7) Zero-GST Warehouse Scheme

The Zero-GST Warehouse Scheme (ZGS) allows approved companies to store imported non-dutiable goods for an indefinite period of time in a designated area licensed by Singapore Customs, with the Goods and Services Tax (GST) suspended. This designated area is termed as licensed premises. GST is payable when these goods are removed from the zero-GST warehouse for local use or consumption. GST is not payable when these goods are removed for export, or when supply or sale of these goods takes place while they are in the warehouse.

### 14.3 Bonded Processing

Any person who intends to assemble, mix or otherwise manipulate any goods or to carry out such manufacture as is permitted for entry into Customs territory, where either the manufactured goods or the materials used in the manufacture of the goods are dutiable, shall give the Director-General notice in writing of his intention and obtain his prior written permission to do so.

An application for the approval for the manufacture of goods in a FTZ shall be made in writing to the Director-General specifying:

- the name and address of the applicant;
- the name and address of every director if the applicant is a company and every partner if the applicant is a firm;
- the registration number assigned to the applicant;
- the exact place or premises in the free trade zone where it is proposed to carry on the manufacturing operation;
- a full description of the manufacturing operation, including the nature of the goods to be manufactured, the estimated output and the quantities to be manufactured for local consumption or for export or both;
- the estimated annual duty which may be exempted or paid on the raw materials to be used for the purpose of manufacture or on the semi-finished and finished products, as the case may be;
- the means of identification of the raw materials, semi-finished or finished products.

The Director-General may inspect the place or premises where the goods are to be manufactured and may require an applicant to submit a plan setting out in detail the layout or construction of the factory.

The Director-General may also require an applicant to make the following provisions in respect of the place or premises to be used for manufacturing operation:

- separate storage space for raw materials and semi-finished and finished products;
- identification marks for semi-finished and finished products;
- security for the due payment of all Customs duties and fees and for the proper conduct of the business;

- any other requirement the Director-General considers necessary in order to ensure adequate protection of the revenue.

## 15. CUSTOMS SUPERVISION ON CROSS-BOEDER ECOMMERCE

### 15.1 Introduction

According to Forrester Research, 60% of Singapore's ecommerce sales come from cross-border orders, a significant percentage compared to countries such as Malaysia (40%), Japan (18%) and South Korea (25%). The Financial Study Association of Amsterdam also highlighted Singapore's suitability as an ecommerce test-bed, given the fact that a high share of cross-border trade offers businesses unique insights into Asia Pacific's online shopping behavior.

Currently, any online purchase in Singapore under SGD\$400 (USD\$290.17) is exempt from GST. But the B2B imported services will be taxed via a reverse charge mechanism, while B2C imported services will be taxed through an overseas vendor registration model.

Starting January 1, 2020, consumers will pay GST when buying online services from overseas, which includes music, video streaming, apps, online subscriptions, and digital B2B services such as marketing/accounting.

### 15.2 Customs Processing Procedures

Goods (e.g. new or used articles, online purchases, gifts) imported by post or courier services are subject to payment of Goods and Services Tax (GST) and/or duty. GST relief is granted on goods imported by post or air, excluding intoxicating liquors and tobacco, with a total Cost, Insurance and Freight (CIF) value not exceeding S\$400. It is also shall be noted that GST relief is not granted for goods imported by other transport modes e.g. sea freight and land unless specified condition.

To determine the total CIF value, all goods consigned to the same importer and arriving in Singapore

on the same flight are treated as a whole, even if the goods are covered by different freight documents. The importer is the party indicated as the consignee in the freight documents such as the House Airway Bill (HAWB) or consignment note. In cases where end buyers are named as the consignees in different consignment notes and the courier service company or freight forwarder is named as the consignee in the HAWB, each of the end buyers may be considered as an importer.

Where the insurance and freight charges are excluded from the value of the goods, importers may use the flat rates for freight and insurance provided by Singapore Customs to compute the Customs value of the goods and determine the GST and/or duty payable. For goods imported by post, if the insurance and freight charges are excluded from the value of the goods, the postage charge paid shall be taken as the insurance and freight charges to be included in the CIF value of the goods and determination of the GST and/or duty payable.

