



## SEA Customs and Trade Alert

### Stay informed of changes

Greetings from your SEA Customs and Global Trade Services group. This newsletter is your reference for practical information on relevant customs issues.

### Singapore: Heightened Enforcement on Advance Export Declaration (AED) Compliance

Exporters in Singapore are required to file an Advance Export Declaration (AED) before the physical export of goods. Any exporters found to be in breach of the AED requirements will be subject to financial penalties and other sanctions.

In recent weeks, Deloitte has observed an increasing number of export companies notified by Singapore Customs that they have failed to meet AED requirements and will need to take corrective actions to ensure **full** compliance going forward.

#### **What this means for companies**

Exporters have the prime responsibility to ensure that AED requirements are fulfilled. In instances where exporters engage third party service providers (e.g., customs brokers/freight forwarders/declaring agents) to complete the export formalities, robust processes need to be in place to ensure that accurate and timely information is declared to Singapore Customs in advance of the physical export of goods. These processes should include the establishment of clear

protocols and communication channels between the exporters and the service providers; including a mechanism for addressing potential non-compliance.

Exporters who continue to breach the AED requirements can be exposed to:

- Financial penalties;
- Greater scrutiny from Customs on clearance of their goods resulting in delays in border clearance that impacts delivery time of goods to customers;
- Downgrading of compliance status, which could result in applications for renewals of Customs Schemes and Licenses being denied; and
- Suspension of trade facilitation benefits, for currently approved or recognised companies with Singapore Customs (e.g., Strategic Trade Scheme Bulk Permit License).

### **Recommended next steps**

Exporters in Singapore are encouraged to perform an internal review of their processes and procedures to ensure compliance with AED requirements. This includes management of any third party customs brokers or declaring agents that are submitting export declarations on their behalf. Specifically, exporters in Singapore should:

- Critically review existing internal control processes and Service Level Agreement (SLA) with third party service providers to ensure that AED requirements are appropriately communicated and adhered to
- Assess whether systems enhancements need to be introduced to ensure that commercial and shipping information provided to customs brokers/freight forwarders/declaring agents is accurate and timely
- Ensure that appropriate escalation processes are in place when non-compliance is identified

Exporters who have been found to be in breach of AED requirements will also need to develop an improvement plan to satisfy Singapore Customs that corrective actions have been or will be undertaken to ensure full AED compliance in the future.

### **How we can support**

Deloitte Southeast Asia Customs & Global Trade Services team has dedicated specialists who are able to provide practical support to your company in the following areas:

- Review and assess existing internal processes and procedures, including management of third party service

providers (e.g., customs brokers/freight forwarders/declaring agents) to identify any potential AED compliance gaps

- Advise, recommend and support in the development of bespoke internal work processes to improve or manage supply chain efficiency from a customs perspective
- Support in the implementation of internal work processes and/or systems enhancements to comply with AED requirements
- Support in preparing the Voluntary Disclosure/Notification submission to Singapore Customs, when AED non-compliance has been identified

### Contacts

For more information on the enforcement of AED requirements, or any other Customs and Global Trade matters, please contact **Bob Fletcher** (Tel: +65 6216 3338) or **Diyannah Anuar** (Tel: +65 6216 3351), or your usual Customs and Global Trade Services contact in Deloitte.

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