

Handbook on the Strategic Trade Scheme (STS)

Last updated 25 Jan 2011



SINGAPORE CUSTOMS

CONTENTS

Preface.....	3
1 Overview of the Strategic Goods Control System.....	4
1.1 What is Strategic Goods Control?.....	4
1.2 Transshipment and Transit Controls.....	4
1.3 Intangible Transfer of Technology.....	6
1.4 Brokering Controls.....	6
1.5 Catch-All Controls.....	7
2 Overview of the Strategic Trade Scheme.....	8
2.1 What is the Strategic Trade Scheme (STS)?.....	8
2.2 How will the STS benefit my company?.....	8
2.3 Who should apply for a permit under the STS?.....	9
2.4 What types of goods can I transact in under the STS?.....	9
2.5 What are the basic qualifying criteria to be eligible for a permit under the STS?.....	9
2.6 Which permit type is suitable for my company?.....	10
2.7 Overview of trade types and transaction types applicable under the STS.....	11
3 Tier 1 Permit.....	12
3.1 Whom is this permit for?.....	12
3.2 What are the key features?.....	12
3.3 How do I qualify?.....	12
3.4 What are my responsibilities?.....	12
4 Tier 2 Permit.....	14
4.1 Whom is this permit for?.....	14
4.2 What are the benefits?.....	14
4.3 What is the scope of the Tier 2 Permit?.....	14
4.4 How do I qualify?.....	15
4.5 What are my responsibilities?.....	16
5 Tier 3 Permit.....	17
5.1 Whom is this permit for?.....	17
5.2 What are the benefits?.....	17
5.3 What is the scope of the Tier 3 Permit?.....	17
5.4 How do I qualify?.....	18
5.5 What are my responsibilities?.....	19
6 Other General Responsibilities of a Permit Holder under the STS.....	20
6.1 Record Keeping.....	20

6.2	Other Terms and Conditions	21
6.3	Suspension/Revocation of Permits.....	21
6.4	Renewal of Permits	21
7	Other Administrative Details.....	22
7.1	How do I apply for a Tier 1 Permit?	22
7.2	How do I apply for a Tier 2 Permit?	23
7.3	How do I apply for a Tier 3 Permit?	23
7.4	What is the validity of the permits?	23
7.5	What is the processing time of the permits?	24
7.6	Who do I contact for further clarification?.....	24
8	FAQs and Definitions	25
	ANNEX: INTERNAL COMPLIANCE PROGRAMME (ICP) GUIDELINES	27

Preface

If you wish to export, re-export, tranship, or bring in transit *strategic goods and their related technology* or engage in intangible transfer of technology (ITT), you should read this handbook.

This handbook tells you:

- (a) what you need to know about the Strategic Goods Control System (*See Section 1*) and the Strategic Trade Scheme (*See Section 2*);
- (b) the permit requirements;
- (c) facilitation in the declaration procedures for the companies approved with the Strategic Trade Scheme (STS) Tier 2 and Tier 3 permits as well as the requirements to be fulfilled to obtain approval (*See Sections 3 to 5*);
- (d) what your responsibilities are as a permit holder (*See Section 6*);
- (e) how to apply for the permits and other administrative details (*See Section 7*);
- (f) frequently asked questions on the Strategic Goods Control System and definitions of certain terms (*See Section 8*).

1 Overview of the Strategic Goods Control System

What is Strategic Goods Control?

- 1.1.1 Strategic Goods refer to goods relating to the development, production, and use of nuclear, chemical and biological weapons, or missiles which are capable of delivering these weapons; and also conventional arms and military equipment. They include certain “dual-use” goods which have both civilian and sensitive military applications, and can be used as precursors or components for Weapons of Mass Destruction (WMD).
- 1.1.2 The Strategic Goods Control System aims to regulate the trade in or transfer of strategic goods and related technology to curb the proliferation of WMD.
- 1.1.3 The *Strategic Goods (Control) Act, Cap. 300 (SGCA)* and the *Strategic Goods (Control) Regulations (SGCR)* form the basis for administering the trade in strategic goods.
- 1.1.4 Goods which are subject to control are listed in *Parts I and II of the Schedule to the Strategic Goods (Control) Order 2010*. Other goods and technology which are not listed in the Schedule but are intended or likely to be used for WMD purposes or a “relevant activity”¹ are also controlled under the Act. This is internationally known as a “catch-all” control.
- 1.1.5 A permit is required prior to any export, re-export, transshipment, bringing in transit, intangible transfer or electronic transmission (via email, fax or internet) of strategic goods or strategic goods technology in the control list and items under “catch-all”.

Transshipment and Transit Controls

- 1.2.1 Under the Strategic Goods (Control) Act, a person is required to apply for a permit and have a valid permit approved by Singapore Customs, to transship or bring in transit any goods specified in Part I and II of the Schedule to the Strategic Goods (Control) Order 2010.
- 1.2.2 Please note that strategic goods permits are required for the transshipment of goods which are:
 - (a) listed in the *Fourth Schedule of the Strategic Goods (Control) Regulations*; or
 - (b) not listed in the Strategic Goods (Control) Order 2010, but you know or suspect or have been notified by Singapore Customs that the item is intended or likely to be used for nuclear, chemical or biological weapon purposes; or missiles capable of delivering such weapons.