## 16. POST-CLEARANCE AUDIT

### 16.1 Introduction

Post-clearance Audit is a structured examination of a trader's relevant commercial systems and processes, financial and non-financial records, physical stock and other assets, as a means to measure and improve compliance. It is conducted after the release of the goods from Customs control. It can take place at the traders' premises or at Customs' premises, and may take into account specific transactions, or cover imports and/or exports undertaken over a certain period of time. The purpose of the Post-clearance Audit is to verify the accuracy and authenticity of declarations and other returns made to Singapore Customs.

All traders and declaring agents who deal with Singapore Customs may be subjected to Post-clearance Audits and are selected in accordance with risk management framework of Singapore Customs. The duration of audit will vary on a case-by-case basis depending on the scope covered and the level of cooperation on auditee.

## 16.2 Steps of Post-clearance Audit

Commonly Customs competent officers in Singapore conduct Post-clearance Audits in the following 4 steps by consequence:

**Step 1:** Customs audit team will contact the company to be audited (“auditee”) to arrange for an interview with relevant personnel of the auditee. At the point of contact, the audit team will inform the auditee of the purpose, location, scope and requirements of the audit.

**Step 2:** During the interview, the audit team will be interested to find out more about the auditee’s business model, operations, systems and accounting practices. Auditees are encouraged to take the opportunity to seek clarification on any issues about legislation and procedures administered by Singapore Customs.

**Step 3:** After the interview, the audit team will verify the accuracy of the trade declarations and/or other returns made to Customs against the relevant trade documents to be provided by the auditee. Depending on the circumstances, this may be conducted at either Customs or the auditee’s premises. Examples of relevant trade documents include TradeNet permits, invoices, packing lists, Bills of Lading, Air Waybills, Certificates of Origin, payment records and product specifications.

**Step 4:** Upon completion of the audit, the audit team will inform the auditee of the audit outcome and when applicable, discuss any errors detected and provide suggestions to improve the compliance level of auditee.

## 16.3 Obligations and Rights of Auditee

Auditees are required under the relevant laws to provide Customs officers with reasonable assistance and cooperation to conduct the audit. This includes the submission of all required trade documents in a timely fashion and the duty to ensure that all information provided is true and accurate. Traders are required to retain for 5 years documents pertaining to import, export and transshipment of goods.

Auditees have the right to see the Customs officers’ identification and authorization at any time. They also have the right to expect professional and ethical behavior from all Customs officers, and the right to expect Customs to maintain the confidentiality of the company’s information.

## 17. INVESTIGATION, VIOLATION AND PENALTY

### 17.1 Investigation

Where it appears to any Magistrate, or any senior officer of Customs not below the rank of Assistant Director-General of Customs, upon information and after any inquiry which he may think necessary, that there is reasonable cause to believe that in any dwelling-house, shop or other building or place, there are concealed or deposited any dutiable or uncustomed goods, goods liable to forfeiture under the Customs Act, goods as to which any offence under this Act has been committed as well as books, records, documents or other articles, directly or indirectly, relating to any transaction or dealing in any of the goods mentioned in this subsection, the Magistrate or the senior officer of Customs may issue a warrant authorizing any officer of Customs, named therein, by day or by night and with or without assistance to enter the dwelling-house, shop or other building or place and there to search for and seize any goods reasonably suspected of being dutiable or uncustomed goods, or goods liable to forfeiture under the Customs Act, or goods as to which any offence under the Customs Act is suspected to have been committed, or any books, records, documents or other articles which may reasonably be believed to be, directly or indirectly, relating to any transaction or dealing in any of the goods mentioned in this subsection; to arrest any person or persons being in such dwelling-house, shop, building or place, in whose possession the goods, books, records, documents or other articles may be found, or whom the officer may reasonably suspect to have concealed or deposited the goods, books, records, documents or other articles as well as to make copies of and take any reasonable steps to preserve any books, records, documents or other articles referred to in sub-paragraph.

