



P10

Customs and Export

- Roles of Customs
- Basic Export Procedures
- Harmonized System (HS) Code
- Controlled Goods for Export

SCHOOL OF
ENGINEERING
E216 Distribution
& Transportation

Customs



- Customs refers to the government agency and the function of controlling imports and exports to conform to governmental regulations, and they control and regulate activities at borders
- Customs rules and regulations must be followed strictly to avoid penalty, fine, or punishment



Roles of Customs



- Collection & protection of customs revenue by preventing the evasion of duties and taxes
- Provision of one-stop solutions for trade and customs matters, such as issuance of permits, licenses and Certificates of Origin, and provision of classification and valuation advice
- Facilitation of trade through simplification of customs procedures and administration of tax suspension schemes
- Enforcement of trade requirements under the respective Free Trade Agreements (FTAs)
- Regulation of trade in strategic goods and strategic goods technology

Basic Export Procedures



For goods out of Singapore, exporters are required to:

- Obtain an Export Permit through TradeNet® within 3 days of export if the goods are non-controlled and are exported by sea or air, **OR**
- Obtain an Export Permit through TradeNet® before goods are exported out of Singapore if the goods are controlled or are exported by road and rail



Basic Export Procedures



If the exporter is not a TradeNet[®] user, the exporter can do the following:

- Appoint a TradeNet[®] declaring agent such as TradeNet[®] Service Centre, freight forwarder or cargo agent to declare its exports
- Provide the export invoice and Bill of Lading/Airway bill to the company's TradeNet[®] declaring agent for them to declare the exports
- Collect the Permit from the TradeNet[®] declaring agent after it has been approved

TradeNet[®] and EDI



- **TradeNet[®]**: a network set up for the transmission of trade documents for approval by authorities, integrate the import, export, and transshipment cargo documents submission for non-dutiable and dutiable, non-controlled and controlled goods
- **EDI (Electronic Data Interchange)**: the standard format adopted for data transmission between participating parties





- Combining both, TradeNet[®] System is a nation-wide Electronic Data Interchange (EDI) System which allows the various parties from the public and the private sectors to exchange structured trade message and information electronically
- Declarants use TradeNet[®] to obtain a **Cargo Clearance Permit (CCP)** from the Customs
- Declaration sent to International Enterprise (IE) Singapore Board, Singapore Customs (SC), or any Competent Authorities (CA)

Approving Authorities



- **Singapore Customs (SC):**
 - Lead agency on trade facilitation and revenue enforcement matters under the Ministry of Finance.
 - Responsible for the implementation of customs and trade enforcement measures including those related to Free Trade Agreements and strategic goods

Others:

- **International Enterprise (IE) Singapore Board:**
 - Lead agency under the Ministry of Trade and Industry spearheading the development of Singapore's external economic wing.
 - Help Singapore-based companies grow and providing heightened support to start and develop their business overseas.
- **Competent Authorities (CA):**
 - E.g. Health Sciences Authority, Agri-Food and Veterinary Authority.

Why do we need Permits?



- Under the regulation of Imports and Exports Regulations, permits are required for all consignments imported into, exported out of or transshipped in Singapore
- Trade data is collected from the Import and Export Permits submitted by the traders or declarants through TradeNet®
- Permits are randomly selected to be returned with supporting document to Singapore Customs for verification
- **True and correct declarations** when submitting declarations to Customs for approval is a must. The law provides penalties for non-compliance and false, wrong or incorrect declarations



PERMIT NO : OD8J003393G

Sample of Cargo Clearance Permit (CCP)

CARGO CLEARANCE PERMIT

PG : 1 OF 2

MESSAGE TYPE : OUT (WITH OR WITHOUT CERTIFICATE OF ORIGIN)
DECLARATION TYPE : DIRECT (INCLUDING STORAGE IN FTZ)

IMPORTER: VALIDITY PERIOD : 28/10/2008 -
10/11/2008

EXPORTER: TOTAL GROSS WT/UNITS : 11.1100/TNE
COLD STORAGE [1983] PTE LTDBLK 608 TOTAL OUTER PACK/UNIT: 10.0000/LOT
NARTIN RD 06-08 TRADEMART TOT CUSTOMS DUT PAYABLE: -
100054700002 TOT EXCISE DUT PAYABLE : -
HANDLING AGENT: TOTAL GST AMT : -
TOTAL AMOUNT PAYABLE : -
CARGO PACKING TYPE : CONVENTIONAL

