



SINGAPORE CUSTOMS  
55 Newton Road #07-02 Revenue House Singapore 307987  
Call Centre : 6355 2000 Fax: 6337 6361  
Email: customs\_roo@customs.gov.sg  
http://www.customs.gov.sg

Our Ref: 33 99 02 V4  
Circular No.: 14/2009  
Date: 29 July 2009



To: All Manufacturers and Traders  
Registered with Singapore Customs

## **RULES OF ORIGIN UNDER THE PERU-SINGAPORE FREE TRADE AGREEMENT (PeSFTA)**

We are pleased to inform you that the PeSFTA will be implemented on 1 August 2009. This Circular outlines the salient points of the Rules of Origin requirements and operational procedures for exports of originating goods claiming tariff preference in Peru.

2. Under the Trade in Goods Chapter, Peru has a list of products that are subjected to tariff reductions at different time frames. You are advised to refer to Annex 2A of the PeSFTA to obtain the appropriate preferential tariff rate that your importer can enjoy for your products before applying for a Preferential Certificate of Origin for export to Peru.

### **Rules of Origin for Originating Goods**

3. Your product may qualify for the preferential tariff treatment for importation into Peru under the following rules of origin:

- a. Product wholly obtained or produced in Singapore; or
- b. Product satisfying the Product Specific Rules as specified in Annex 4A of the PeSFTA.

4. For manufactured products, the majority of you will need to comply with paragraph 3(b). You are advised to first ascertain whether your products have been accorded tariff preference before you apply for certification.

### **Documentation Procedures for Singapore-origin Products**

5. In order for your overseas importer to claim preferential tariff, you must apply for the Preferential CO and Export Permit from Singapore Customs when you export the goods. The documentation procedures for Singapore origin products are as follows:

a. Step One - Factory Registration

The product must be manufactured by a factory that is registered with the Tariffs and Trade Services Branch (TTSB) of Singapore Customs. To register, the manufacturer may efile the "Application for Registration" via the following website:

**“<http://www.customs.gov.sg/topNav/ese/Online+Services+and+Forms.htm>”**

For most of you, this procedure may not apply as you are already registered with TTSB. However, for those who are producing new product lines, you are required to register your new product line with Singapore Customs.

b. Step Two - Submission of Manufacturing Cost Statement

Upon successful registration, the manufacturer is required to submit to TTSB the Manufacturing Cost Statement (MCS) for each product model to be exported. A sample copy of the MCS is in attached **Annex A**.

With our approval letter for the MCS, you or your exporter may apply for the Preferential CO when your goods are exported to Peru. Each approved MCS is valid for one year and must be updated annually or earlier when there are changes during the year.

c. Step Three - Applying for the Preferential CO and Export Permit

You must apply for the Preferential CO and Export Permit electronically through TradeNet® before exporting your goods.

d. Step Four - Submission of Preferential CO via TradeNet®

You must declare the Certificate Type as "18" in your application for CO via TradeNet®. If you do not have the TradeNet® software, you may engage your freight forwarder or a Service Centre to apply for it on your behalf.

In addition to the normal requirements, please **declare the corresponding 6-digit HS code of your product, number and date of invoice and its origin criterion** in the “Certificate Item Description” field as part of your consignment details in the preferential CO. The Peru Customs Authority requires this information to be declared in the preferential CO to facilitate clearance of goods. The applicable origin criterion is listed below. Please contact the TTSB if you need clarification on origin criterion text to be used for your exports.

<b>Rules of Origin Criterion</b>	<b>Text to Appear in Description of Goods column of the CO</b>
(a) Goods wholly obtained or produced in Singapore.	Origin Criterion : Wholly obtained
(b) Goods satisfying the change in tariff classification as stipulated in the Product Specific Rules specified in Article 4.2.	Origin Criterion : “CC” or “CTH” or “CTSH” (You will need to declare how your product meets the origin criterion accordingly.)
(c) Goods satisfying the qualifying value content as stipulated in the Product Specific Rules specified in Article 4.2.	Origin Criterion : QVC = xx% (for goods satisfying the qualifying value content)
(d) Goods satisfying the chemical reaction rule as stipulated in the relevant Chapter Notes of the Product Specific Rules specified in Article 4.2.	Origin Criterion : Chemical Reaction

### **Usage of the Preferential CO**

6. A sample copy of the Preferential CO is in attached **Annex B** for your reference. The Preferential CO comprises one original copy and two carbonised copies all in white colour.

7. Upon approval, Singapore Customs will retain a copy of Preferential CO and return the Original and another copy to the applicant. The exporter must sign all the copies of the Preferential CO before dispatching the Original copy to his importer. This CO is valid for 12 months from the date of issuance. The exporter should retain his copy for record keeping. The importer shall present the Original copy to his Customs Authority upon clearance of goods at the port.

### **Retention of Documents**

8. Documents relating to the production and shipment of exports accompanied by the Preferential CO should be kept for at least 4 years after the date on which the CO was issued for post-verification checks by the Singapore Customs or Peru authorities.

### **Website for Downloading of Details of Agreement**

9. The full details on PeSFTA are available in Singapore’s FTA website at: “[http://www.fta.gov.sg/fta\\_pesfta.asp?hl=39](http://www.fta.gov.sg/fta_pesfta.asp?hl=39)”.