### 17.2 Power of Customs

The power of Singapore Customs includes having the access to, inspecting and checking operation of computer and other apparatus; to search vessels and aircraft; senior officers' exercising powers of search; setting road barrier; to open packages and examine goods; searching of persons arriving in Singapore; releasing of vehicle, vessel or aircraft under bond as well as arrest.

### 17.3 Type of Offences

According to Customs Act of Singapore, types of Customs offences include the following 7 categories:

**A. Offences in relation to making and signing untrue or incorrect or incomplete declarations, certificates and documents**

Any person makes or causes to be made, orally or in writing, or signs or causes to be signed any declaration, certificate or other document required by this Act, which is untrue or incorrect in any particular or which is incomplete by omitting any material particular therefrom;

**B. Offences in relation to falsifying documents**

Any person counterfeits or falsifies, or uses, when counterfeited or falsified; fraudulently alters any document, or counterfeits the seal, signature, initials or other mark of, or used by, any officer of Customs for the verification of any such document or for the security of any goods or any other purpose in the conduct of business relating to Customs.

**C. Offences in relation to failure to make declarations**

Any person, being required by Customs Act to do so, fails to make a declaration of dutiable goods which are imported into, exported from or transshipped in Singapore; or fails to make a declaration of the value of dutiable goods imported into or manufactured in Singapore for the purpose of the assessment of Customs duty or excise duty.

**D. Offences in relation to failure to produce trade documents**

Any person fails or refuses to produce to a proper officer of Customs any document required to be produced.

**E. Offences in relation to fraudulent evasion**

Any person is in any way concerned in any fraudulent evasion of, or attempt to fraudulently evade, any Customs duty or excise duty.

**F. Offences in relation to importation or exportation of uncustomed or prohibited goods**

Any person is in any way concerned in importing or exporting any uncustomed or prohibited goods.

## G. Offences in relation to duty-free allowances

Any person who sells, exchanges or gives away, or offers to sell, exchange or give away, to any person in Singapore goods which are his duty-free allowances in Singapore.

### 17.4 Penalties

According to the Customs Act of Singapore, depending on the nature and seriousness the violations, possible penalties are as follows:

(1) Any person who is guilty of an offence under section 128(1), 128A(1), 128B(1) or 128C shall be liable on conviction to a fine not exceeding \$10,000, or the equivalent of the amount of the Customs duty, excise duty or tax payable, whichever is the greater amount, or to imprisonment for a term not exceeding 12 months, or to both.

Subject to subsection (3), any person who is guilty of a specified offence shall be liable on conviction to a fine of (a) not less than 10 times the amount of the Customs duty, excise duty or tax the payment of which would have been evaded by the commission of the offence or \$5,000, whichever is the lesser amount, subject to a minimum of \$1,000 where the specified offence involves goods consisting wholly or partly of relevant tobacco products; and (b) not more than 20 times the amount of the Customs duty, excise duty or tax the payment of which would have been so evaded or \$5,000, whichever is the greater amount, except that where the amount of Customs duty or excise duty cannot be ascertained, the penalty may amount to a fine not exceeding \$5,000, subject to a minimum of \$1,000 where the specified offence involves goods consisting wholly or partly of relevant tobacco products.

(2) Any person who is convicted of any specified offence and who has been convicted on a previous occasion of (a) that or any other specified offence; or (b) any offence under the repealed section 130(1) in force immediately before the date of commencement of the Customs (Amendment) Act 2008, shall be liable on conviction to a fine referred to in subsection (2), or to imprisonment for a term not exceeding 2 years, or to both.

(3) Any person who is guilty of any specified offence involving goods consisting wholly or partly of relevant tobacco products shall, if such tobacco products exceed 2 kilogrammes in weight, be liable on conviction (a) to a fine of (i) not less than 15 times the amount of the Customs duty, excise duty or tax the payment of which would have been evaded by the commission of the offence, subject to a

minimum of \$1,000; and(ii) not more than 20 times the amount of the Customs duty, excise duty or tax the payment of which would have been so evaded or \$10,000, whichever is the greater amount; or to imprisonment for a term not exceeding 3 years, or to both.