IN VES NAME:

PORT OF LOADING/NEXT PORT OF CALL: VOYAGE/FLIGHT NO :
OBL/MARR NO :

Harmonized System



- Harmonized Commodity Description and Coding System is commonly known as the Harmonized System (HS)
- An international nomenclature for the classification of goods, used as:
 - Basis of customs tariff
 - Compilation of trade statistics
 - International trade negotiations
 - Determination for origin of goods
 - Monitoring of controlled goods

Arrangement of Harmonized System



- Comprises 97 Chapters and is arranged in 21 Sections
- The pattern of arrangement of goods in the HS is in the increasing degree of manufacture: raw materials, unworked products, semi-finished products, finished products

Raw
Materials
Unworked
products
Semi-
finished
products
Finished
products



Live Animals → **Chapter 1**



Animal Hides → **Chapter 41**



Leather Footwear → **Chapter 64**

Example of a HS code



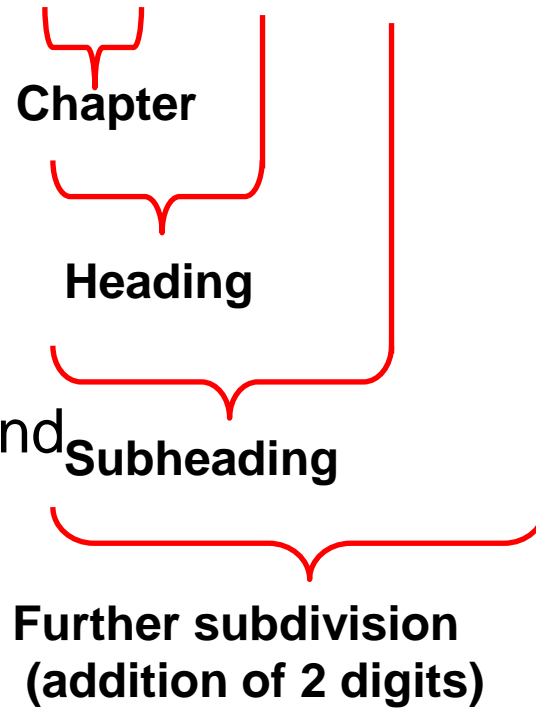
Item	HS Code
Crushed cinnamon	0906.20.00

Section: II – Vegetable Products

Chapter: 09 – Coffee, tea, mate and spices

Heading: 09.06 – Cinnamon and cinnamon-tree flowers

Subheading: 0906.20 - Cinnamon and cinnamon-tree flowers, crushed or ground



Identity of Harmonized System



- The Harmonized System is identified by a 6-digit code. It is an international classification and all countries using the HS Classification System will be referring to the same items falling within the 6-digit code
- Countries adopting the HS may make provisions for further subdivisions beyond the 6-digit level
- Singapore adopts the **8-digit HS code** incorporating the **ASEAN Harmonized Tariff Nomenclature** to promote uniformity in the classification of goods within ASEAN member countries

Certificate of Origin (CO)



- Certificates of Origin (COO or CO) are documentary proof that a product has met the Rules of Origin to be qualified as originating from Singapore. CO can be broadly classified into two types, namely **Ordinary Certificates of Origin** and **Preferential Certificates of Origin**
- **Ordinary Certificate of Origin**
 - A document that can be used to satisfy your buyers that the products exported are wholly obtained, produced or manufactured in Singapore, depending on the Rules of Origin
- **Preferential Certificate of Origin**
 - A document that can help improve the competitive edge of your exports by enabling your buyers to claim preferential tariff treatment when importing your products under one of the Schemes of Preferences or Free Trade Agreements

Purposes of CO



- When exporting a locally manufactured product into the importing country, the product is subjected to import tariffs
- To encourage the economic growth of various countries in the world, countries participate in various Schemes of Preference which grants participating countries' exports lower import tariffs when imported into countries offering the scheme
- Countries also sign Free Trade Agreements (FTA) with each other to encourage economic growth through investments and increased trade flow between them through lowering of import tariffs
- Examples of Schemes of Preference: GSP, GSTP
- Examples of countries that Singapore has FTA with: ASEAN, China, Japan, Korea, New Zealand, US