10. We encourage you to familiarise yourself with the Rules of Origin requirements and take advantage of the benefits of the PeSFTA for exports to Peru. Please share the contents of this circular with other colleagues in your organisation and business partners if relevant.

## **Operational Procedures for Preferential Tariff for Imports from Peru**

11. Another Circular 15/2009 dated 29 July 2009 relating to preferential tariff for imports under the PeSFTA will be separately issued. Both circulars can be downloaded at "<http://www.customs.gov.sg>".

### **Enquiries**

12. For enquiries, you may:
- a. email to us at: "customs\_roo@customs.gov.sg"; and
  - b. raise your queries to IE Singapore via the feedback form available at IE Singapore's FTA website (<http://www.iesingapore.gov.sg>) on clarification of tariff reduction.



MR DAVID FOO  
HEAD  
TARIFFS AND TRADE SERVICES BRANCH  
for DIRECTOR-GENERAL OF CUSTOMS

## Annex A

### SAMPLE FORMAT

#### COST STATEMENT FOR THE EXPORT OF PRODUCT UNDER THE PeSFTA

Name of Manufacturer : \_\_\_\_\_ CR No : \_\_\_\_\_  
 Description of Product : \_\_\_\_\_ HS Code: \_\_\_\_\_  
 Model No : \_\_\_\_\_ Unit Price: \_\_\_\_\_ S\$ \_\_\_\_\_ (FOB)  
 Country exported to : PERU

This Cost Statement is for \_\_\_\_\_ Unit(s) Date of Cost Statement : \_\_\_\_\_

	HS Code *	Country of Origin	Supplier' s Name (if Locally Manufactured)	Unit Cost (CIF)			
				Local	Foreign	Peru	Total
1. Raw Materials, Parts & Components (Please give detailed breakdown)							
a)							
b)							
c)							
d)							
2. Direct Labour Cost : Wages Other benefits (CPF, medical benefits etc) (Please give detailed breakdown)							
3. Direct Overhead Cost : (eg Factory rent, Depreciation costs, Maintenance) (Please give detailed breakdown)							
4. Ex-Factory Cost (1+2+3)							
5. Profit							
6. Ex-Factory Price (4+5)							

\* Please declare the HS Subheading Code (first 6-digit) of foreign materials and materials of undetermined origin.

Calculations :

$$\text{Qualifying Value Content} = \frac{\text{Local \& Peru Material Cost + Direct Labour \& Direct Overheads + Profit}}{\text{FOB Price}} \times 100 = \text{\%}$$

(See Note 5 overleaf)

Declaration : I declare that the information provided by me is true and correct. I will permit, as and when required, inspection of our factory/goods by officers of the Singapore Customs and undertake to maintain up-to-date costing records.

\_\_\_\_\_  
Signature & Name of Managing Director

\_\_\_\_\_  
Signature & Name of Accountant

This cost statement is prepared by :

Signature : \_\_\_\_\_

Tel :

(Please see next page for Guidelines)

## SINGAPORE CUSTOMS

### TARIFFS AND TRADE SERVICES BRANCH

#### GUIDELINES ON THE PREPARATION OF THE MANUFACTURING COST STATEMENT

The following procedures will apply when submitting the Manufacturing Cost Statement for the Tariffs and Trade Services Branch's verification:

- 1) Check with the Tariffs and Trade Services Branch of the Singapore Customs on the origin criteria that your product must comply with to qualify for preferential treatment.
- 2) Prepare the Cost Statement for every product model to be exported. This must be prepared on your Company's letterhead according to the format prescribed by the Tariffs and Trade Services Branch.
- 3) Submit your Cost Statement for the product which must reach the Tariffs and Trade Services Branch at least 7 working days before the export of goods.
- 4) Give actual cost of materials used, labour and overhead costs in each Cost Statement. Projection of production costs is not allowed.
- 5) Submit supplier's invoice for
  - a. every material used that is manufactured locally; and
  - b. material used is of Peru origin and you wish to qualify your product under the PeSFTA Cumulative Content.

For item (b), you must obtain the Preferential CO as proof that the material originates in Peru.

- 6) Update your costing yearly or earlier when there are variations in your prices, costs, sources of materials used, etc.
- 7) Ensure that the Cost Statement is declared to be true and correct by the Managing Director and the Accountant.
- 8) Contact the Tariffs and Trade Services Branch for advice when you need clarification in preparing the Cost Statement.

1 Exporter (Name & Address)		REPUBLIC OF SINGAPORE	
2 Consignee (Name, Full Address & Country)		PREFERENTIAL CERTIFICATE OF ORIGIN	
		No.	
		NO UNAUTHORISED ADDITION/ALTERATION MAY BE MADE TO THIS CERTIFICATE	
3 Departure Date	8 DECLARATION BY THE EXPORTER		
4 Vessel's Name/Flight No.	We hereby declare that the details and statements provided in this Certificate are true and correct.		
5 Port of Discharge	Signature:		
6 Country of Final Destination	Name:		Stamp
7 Country of Origin of Goods	Designation:		
	Date:		
9 Marks & Numbers	10 No. & Kind of Packages Description of Goods (include brand names if necessary)	11 Quantity & Unit	
12 CERTIFICATION BY THE COMPETENT AUTHORITY			
We hereby certify that evidence has been produced to satisfy us that the goods specified above originate in the country shown in box 7.			