- (4)Where any person is convicted of a specified offence committed by him on or after the date of commencement of section 17(d) of the Customs (Amendment) Act 2011 involving goods consisting wholly or partly of relevant tobacco products and he has been convicted on a previous occasion of (a) that or any other specified offence involving such goods; or (b) any offence under the repealed section 130(1) in force immediately before 4th April 2008 involving such goods, then he shall be liable to (i) a fine of not less than 30 times the amount of the Customs duty, excise duty or tax the payment of which would have been evaded by the commission of the first-mentioned specified offence, subject to a minimum of \$2,000; and not more than 40 times the amount of the Customs duty, excise duty or tax the payment of which would have been so evaded or \$20,000, whichever is the greater amount; or imprisonment for a term not exceeding 6 years, or to both.
- (5)Penalty on refusing to answer questions or on giving false information or false document shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months or to both.
- (6)Knowingly advancing or furnishing money for business comprising sale, purchase, etc., of uncustomed goods shall be liable on conviction to a fine of not less than \$100,000 and not more than \$1 million and shall also be liable to imprisonment for a term not exceeding 6 years.
- (7)Penalty for adding deleterious substances to intoxicating liquor, or storing, keeping, etc., such liquor shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 2 years or to both.
- (8)Penalty for assaulting or obstructing officers of Customs, rescuing goods, resisting arrest and escaping from custody shall be guilty of an offence and shall be liable(i) on conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding 18 months or to both; and(ii) in the case of a second or subsequent conviction to a fine not exceeding \$20,000 and to imprisonment for a term not exceeding 3 years.
- (9)Penalty for offences not otherwise provided for every omission or neglect to comply with, and every act done or attempted to be done contrary to, the provisions of the Customs Act, or any breach of

the conditions and restrictions subject to, or upon which, any license or permit is granted under the Customs Act, shall be an offence and in respect of any such offence for which no penalty is expressly provided the offender shall be liable to a fine not exceeding \$5,000.

## 17.5 Appeals

Generally speaking, related articles of the Customs Act have laid down the legal foundations for appeals regarding Customs issues in Singapore as follows:

Section 100 of Customs Act stipulates “Where it is provided in this Act that the decision on any matter rests with the Director-General then unless it is specifically provided that the decision is at the discretion of the Director-General, any person aggrieved by his decision may appeal to the Minister whose decision shall be final”.

Relating to manner of seizure not to be inquired into on trial before court or on appeal to Supreme Court, Section 120 of Customs Act stipulates “On any trial before any court and in any proceedings on appeal in the Supreme Court, relating to the seizure of goods subject to forfeiture under this Act, the court shall proceed to the trial or hear the appeal on the merits of the case only, without inquiring into the manner or form of making any seizure, except in so far as the manner and form of seizure may be evidence on such merits.”

Regarding objection and appeal on valuation, Section 22B of Customs Act also stipulates “(1) If any person disagrees with any determination by the proper officer of Customs of the value of any goods under section 22 or 22A, he may object to that value by making an application to the Director-General, stating the grounds of his objection and the amount that he considers should be the value of the goods. (2) An objection under this section shall be given in writing to the Director-General within 14 days after any determination made under section 22 or 22A or within such further time as the Director-General may allow. (3) The Director-General shall consider the objection and inform the importer in writing of his decision. (4) Where a proper officer of Customs amends his determination of the value of any goods pursuant to this Act otherwise than as a result of an objection received from the importer of the goods, he shall give notice to the importer of the amended determination. (5) If any person is dissatisfied with the decision of the Director-General in respect of his objection under subsection (1), he may appeal to the High Court against that decision. (6) Every appeal under subsection (5) shall be made by giving notice of appeal within 28 days after the date on which the importer is notified in writing under subsection (3) of the decision or within such further period as the High Court may allow. (7) On any appeal under subsection

(5), the High Court may confirm, vary or set aside the decision of the Director-General and make such further or other order on such appeal, whether as to costs or otherwise, as the High Court may think fit. (8) Notwithstanding anything to the contrary in this section, where, in the course of determining any appeal, it becomes necessary to delay the final determination of the appeal, the importer shall be given delivery of his goods from Customs control subject to the Director-General receiving such security as he thinks sufficient to cover the full amount of Customs duty or excise duty on the goods.”