¹ “Relevant activity” as defined under the Strategic Goods (Control) Act refers to “goods that are used or for purposes of (a) the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of any nuclear, chemical or biological weapon; or (b) the development, production, maintenance or storage of missiles which are capable of delivering any such weapon.”

1.2.3 The category codes of goods listed in the *Fourth Schedule of the Strategic Goods (Control) Regulations* are:

Military Goods	Dual-use Goods
ML1	0A, 0B, 0C
ML2	1C350.1. to 9., 11., 12., 13., 17., 18., 19.,
ML3	21., 22., 23., 26. to 36., 38., 46., 51.
ML4	52., 54. to 57., 59., 63.
ML6	1C351.a.2., 4., 5., 7., 8., 10. to 17., 19.,
ML7.b.1., 2., and 3.	31.
ML7.c.	1C351.b.1., 3., 4.
ML8.a.1., 2., 3., 4., 5., 7., 10., 11., 13.a.,	1C351.c.1., 2., 3., 4., 7., 8., 9., 13.
13.c., 15., 18., 19., 20., 21., 23., 26., 27.,	1C351.d.1., 2., 4. to 7., 12.
28., 32.j., 33., 34., ML8.b.1. to 5.	1C352.a.1. to 4., 9., 10., 12., 14., 15., 17.
ML8.c.1., 3. to 9.	1C352.b.
ML8.d.1., 2., 3., 5., 6., 8., 9., 10.	1C354.b.1., 5.
ML8.e.1. to 6., 8. to 13., 15. to 18.	1C354.c.1.
ML8.f.	1C450.a.
ML8.g.	1C450.b.;
ML9	5A2, 5B2
ML10	

1.2.4 For transshipment goods which are **not** listed in the *Fourth Schedule* of the Strategic Goods (Control) Regulations and the transit of goods which are listed in the Strategic Goods (Control) Order 2010, a permit is not required if they fulfil the criteria below:

- (a) The goods are immediately brought into an FTZ upon entry to Singapore;
- (b) They remain within the FTZ all the time, until they are brought out of Singapore; and
- (c) The goods depart from Singapore within:
 - (i) 45 days, if brought in by sea; or
 - (ii) 21 days, if brought in by air.

1.2.5 For transshipments between air and sea or vice versa, the applicable period is based on the first entry mode of the consignment into the FTZ. For example, in the case of goods which are transhipped from Changi FTZ to Keppel FTZ, no permit is required if the cargo leaves the FTZ within 21 days.

1.2.6 Though transshipment permits are not required, the authorities have powers to request for documents/notification, as and when necessary.

Intangible Transfer of Technology

- 1.3.1 Under the Strategic Goods (Control) Act, Singapore controls the intangible transfers or electronic transmission of the strategic goods technology listed under Parts I and II of the Schedule to the Strategic Goods (Control) Order 2010.
- 1.3.2 Transmission of controlled strategic goods technology, refers to any transmission done in Singapore by electronic means such as email, the internet or facsimile; or the act of making the controlled technology available in Singapore on a computer, so that it becomes accessible (whether on a request, or subject to a pre-condition, or otherwise) to a person in a foreign country.

Brokering Controls

- 1.4.1 Singapore controls brokering of strategic goods and strategic goods technology listed under the Strategic Goods (Control) Act, and any goods or technology which are capable of being used to develop, produce, operate, stockpile or acquire weapons of mass destruction, namely nuclear, chemical or biological weapon.
- 1.4.2 *Brokering* refers to arranging or negotiating, or doing any act to facilitate the arrangement or negotiation of a contract for the acquisition or disposal of any controlled goods or technology if that person knows or has reasons to believe that such a contract will or is likely to result in the removal of those goods and technology from one foreign country to another foreign country.
- 1.4.3 Brokers of arms and explosives listed under the Strategic Goods (Control) (Brokering) Order 2007, must register first with Singapore Customs before they can broker in these items.
- 1.4.4 They must abide by the registration conditions specified by Singapore Customs upon approval of the registration, or risk being deregistered. The registration conditions include:
 - (a) The strategic goods or technology are not destined to a country that is under the United Nations arms embargo;
 - (b) The strategic goods or technology transaction does not involve a person or entity that has been embargoed under the resolutions of the United Nations Security Council;
 - (c) The strategic goods or technology transaction has been approved by relevant authorities in the importing or exporting countries (if the import or export/re-export of these goods or technologies is subject to controls by these countries); and

- (d) The following records (where applicable) shall be kept for at least 5 years from the end of the calendar year in which the strategic goods transaction took place:
- (i) Contract documents;
 - (ii) Details of foreign buyers and sellers involved;
 - (iii) Relevant correspondence;
 - (iv) Description, value, quantity and date of brokered transactions;
 - (v) Invoice;
 - (vi) Document from supplying and manufacturing/originating countries;
 - (vii) Name and address of shipping agents/couriers involved; and
 - (viii) Value of commission received.

1.4.5 A permit is required if a broker:

- (a) has been notified by an authorised officer, or
- (b) if he knows, or
- (c) if he has reasonable grounds to suspect

that the goods or technology he is brokering, is intended or likely to be used, wholly or in part, for or in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of any nuclear, chemical or biological weapon; or the development, production, maintenance or storage of missiles which are capable of delivering any such weapon.