Rules of Origin



To qualify a Singapore product as wholly obtained or produced in Singapore (Ordinary or Preferential Certificate of Origin), it must be either:

- Wholly obtained in Singapore, i.e. wholly grown in Singapore or produced in Singapore without any imported materials as stipulated in the relevant Free Trade Agreement; or
- Manufactured in Singapore from materials and parts, which are either wholly or partly imported, according to the appropriate rules of origin and must not be made through a simple or minimal operations as stipulated in the relevant Free Trade Agreement

Issuing of CO



- Singapore Customs has authorized the following **6 Organizations** to issue Ordinary COs:
 - Singapore Commodity Exchange Ltd (*Transaction on rubber only)
 - Singapore Chinese Chamber of Commerce and Industry
 - Singapore Indian Chamber of Commerce and Industry
 - Singapore International Chamber of Commerce
 - Singapore Malay Chamber of Commerce and Industry
 - Singapore Manufacturers' Federation
- These organizations also issue Certificates for products from other countries which are re-exported from Singapore
- However, they do not issue the Ordinary CO for the export of Singapore-origin textiles and textile products to EU and US
- Singapore Customs also issues Ordinary COs and is the authorized agency to issue Preferential COs under Schemes of Preferences and Free Trade Agreements

Export Control Goods



- The export and transshipment of some goods are subject to the control of Controlling Agencies (CA)
- Some Controlling Agencies require exporters to apply for approval or a license prior to the export or transshipment of the controlled goods
- Exporters are required to submit the permit applications to the relevant Controlling Agencies through the TradeNet[®] system for processing and approval before exporting or transshipping the goods that are subject to control
- **Examples:**

Item	Controlling Authority
Animals, Ginseng	Agri-Food and Veterinary Authority (AVA)
Arms & Explosives	Arms and Explosives Licensing Division (A&E), Singapore Customs

Strategic Control Goods



- **Strategic Goods** refer to goods relating to the development, production, and use of nuclear, chemical and biological weapons, or missiles that are capable of delivering these weapons; and also conventional arms and military equipment
- They include certain “**dual-use**” goods that have both civilian and sensitive military applications, and can be used as precursors or components for WMD