## 18. CUSTOMS IPR BORDER PROTECTION

The owner or licensee of a copyright or a registered trademark (the “objector”) may give the Director-General of Singapore Customs a written notice stating that he objects to the impending importation of infringing copies of copyright material or trademark-infringing goods. The objector has to provide sufficient information:

- to identify the infringing copies or goods;
- to enable the Director-General to ascertain the time and place where the infringing copies or goods are expected to be imported; and
- to satisfy the Director-General that the copies or goods are infringing copies or goods.

The objector is required to furnish a security that is sufficient (a) to reimburse the Government for any liability or expense it is likely to incur in relation to the seizure, storage and disposal of the infringing copies or goods, and (b) to pay such compensation as ordered by the court for loss suffered by the defendant if the infringement action is dismissed or discontinued. The security may be given to cover (a) the current shipment only, or (b) the current shipment and any future shipments to be seized by Singapore Customs (an “annual security”). An annual security can cover up to 5 outstanding shipments (i.e. shipments detained by Customs for which the civil proceedings have not been concluded). If at any time the Director-General of Singapore Customs is of the opinion that the security given is insufficient, the objector shall top up the security accordingly.

A notice given to the Director-General is valid for 60 days. Within this period, Singapore Customs will seize the infringing copies or goods if they are being imported into Singapore. The objector and the importer or consignee will be informed of the seizure.

The objector has to institute an action for copyright or trademark infringement and notify the Director-General accordingly within 10 working days after issuance of the notice of seizure by the Director-General. The time limit for initiating infringement action may be extended by a further 10 working days upon request of the objector.

Procedures for the lodgement of Notice include the completion of the notice by using the template of “Notice under Section 82 (1) of the Trade Marks Act” or “Notice under Section 140B (1) of the Copyright Act”.

Upon submission, the Notice shall be accompanied by (a) statutory declaration that the particulars in the notice are true, (b) a fee of S\$200, (3) a security in the form of deposit of money or a guarantee issued by a bank, finance company or insurance company in Singapore. A guarantee shall remain in force (a) until December 31 of the following year in the case of an annual security; or (b) for 1 year in the case of a one-time security.

At the same time, a Letter of Undertaking separately entitled “Letter of Undertaking under Trade Marks Act” or “Letter of Undertaking under Copyright Act” to bear all costs relating to the seizure, transportation, storage and disposal of the infringing copies or goods need to be submitted to Operations Management Branch, Singapore Customs.

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## 19. AUTHORIZED ECONOMIC OPERATOR (AEO)

### 19.1 Secure Trade Partnership Plus Programme

In Singapore’s context, an AEO refers to companies under the Secure Trade Partnership Plus Programme.

The Secure Trade Partnership Plus (STP Plus) Programme is a voluntary certification programme consistent with the World Customs Organization (WCO) SAFE Framework of Standards to secure and facilitate global trade. The programme encourages companies to adopt robust security measures using a risk-based approach in their trading operations to improve global supply chain security and by participating in the programme, a company demonstrates commitment and willingness in keeping the supply chain secure.

This programme is open to all supply chain stakeholders, including importers, exporters, manufacturers, freight forwarders, warehouse operators, transporters and terminal operators. It allows flexibility and customization of security measures based on the company's business model and its role in the supply chain.

To attain the STP certification, a company has to meet most of the requirements in the STP guidelines and criteria, and achieve at least an "Intermediate" band under the TradeFIRST assessment. For the STP-Plus certification, a company must meet all the stipulated requirements in the STP guidelines and criteria, and achieve the "Premium" band under the TradeFIRST assessment. The STP-Plus certification will last for 3 years.

**Benefits:** Companies with robust security measures will benefit from increased visibility of goods in the supply chain, reduction in pilferages and greater efficiency in their supply chain management.