1.4.6 Brokers are also required to keep records as specified in sub-paragraph 1.4.4 (d) (where applicable).

Catch-All Controls

1.5.1 Under the Strategic Goods (Control) Act, a “catch-all” provision has been incorporated to cover all goods and technology which are intended or likely to be used for weapons of mass destruction (WMD) purposes. A permit is required to:

- (a) export, tranship or bring in transit any goods; or
- (b) export any document in which any technology is recorded, stored, or embodied,

if he:

- (a) has been notified by an authorised officer,
- (b) knows, or
- (c) has reasonable grounds to suspect

that the goods or technology is intended or likely to be used, wholly or in part, for or in connection with a *relevant activity*.

2 Overview of the Strategic Trade Scheme

What is the Strategic Trade Scheme (STS)?

2.1.1 The Strategic Trade Scheme (STS) aims to encourage companies to implement effective internal export control compliance programme and provide legitimate traders with greater facilitation in declaration procedures involving transactions of strategic goods or strategic goods technology for non-WMD related end-use. The scheme applies to all businesses who wish to export, tranship, or bring in transit strategic goods and their related technology, or to transmit strategic goods technology.

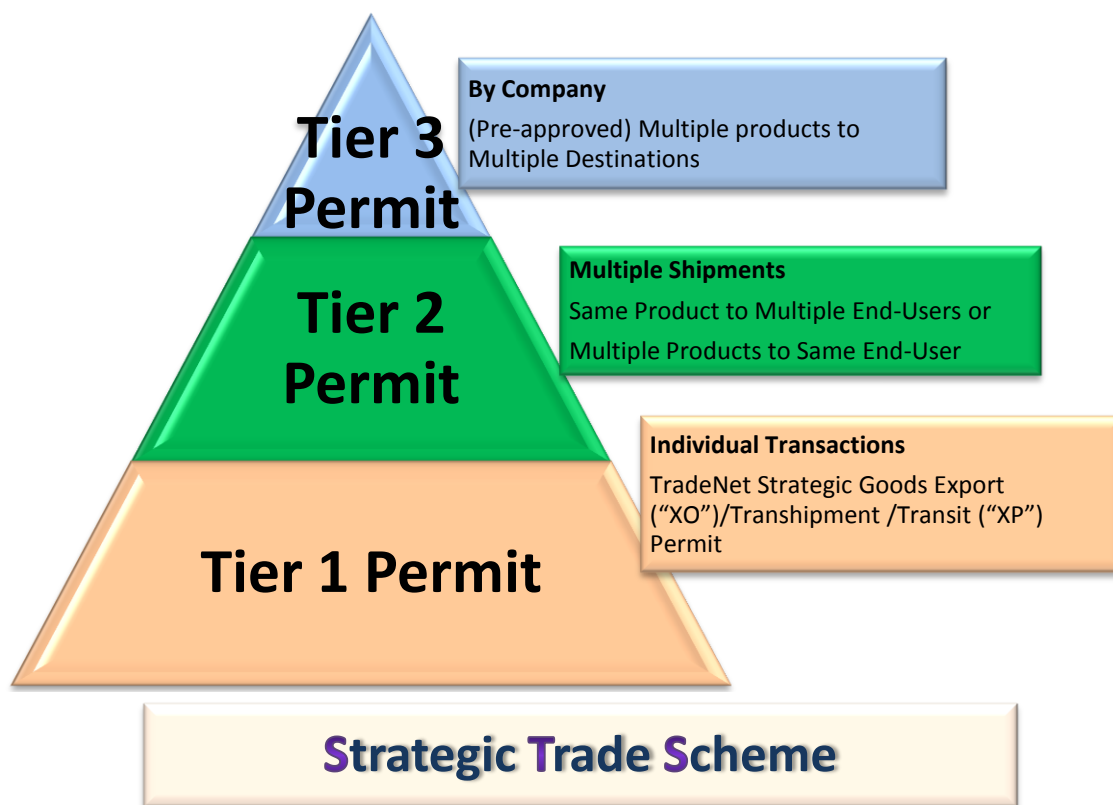


Figure 1: The Strategic Trade Scheme

2.1.2 Figure 1 illustrates the 3-tier Strategic Trade Scheme. There are three types of permits which you can apply for, namely, Tier 1 Permit, Tier 2 Permit and Tier 3 Permit. Generally, the level of facilitation and flexibility accorded to your company will be contingent upon the quality of your company's Internal (Export Control) Compliance Programme.

How will the STS benefit my company?

2.2.1 As an incentive, a company with a good Internal (Export Control) Compliance Programme, can enjoy more facilitative declaration procedures involving transactions of strategic goods and strategic goods technology for non-WMD-related end-use and qualify to apply for Tier 2 Permit or Tier 3 Permit with respect to these transactions.

Who should apply for a permit under the STS?

- 2.3.1 Traders who are owners of the strategic goods and their related technology (e.g. manufacturers, distributors, etc), exporters, cargo agents, freight forwarders, carriers, feeder operators, logistics or service providers who are:
- (a) exporting or transshipping or bringing in transit strategic goods and their related technology; or
 - (b) engaging in intangible transfer of strategic goods technology,
- must apply for a permit under the STS.

What types of goods can I transact in under the STS?

