



## 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. We are pleased to enclose for your information the latest Customs and Trade Alert on:

#### [Singapore Customs updates - Changes to the Strategic Trade Scheme \(STS\) Permit Exemptions effective 1 January 2015](#)

Currently permits are generally not required when strategic goods are either trans-shipped or brought in-transit through Singapore. The exception is where the strategic goods are known to be used in production, or connected to, the use of weapons of mass destruction.

Singapore Customs continue to enhance their strategic goods control system and effective **1 January 2015**, a far wider range of strategic goods will require permits when they are trans-shipped or transit through Singapore.

## Trans-shipment of Strategic Goods - Expansion of the Forth Schedule of the SGCR

Currently, under the Forth Schedule of the SGCR, 17 Categories of strategic goods trans-shipping through Singapore need to be covered by permits. Effective from 1 January 2015, 13 Categories will be added to the list of strategic goods requiring permits.

**Note:** Information security systems, equipment and their specially designed inspection and production equipment controlled under **Category Codes 5A2 and 5B2, will be removed.**

## Transit of Strategic Goods – Addition of the Fifth Schedule to the SGCR

The SGCR will be expanded to include a new Fifth Schedule. The new Fifth Schedule covers 11 Categories of military and sensitive dual-use items.

## Current requirements that remain unchanged for strategic goods permit

Singapore Customs have indicated that the current requirements remain unchanged for the declaration of the strategic goods permit under the following scenarios: -

- Transshipment or bringing in transit of items intended, or likely to be used, in whole or part, for or in connection with the production or development of Weapons of Mass Destruction (WMD);and
- Controls and prohibitions under domestic legislations, such as the Regulation of Imports and Exports Regulations (RIER) that gives effect to the United Nations Security Council (UNSC) Resolutions

## What does it mean for you?

### Strategic Goods Permit declaration timelines

A summary of the type of permits to be declared and the recommended declaration timelines with effect from 1 Jan 2015 are provided in the table below.

Mode of shipment of strategic items	Timeline of permit declaration
Transshipment	Permit declaration submitted at least <b><u>5 working days before the loading</u></b> of goods onto conveyance before export of goods from Singapore
In Transit	Permit declaration submitted at least <b><u>5 working days before the arrival</u></b> of goods to be brought in transit into Singapore

### Responsibility

Singapore Customs have clarified that the person or the person acting on behalf, who issues the through Bill of Lading or through Airway Bill should be responsible to ensure that the necessary

permits are declared within the recommended timelines. A complete set of supporting documents will also have to be maintained.

This is to allow Singapore Customs to have sufficient time to grant necessary approvals for the relevant Strategic Goods permits.

### **Enforcement of Penalties**

Singapore Customs will be strictly enforcing the penalties for companies who fail to take up the necessary strategic goods permits. Any person or person acting on behalf, found to be non-compliant with the requirements for strategic goods, are exposed to the following:

- Financial Penalties – on a per-shipment and aggregate basis
- Export Shipment Delays
- Risk of non-approvals for new companies applying for the Bulk Permit or other trade facilitation schemes
- Potential suspension of the Bulk Permit or other trade facilitation scheme benefits for approved companies by Singapore Customs

### **What to do?**

Companies trans-shipping or transiting strategic goods through Singapore need to:

- Assess whether their goods are caught under the new SGCR permit requirements ;
- Review current processes to ensure that they have the appropriate processes and procedures in place to meet the permit declaration deadlines and requirements.
- Provide clear instructions to any third-party customs brokers/ declaring agents they engage to submit export declarations on their behalf
- Critically review their existing Service Level Agreement(s) (SLA) with third party vendors to ensure that the new permit exemptions and changes to the SGCA are properly communicated and adhered to, as part of the SLA.
- Assess whether systems enhancements need to be introduced to ensure that commercial and shipping information provided during the permit declaration process is accurate.

### **How we can support**

Deloitte can support your company in the following areas:

- Assess the impact of the changes to the permit exemptions, and to your company's existing procedures and processes, and advice on the necessary measures to be taken to meet the revised requirements
- Assessment of existing internal procedures – including management of customs brokers/declaring agents to evaluate readiness to comply with the new permit exemptions and requirements.
- In-depth review of the company operations to comply with the new permit exemption and requirements; and provide recommendations on areas of improvement and scope to qualify for the Bulk Permit Scheme.

For more information on the above or any Customs and Global Trade matters, please contact [Bob Fletcher](#) or [Regina Seah](#) – Manager (+65 6530 8085), or your usual Customs and Trade contact

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