In addition, STP-certified companies will enjoy the following advantages:

- Cargo is less likely to be inspected locally;
- Recognized as a lower risk company;
- Reduced inspection or expedited clearance if its certified status is also recognized by other partners through a mutual recognition arrangement;
- A dedicated account manager assigned as a single contact point to Singapore Customs;
- Recognized as a known consignor under the Regulated Air Cargo Agent Regime.

## 19.2 MRA Partners

To expand the benefits of Singapore Customs has signed and operationalized Mutual Recognition Agreements (MRAs) with the Customs administrations in the following countries:

- Canada (2010);
- Republic of Korea (2010);
- Japan (2011);
- People's Republic of China (2012);
- Chinese Taipei (2013);
- Hong Kong Special Administrative Region of the People's Republic of China (2014);
- United States (2014);
- Australia (2019);
- New Zealand (2019);
- Thailand (2019).

Exports from an STP-Plus certified company to these MRA partners will be recognized as being of lower risk and can enjoy a higher level of facilitation. Singapore Customs continues to engage like-minded Customs administrations to expand list of MRA partners, and bring about greater benefits to the trading community.

More information can be found in Handbook on Secure Trade Partnership in the following website: <https://www.customs.gov.sg/-/media/stp-handbook-may-2019.pdf>.

## 20. TRADE STATISTICS

There are publications on trade statistics produced by Singapore Customs, which consists of three parts:

- Revenue Statistics includes: (a) Customs and excise duties collection for liquor, tobacco, motor vehicles and petroleum products and duty-paid releases for these products on different time scales including year and month. (b) Goods and Services Tax (GST) collection for locally manufactured and import goods. (c) Annual cost per dollar collected by Singapore Customs.

- Trade Facilitation Statistics includes: (a) Number of TradeNet permits of Singapore Customs each year. (b) Number of Customs licenses as at March 31 issued for licensed premises each year.
- Enforcement Statistics includes: Yearly enforcement figures for Customs offences - cigarettes, liquor, motor vehicles and fuel-gauge tampering (3/4 tank rule).

Also, Singapore Customs runs an online statistics service called Statlink. Statlink is a subscription-based online service that allows customers to obtain the latest figures on Singapore's bilateral trade or generate reports based on their specific research requirements. It is a comprehensive, detailed search in both HS and SITC classifications with the ability to consolidate data in a single report available in excel and pdf formats.

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## 21. OFFICIAL BUSINESS HOURS

The operating hours of Singapore Customs Department are from 8 am to 6 pm (from Monday to Friday) and 8 am to 12 pm (Saturday). Closed on Sunday and public holidays.

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## 22. OFFICIAL WEBSITE

Official website of Singapore Customs Department is as follows:

<https://www.customs.gov.sg>

Other Useful websites include:

Singapore Government: <https://www.gov.sg>

Ministry of Finance: <http://www.mof.gov.sg>

Ministry of Trade and Industry: <http://www.mti.gov.sg>

Ministry of Transportation: <https://www.mot.gov.sg>

Immigration & Checkpoints Authority: <https://www.ica.gov.sg>

Inland Revenue Authority of Singapore: <https://www.iras.gov.sg>

## 23. CONTACT INFORMATION

The contact information of Singapore Customs Department is listed as follows:

Singapore Customs

Address: 55 Newton Road #10-01

Revenue House

Singapore 307987

Fax: (65) 6250 8663

For enquiries regarding Singapore Customs Procedures, please contact Phone: (65) 6355 2000.

For enquiries related to TradeNet / Networked Trade Platform System, please contact Phone: (65) 6887 7888 and (65) 6263 1061.

For queries on Customs Offences, please contact Phone: (65) 6355 2183, (65) 6325 9819 and (65) 6325 9806.

For feedback regarding Quality Service, please contact Phone: (65) 6355 2000.

Alternatively, query can be submitted via online feedback form.

## REFERENCE

1. <https://www.customs.gov.sg>.
2. <http://www.wcoomd.org/>.
3. <https://www.asean.org/>.

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