- 2.4.1 The STS covers all strategic goods and technology listed in Parts I and II of the Schedule to the Strategic Goods (Control) Order 2010 **except** where the:
- (a) Strategic goods or technology are known or suspected to be used in relation to a nuclear, chemical or biological weapons programme; or missiles capable of delivering these weapons;
 - (b) Strategic goods or technology are known or suspected to be destined for or consigned to United Nations Security Council (UNSC) sanctioned countries or entities; and
 - (c) The shipment is an illicit consignment, i.e. the necessary export or re-export approval has not been obtained from the exporting country (if the item is controlled by the exporting country), or the necessary import approval has not been obtained from the importing country (if the item is controlled by the importing country).
- 2.4.2 Strategic goods or technology intended or likely to be used for nuclear, chemical or biological weapons purposes or missiles capable of delivering these weapons are covered under the "catch-all" control which is **only** eligible for the **Tier 1 Permit**.

What are the basic qualifying criteria to be eligible for a permit under the STS?

- 2.5.1 You have to meet the following basic criteria in order to qualify for a permit under the STS:
- (a) You are a registered trader with Singapore Customs; and
 - (b) In the case of applications for Tier 2 and Tier 3 Permits, you must:
 - (i) maintain a good trade compliance record with Singapore Customs;
 - (ii) implement an effective Internal (Export Control) Compliance Programme; and
 - (iii) Achieve at least the "Enhanced" band under TradeFIRST.

Which permit type is suitable for my company?

2.6.1 When selecting the permit type, you need to consider your business needs and activities and the permit which you may qualify for. An overview of the three permit types is provided below.

Tier 1 Permit

2.6.2 This is an individual permit required prior to every shipment, including those that do not qualify for Tier 2 and Tier 3 Permits. You will need this permit if your business relationship with your customers is likely to be carried out on a short-term, transactional basis. You have to obtain an individual permit for each shipment either because you submit declarations on behalf of various customers (e.g. owners of the controlled goods or technology) or you need to seek prior approval for your individual, once-off or urgent shipments. In this instance, while you may not have a comprehensive internal (export control) compliance process, you need to satisfy yourselves and exercise due diligence to avoid being involved in transactions referred in sub-paragraphs 2.4.1 (a), (b) and (c). (*See Section 3 for more information on this permit type.*)

Tier 2 Permit

2.6.3 Your company deals in a range of products with regular customers. Due to the moderate to large transaction volume, you prefer to obtain a one-time approval for your multiple shipments to a specific end-user(s) so as to save your company time in declaring permits. Under the Tier 2 Permit, your company can choose to obtain a one-time approval to:

- (a) Export, re-export or tranship a *specific* product or transmit technology related to a *specific* product to *multiple* customers/end-users; or
- (b) Export, re-export or tranship *multiple* products or transmit technology related to *multiple* products to a *single* customer/end-user.

2.6.4 To qualify, your company has to have reasonably sound internal export control compliance measures and be subject to audits conducted by Singapore Customs. (*See Section 4 for more information on this permit type.*)

2.6.5 However, this permit is only applicable for exports, re-exports or transhipments of strategic goods and their related technology and transmission of strategic goods technology which are **not** intended or likely to be used for weapons of mass destruction purposes, or **not** destined to countries or entities of proliferation or national security concerns.

Tier 3 Permit

2.6.6 If your company not only transacts with regular customers in a wide range of products but also redistributes products to overseas offices and requires just-in-time delivery, this permit may be suitable for you.

- 2.6.7 Due to the huge and multiple transaction volume, a fast turnaround time is critical to your company. The Tier 3 Permit is applicable for exports and re-exports of your company's products or technology, or transmission of technology to **pre-approved** destinations.
- 2.6.8 To qualify, your company must have a robust internal (export control) compliance programme and should demonstrate good customer and product screening procedures and record keeping practices. Your company will be required to maintain records of all shipments or transactions of strategic goods and related technology and submit monthly reports on your strategic goods and technology transactions to Singapore Customs. *(See Section 5 for more information on this permit type.)*
- 2.6.9 However, this permit is only applicable for exports or re-exports of strategic goods and their related technology and transmission of strategic goods technology which is **not** intended for weapons of mass destruction purposes, or **not** destined to countries or entities of proliferation or national security concerns.

Overview of trade types and transaction types applicable under the STS

Type of Permit	Type of Trade	Nature of Transaction	Qualifying Criteria
Tier 3	Export, Re-export and Intangible Transfer of Technology	Pre-approved multiple products to pre-declared destinations (certain ML/dual-use items)	Implement an effective Internal (Export Control) Compliance Programme (ICP) that fulfills ALL 7 criteria Achieve at least the "Enhanced" band under TradeFIRST
Tier 2	Export, Re-export, Transshipment and Intangible Transfer of Technology	Multiple products to specific end-user / specific product to multiple end-users	Implement an effective Internal (Export Control) Compliance Programme (ICP) that fulfills at least the 4 key criteria Achieve at least the "Enhanced" band under TradeFIRST
Tier 1	Export, Re-export, Transshipment, Transit and Intangible Transfer of Technology	Per-transaction basis (not covered by Tier 2 or Tier 3 permits)	A strategic goods permit is required prior to any ITT or export, transshipment and transit of strategic goods

3 Tier 1 Permit

Whom is this permit for?