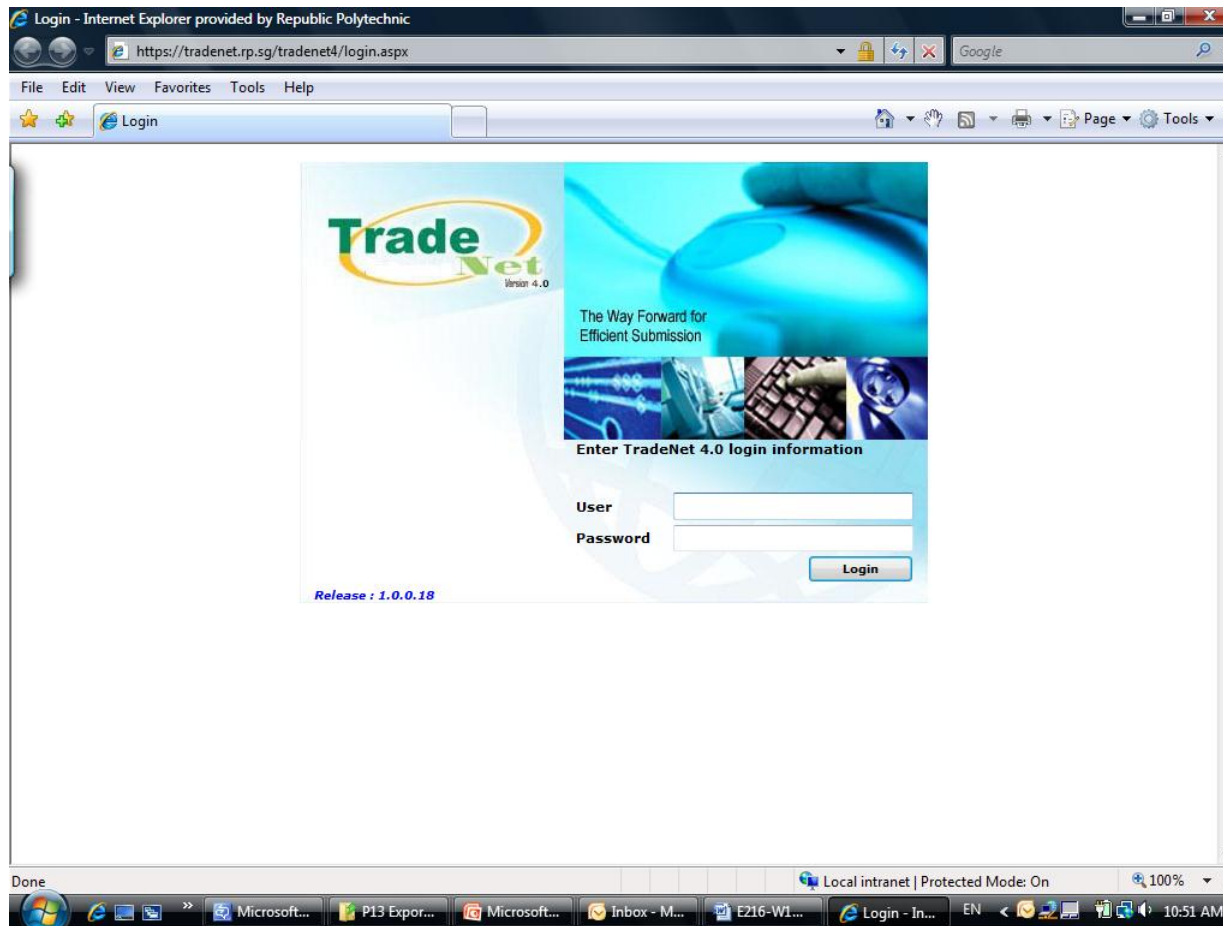
Strategic Control Goods



- The Strategic Goods (Control) Act regulates the physical and electronic transfer as well as the brokering of strategic goods and strategic goods technology
- The Act incorporates a 'catch-all' provision to cover all goods and technology that are intended or likely to be used for weapons of mass destruction (WMD) purposes
- A valid permit approved by Singapore Customs is required before you can:
 - Export, transship, or bring into transit any strategic controlled goods or
 - Export any document in which any technology is recorded, stored, or embodied

TradeNet[®] Declaration: Export

<https://tradenet.rp.sg/tradenet4/login.aspx>



TradeNet[®] Declaration: Export

Create Export Declaration

The screenshot shows a web browser window with the following elements:

- Browser Tab:** KEWILL-IPACS Tradene... X
- Page Header:** REPUBLIC POLYTECHNIC | KEWILL-IPACS Tradenet Version 4.0 | TR03 / v01t.v01t004
- Navigation Menu:** Entry | Cancellation / Refund | Comm | Status | CCP | Report | Maintenance | Tools | Interface | Help | LogOut
- Dropdown Menu (under 'Comm'):**
 - In Payment
 - In Non Payment
 - Export** (highlighted) | Add
 - Export With Certificate Of Origin | Modify
 - Transshipment / Movement | Retrieve
 - Application for Certificate Of Origin | Delete
 - Amendment In Payment | Query
 - Amendment In Non Payment
 - Amendment Export
 - Amendment Transshipment / Movement

TradeNet[®] Declaration: Export

Declaration Information

Message Ref No:	<input type="text"/>	Permit Status:	<input type="text"/>	Permit No.:	<input type="text"/>
Declarant UEN:	<input type="text" value="200503337D"/>	Company Name:	<input type="text" value="REPUBLIC POLYTECHNIC"/>		
Declaration Type: *	<input type="text" value="DRT - Direct (including storage in FTZ)"/>	Cargo Packing Type: *	<input type="text" value="2 - Conventional"/>		
Inward Tpt Mode:	<input type="text" value="[Select One]"/>	Outward Tpt Mode: *	<input type="text" value="1 - Sea"/>		
Storage Indicator:	<input type="checkbox"/>	Strategic Goods Indicator:	<input type="checkbox"/>		
BG Indicator:	<input checked="" type="radio"/> Declaring Agent's BG	SeaStore Indicator:	<input type="checkbox"/>		
Previous Permit No:	<input type="text"/>	Recipient Mailbox #1:	<input type="text" value="[Select One]"/>		
Recipient Mailbox #2:	<input type="text" value="[Select One]"/>	Recipient Mailbox #3:	<input type="text" value="[Select One]"/>		