- 3.1.1 The Tier 1 Permit must be applied by exporters, manufacturers, logistics or service providers who wish to export, re-export, tranship or bring in transit controlled strategic goods and their related technology or transmit strategic goods technology on a per-transaction basis. Tier 1 Permit is mandatory for all strategic goods or strategic goods technology transactions that do not qualify for Tier 2 and Tier 3 Permits.

What are the key features?

- 3.2.1 An approved Tier 1 Permit is required prior to the export, re-export or transshipment of these goods, and before the arrival of the goods to be brought in transit through Singapore. For goods which are also controlled by other Controlling Agencies, the permit will first be routed to the respective Controlling Agencies for processing, before final processing by Singapore Customs. Hence, it is important that you ensure that you comply with the other Controlling Agencies' requirements - such as obtaining a valid licence (if applicable), prior to submitting your strategic goods permit application.
- 3.2.2 The validity of the Tier 1 Permit is 1 month (renewable up to 3 months if the shipment has **not** been effected).

How do I qualify?

- 3.3.1 You may apply for the Tier 1 Permit if you satisfy the basic qualifying criteria to apply for a permit under the STS. (*See Section 2.5 for the basic qualifying criteria.*)

What are my responsibilities?

- 3.4.1 You are required to submit the following documents to Singapore Customs for each permit application:
- (a) End-user statement or certificate;
 - (b) Export licence, and their corresponding translation in English, from the supplying or exporting country (if applicable);
 - (c) Import authorisation from the importing country (if applicable);
 - (d) End-user company profile and/or website;
 - (e) Technical specifications of the goods – e.g. operating instructions, manuals, brochures, data sheets, etc;
 - (f) Business transaction documents such as order forms, contracts, invoices, bills of lading, air waybills, transaction-related communications, etc; and
 - (g) Other supporting documentation.

3.4.2 As a permit holder, you need to comply with the following:

- (a) Maintain proper records of your strategic goods shipments as Singapore Customs will conduct random audits on your company; and
- (b) Undertake all other general responsibilities as a permit holder. (*See Section 6 for the other general responsibilities.*)

4 Tier 2 Permit

Whom is this permit for?

4.1.1 The Tier 2 Permit may be applied by exporters, manufacturers, logistics or service providers who wish to export, re-export or tranship multiple controlled strategic goods and their related technology or transmit strategic goods technology to specific pre-approved customers.

What are the benefits?

4.2.1 As a permit holder, you enjoy the following benefits:

- (a) A single approval for the export, re-export, transhipment of strategic goods and technology, and the intangible transfer of the same technology to the same approved end-user(s).
- (b) Instead of applying for a Tier 1 Permit prior to each shipment/transfer covered by the approved Tier 2 Permit, you only need to apply for a normal outward TradeNet[®] permit within 3 days of the export/transfer of the approved product(s) to the approved consignee(s)/end-user(s) and indicate the:
 - (i) Tier 2 Permit approval reference number (**T2UXXXXXXXXP**); and
 - (ii) **Product Code(s)** of the approved item(s)/technology exported/transferred

in the “Remarks” column of your TradeNet[®] permit.

If you are exporting/transferring the approved product(s) with non-controlled product(s) under the normal outward TradeNet[®] permit to the approved consignee(s)/end-user(s), you are required to indicate the:

- (iii) Tier 2 Permit approval reference number as “**T2UXXXXXXXXP (Partial)**”; and
- (iv) item number(s) of the approved product(s) and its/their **Product Code(s)**

in the “Remarks” column of your TradeNet[®] permit.

- (c) The validity of the permit is up to 3 years from the date of approval.

What is the scope of the Tier 2 Permit?

4.3.1 The Tier 2 Permit covers specific means of transfers (physical export, re-export, transhipment and transmission of technology) relating to multiple shipments of:

- (a) Specific product(s) including the estimated quantity and value within the validity period of the Tier 2 Permit;
- (b) Specific recipient(s), consignee(s) or end-user(s); and

(c) The specific intended end-use.

4.3.2 You may apply for a Tier 2 permit if you have transactions involving the following:

- (a) Transfer a *specific* product and its related technology to *multiple* customers/end-users;
or
- (b) Transfer *multiple* products and their related technology to a *single* customer/end-user.

4.3.3 You need to note that strategic goods and/or technology intended or likely to be used for nuclear, chemical or biological weapons purposes or missiles capable of delivering these weapons are **not** eligible for Tier 2 Permit. Such items would still require application of a Tier 1 Permit prior to every shipment/transfer.

How do I qualify?

4.4.1 You may apply for the Tier 2 Permit if you satisfy the following criteria:

- (a) You meet the basic qualifying criteria to apply for a permit under the STS. (*See Section 2.5 for the basic qualifying criteria.*)
- (b) Your company should have in place the following key elements of an Internal (Export Control) Compliance Programme (ICP):

(i) *Product Screening*

Your company must set up working procedures to classify its products/technology and screen its shipments/transfers to ensure that any shipment or transfers of strategic goods and technology are covered by a valid permit. A list of strategic goods or strategic goods technology controlled under the SGCA must be maintained and made accessible to employees for their reference.

(ii) *End-users Screening*

Your company must have working procedures for the screening of customers and end-users to ensure that transactions performed are to known legitimate customers or end-users. You need to check wherever possible, the addresses, contact numbers, business registration and other information on your customers or end-users, to establish that they are real companies/entities and not a “front company” for illegal activities.

(iii) *Record Keeping*

Your company must keep records of all strategic goods transactions carried out and these records must be made available for audits by Singapore Customs when requested. The record-keeping requirements are specified in Section 6.1.

(iv) *Audits*

Your company needs to conduct regular audits to ensure compliance with your company’s ICP. As part of your internal checks, your company will need to put

in place an internal system of notifying Singapore Customs promptly (i.e. within 7 days of shipment or transfer) if there is any known or suspected non-compliance with conditions specified by Singapore Customs.

4.4.2 For more details on the required scope of the ICP, please refer to **Annex A**.

What are my responsibilities?

4.5.1 As a permit holder, you need to comply with the following:

- (a) Maintain proper records of your strategic goods shipments as Singapore Customs will conduct audits on your company;
- (b) Notify Singapore Customs of any changes made to your ICP; and
- (c) Undertake all other general responsibilities as an approved applicant. (*See Section 6 for the other general responsibilities.*)

5 Tier 3 Permit

Whom is this permit for?

5.1.1 The Tier 3 Permit may be applied by exporters, manufacturers, or traders who wish to export or re-export multiple strategic goods and their related technology or transmit strategic goods technology to specific customers by obtaining an approval for multiple shipments of these items.

What are the benefits?

5.2.1 As a permit holder, you enjoy the following benefits:

- (a) A single approval for the export and re-export of a strategic goods technology and the intangible transfer of the same technology to the same approved destinations.
- (b) Instead of applying for a Tier 1 Permit prior to each shipment/transfer covered by the approved Tier 3 Permit, you only need to apply for a normal outward TradeNet[®] permit within 3 days of the export/transfer of the approved product(s) to the approved country(s) of destination and indicate the:
 - (i) Tier 3 Permit approval reference number (**T3UXXXXXXXXP**); and
 - (ii) **Product Code(s)** of the approved item(s)/technology exported/transferred

in the “Remarks” column of your TradeNet[®] permit.

If you are exporting/transferring the approved product(s) with non-controlled product(s) under the normal outward TradeNet[®] permit to the approved country(s) of destination, you are required to indicate the:

- (iii) Tier 3 Permit approval reference number as “**T3UXXXXXXXXP (Partial)**”; and
- (iv) item number(s) of the approved product(s) and its/their **Product Code(s)**

in the “Remarks” column of your TradeNet[®] permit.

- (c) The validity of the permit is up to 3 years from the date of approval.

What is the scope of the Tier 3 Permit?

5.3.1 The permit covers transfers (physical export/re-export and transmission of technology) of pre-approved strategic goods and technology to pre-approved destinations (generally, countries that are not of proliferation/national security concerns or countries with an export control regime).

5.3.2 You need to note that the following are **not** eligible for Tier 3 Permit:

- (a) Chemical items going to non-State Parties of the Chemical Weapons Convention (CWC); or
- (b) Strategic goods and/or technology intended or likely to be used for nuclear, chemical or biological weapons purposes or missiles capable of delivering these weapons; or
- (c) Strategic goods and/or technology to United Nations Security Council (UNSC)-sanctioned countries or entities.

5.3.3 Such items would still require application of a Tier 1 Permit prior to every shipment.

How do I qualify?

5.4.1 You may apply for the Tier 3 Permit if you satisfy the following criteria:

- (a) You meet the basic qualifying criteria to apply for a permit under the STS. (*See Section 2.5 for the basic qualifying criteria.*)
- (b) Your company must possess a robust Internal (export control) Compliance Programme (ICP) which includes the following 7 key elements:

(i) Company's Commitment

Your company must have a written policy statement conveying a clear commitment to comply strictly with the SGCA and its regulations and other related domestic legislations which is communicated to all levels within your company and your company's clients.

(ii) Nomination of Strategic Goods Control Officer(s)/Administrator(s)

Your company must nominate suitable officers responsible for the implementation of strategic goods control and ensuring compliance with SGCA and its regulations, and the strategic goods permit requirements. The strategic goods control officer(s) should ideally be from the senior management who is not concurrently responsible for the company's sales or marketing functions, to avoid conflict of interest.

(iii) Product Screening

Your company must set up working procedures to classify its products/technology and screen its shipments/transfers to ensure that any shipment or transfers of strategic goods and technology are covered by a valid permit. A list of strategic goods or strategic goods technology controlled under the SGCA must be maintained and made accessible to employees for their reference.

(iv) End-Users Screening

Your company must have working procedures for the screening of customers and end-users to ensure that transactions performed are to known legitimate customers or end-users. You need to check, wherever possible, the addresses, contact numbers, business registration and other information on your customers or end-users, so as to establish that they are real companies/entities and not a "front company" for illegal activities.

(v) *Record Keeping*

Your company must keep record of all strategic goods transactions carried out and these records must be made available for audits by Singapore Customs when requested.

(vi) *Training*

Your company will need to conduct regular training programmes for employees who are directly involved in the administration of strategic goods or export controls within the company and to keep them updated of any new requirements/regulations pertaining to strategic goods controls.

(vii) *Audits*

Your company will need to conduct regular audits to ensure compliance with your company's ICP. As part of your internal checks, your company will need to put in place an internal system of notifying Singapore Customs promptly (i.e. within 7 days of shipment or transfer) if there is any known or suspected non-compliance with conditions specified by Singapore Customs.