Release

Place of Release: *	<input type="text" value="FISH"/>	Name: *	<input type="text" value="LIM CHU KANG FISH FARM"/>
Address: *	<input type="text" value="LIM CHU KANG ROAD"/>		<input type="text"/>

Receipt

Place of Receipt: *	<input type="text" value="KZ"/>	Name: *	<input type="text" value="KEPPEL FTZ"/>
Address: *	<input type="text" value="KEPPEL"/>		<input type="text"/>

Declarant Information

User ID:	<input type="text" value="TR04 - TRAINEE 04"/>	Name:	<input type="text" value="TRAINEE 04"/>
Tel:	<input type="text"/>	NRIC:	<input type="text" value="S0000004"/>

MsgRefNo: New Declaration

TradeNet[®] Declaration: Export

Party Information

Importer UEN:	<input type="text"/>	...	Name:	<input type="text"/>
Exporter UEN: *	1999086888R	...	Name: *	CATS AQUARIUM PTE LTD
Outward Carrier UEN: *	1996654399W	...	Name: *	LEIKA SHIPPING PTE LTD
Agent UEN: *	200503337D	...	Name: *	REPUBLIC POLYTECHNIC
Frt Fwd/NVOCC UEN:	<input type="text"/>	...	Name:	<input type="text"/>
Consignee UEN:	<input type="text"/>	...	Name:	<input type="text"/>
			Address:	<input type="text"/>
				<input type="text"/>
				<input type="text"/>

MsgRefNo: New Declaration

TradeNet[®] Declaration: Export

Outward Transport

Departure Date: *

Ctry of Dest:

Port of Discharge:

Vessel Name: *

Vessel Type: *

Vessel Loc Code: *

MAWB / OBL: *

Tow Voyage:

Tow Name:

Transport Mode:

Voyage No: *

Name: *

Out Vessel NRT:

MsgRefNo: New Declaration

TradeNet[®] Declaration: Export

REPUBLIC POLYTECHNIC

KEWILL-IPACS Tradenet Version 4.0

TR04 / v01t.v01t004

Entry ▾ Cancellation / Refund ▾ Comm ▾ Status ▾ CCP ▾ Report ▾ Maintenance ▾ Tools ▾ Interface Help ▾ LogOut

Export Declaration Add

Decl Info Party Info Transport **Item** Document Summary

Save Cancel

Item List **Item Detail**

Add Item

Edit	Delete	SNo	HSCode	Description	Qty	CIF/FOB	InHAWB	OutHAWB	Country of Origin
		1	95071000	FISHING RODS	2000.0000	60000.00			SG

MsgRefNo: New Declaration

Previous Next Save Cancel

TradeNet[®] Declaration: Export

REPUBLIC POLYTECHNIC

KEWILL-IPACS Tradenet Version 4.0

TR04 / v01t.v01t004

Entry ▶	Cancellation / Refund ▶	Comm ▶	Status ▶	CCP ▶	Report ▶	Maintenance ▶	Tools ▶	Interface	Help ▶	LogOut
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Save : Export Declaration

Add

Declaration successfully saved:

MsgRefNo : OUTD201111280002

Do you want to:

[Add A New Record](#)

[Modify An Existing Record](#)

[Retrieve Record](#)

[Quit Declaration Page](#)

Today's Problem



- HS Codes for **Fishing Rods & Live Marine Fish (Ornament)**:

HS Code	Description
95071000	Fishing Rods
03011020	Live Marine Fish, Ornament Type

- Simon needs to know the exact HS Code to use for declaration
- **Live Marine Fish (Ornament)** falls under the Export Control list, and thus license from AVA is required

Learning Outcome



- Roles of Customs
- Basic Export Procedures
- Harmonized System Code
- Controlled Goods for Export