5.4.2 For more details on the required scope of the ICP, please refer to **Annex A**.

What are my responsibilities?

5.5.1 As a permit holder, you need to comply with the following:

- (a) Maintain proper records of your strategic goods shipments as Singapore Customs will conduct audits on your company;
- (b) Submit to Singapore Customs monthly reports of your strategic goods and technology transactions, containing at least the following information:
 - (i) Product Name and Description;
 - (ii) Strategic Goods Product Code;
 - (iii) Purchase order, tax invoice or permit number; and
 - (iv) Name and Address of end-user(s);
- (c) Notify Singapore Customs of any changes made to your ICP; and
- (d) Undertake all other general responsibilities as a permit holder. (*See Section 6 for the other general responsibilities.*)

6 Other General Responsibilities of a Permit Holder under the STS

As an approved applicant, you must also comply with the following:

Record Keeping

- 6.1.1 Your company must keep records of all strategic goods transactions carried out and these records must be made available for audits by Singapore Customs when requested. The record-keeping requirements are mandatory under the SGCA/SGCR.
- 6.1.2 The SGCR requires that your company maintain records of strategic goods transactions. These records are to be kept for a period of **at least 5 years**, from the end of the calendar year in which the act authorised by the permit is carried out, for export/re-export, transshipment or transit, and for a period of **at least 5 years** from the end of the calendar year in which the act authorised by the permit is carried out, for any electronic transmission of technology or brokering of strategic goods and related technology.
- 6.1.3 The documentation to be kept, where applicable, includes:
- (a) Export, transshipment, transit or transmission of technology permits;
 - (b) End-user statement/certificate or Letter of Assurance/Certificate of Compliance;
 - (c) Export licence, and their corresponding translation in English, from the supplying or exporting country;
 - (d) Import authorisation from the importing country;
 - (e) Business transaction documents such as order forms, contracts, invoices, bills of lading, air waybills, transaction-related communications, etc; and
 - (f) Other supporting documentation.
- 6.1.4 In addition to the above records, the following records of your ICP where applicable, should be maintained:
- (a) Internal documents recording the assessment of a consignee or end-user and the classification of new products;
 - (b) Internal audit reports;
 - (c) Internal training records;
 - (d) Records of instructions to subsidiaries/affiliates; and
 - (e) Reports and details of non-compliance incidents (if any).
- 6.1.5 These records must be made available upon request for audits and inspection by Singapore Customs.

Other Terms and Conditions

6.2.1 When approving permit applications, Singapore Customs may prescribe specific conditions as appropriate. This may include (but not restricted to) the following:

- (a) Your company shall not knowingly export, re-export, tranship, bring in transit or transmit strategic goods and technology to UNSC sanctioned countries and prescribed entities;
- (b) Your company shall not knowingly divert strategic goods and technology to countries/end-users not approved by the supplying country; and
- (c) Your company shall not knowingly export, re-export, tranship, bring in transit or transmit strategic goods and/or technology destined for use in weapons of mass destruction related activities.

Suspension/Revocation of Permits

6.3.1 Failure to abide by the terms and conditions set by Singapore Customs may result in the suspension or revocation of the permit.

Renewal of Permits

6.4.1 To renew your Tier 2 or Tier 3 Permit, you are required to send in your renewal application at least 4 months before the expiry of the validity of your permit. In granting the renewal, Singapore Customs will review your company's application, which may include:

- (a) An assessment of your company's compliance to ICP requirements; and
- (b) An audit of your SGCA transaction records. (*See Section 6.1 for the record keeping requirements.*)

7 Other Administrative Details

How do I apply for a Tier 1 Permit?

7.1.1 Step 1:

For exports, re-exports, transshipment, bringing in transit of strategic goods and related technology, you may apply for the Tier 1 Permit via the TradeNet[®]. For more information, please refer to the TradeNet[®] section under the TradeXchange[®] website (<https://www.tradexchange.gov.sg>).

7.1.2 For intangible transfer of strategic goods technology, you may apply for the Tier 1 Permit by downloading the application form, *Application for Permit to Transmit or Hand-Carry Strategic Goods Related Software and Technology*, from the STGC website:

(<http://www.customs.gov.sg/stgc/topNav/ese/Forms.htm>).

7.1.3 Step 2:

You are required to submit the following documents to Singapore Customs:

- (a) End-user statement or certificate;
- (b) Export licence, and their corresponding translation in English, from the supplying or exporting country (if applicable);
- (c) Import authorisation from the importing country;
- (d) End-user company profile and/or website;
- (e) Technical specifications of the goods – e.g. operating instructions, manuals, brochures, data sheets, etc;
- (f) Business transaction documents such as order forms, contracts, invoices, bills of lading, air waybills, transaction-related communications, etc; and
- (g) Other supporting documentation.

7.1.4 You can quote the Unique Reference Number (URN) of your declaration and submit the documents to Singapore Customs via fax at 6355 2156 or email to customs_stgc@customs.gov.sg. You can also post the documents to the Procedures & Systems Branch.

Address: Singapore Customs
Procedures & Systems Branch
55 Newton Road #07-01
Revenue House
Singapore 307987

Email: customs_stgc@customs.gov.sg

Fax: (65) 6355 2156

7.1.5 Step 3:

During our processing of your permit application, our officers may contact you for further clarification.

How do I apply for a Tier 2 Permit?

- 7.2.1 You may apply for the Tier 2 Permit by downloading the application form, *Application for Strategic Trade Scheme (STS) Tier 2 Permit* and the *completed TradeFIRST self-assessment checklist*, from the STGC website (<http://www.customs.gov.sg/stgc/topNav/ese/Forms.htm>) and submit the duly completed form and checklist, together with other supporting documents, via email, fax or mail to the Schemes & Licensing Branch.

Address: Singapore Customs
Schemes & Licensing Branch
55 Newton Road #07-01
Revenue House
Singapore 307987
Email: customs_schemes@customs.gov.sg
Fax: (65) 6337 9956

- 7.2.2 Singapore Customs will visit your company's premises and assess the effectiveness of your ICP as part of the processing for your application. You will be granted an in principle approval and only need to submit normal outward permits for the approved scope of transfers. (For ITT, you need not submit an Application for Permit to Transmit or Hand-Carry Strategic Goods Related Software and Technology.)

How do I apply for a Tier 3 Permit?

- 7.3.1 You may apply for the Tier 3 Permit by downloading the application form, *Application for Strategic Trade Scheme (STS) Tier 3 Permit* and the *completed TradeFIRST self-assessment checklist*, from the STGC website (<http://www.customs.gov.sg/stgc/topNav/ese/Forms.htm>) and submit the duly completed form and checklist, together with other supporting documents via email, fax or mail to the Schemes & Licensing Branch as per the contact details in paragraph 7.2.1 above.

- 7.3.2 Singapore Customs will visit your company's premises and assess the effectiveness of your ICP as part of the processing for your application. You will be granted an in principle approval and only need to submit normal outward permits for the approved scope of transfers. (For ITT, you need not submit an Application for Permit to Transmit or Hand-Carry Strategic Goods Related Software and Technology.)

What is the validity of the permits?

- 7.4.1 The Tier 1 Permit is valid for 1 month from date of approval. Renewal of Tier 1 Permit can be up to 3 months if the shipment has not been effected. The Tier 2 and 3 Permits are valid for up to 3 years from the date of approval.

What is the processing time of the permits?

7.1.1 Average processing times for the various types of permits are:

- (a) Tier 1 Permit - 5 working days with the submission of complete supporting documents
- (b) Tier 2 Permit - 14 working days with the submission of complete information and supporting documents
- (c) Tier 3 Permit - 30 working days with the submission of complete information and supporting documents

7.5.2 Processing time will be longer if we require additional information or supporting documents on the product(s) or transaction in question.

Who do I contact for further clarification?

7.6.1 This handbook is designed for general information only. It may not answer all your questions on the Strategic Trade Scheme. Should you need further clarifications or advice, you may email to us at *customs_stgc@customs.gov.sg* or call our *Customer Service Line* at 6355-2000.

8 FAQs and Definitions

8.1 What is the Schedule to the Strategic Goods (Control) Order 2010?

8.1.1 The Schedule to the **Strategic Goods (Control) Order 2010** lists the types of goods/technology which are subject to export/transshipment/ITT controls. Parts I and II of the Schedule list the military and dual-use goods and technology which require a permit prior to the export, transshipment, or bringing in transit of these goods and their related technology, or to transmit such technology.

8.2 Does the STS cover brokering?

8.2.1 No, the STS does not cover the brokering of strategic goods. Brokers of arms and explosives listed under the Strategic Goods (Control) (Brokering) Order 2007 must register first with the Singapore Customs before they can engage in any brokering activities for these items. Applicants may apply to be registered as a broker by downloading the form, *Registration to Broker Goods under the Strategic Goods (Control) (Brokering) Order 2007*, from the STGC website (<http://www.customs.gov.sg/stgc/topNav/ese/Forms.htm>) and submit the duly completed form.

8.2.2 A permit is required if a broker:

- (a) knows,
- (b) has reasonable grounds to suspect, or
- (c) has been notified by an authorised officer

that the goods or technology he is brokering, is intended or likely to be used, wholly or in part, for or in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of any nuclear, chemical or biological weapon; or the development, production, maintenance or storage of missiles which are capable of delivering any such weapon.

8.2.3 Applicants may apply for the brokering permit by downloading the form, *Application for Permit to Broker Goods under Section 6(1) of the Strategic Goods (Control) Act*, from the STGC website (<http://www.customs.gov.sg/stgc/topNav/ese/Forms.htm>) and submitting the duly completed form.

8.3 What is the status of the Approved Company Scheme in relation to the STS?

8.3.1 The Approved Company Scheme (ACS) is now obsolete with the introduction of the STS. Current ACS companies may qualify to apply for either Tier 2 or Tier 3 Permits depending on their quality of internal (export control) compliance programme, products and recipients/consignees or end-users.

8.4 What are normal outward TradeNet® permits?

8.4.1 Normal outward TradeNet® permits are submitted for the export of non-controlled goods. They are generally required for normal customs clearance and statistical purposes which you could submit within 3 days of the outward shipment, if they are exported via air or sea. If the goods are exported by road or rail, you are required to obtain the permits prior to their export. For more information, please refer to <http://www.customs.gov.sg/leftNav/trad/Import+and+Export+Procedures.htm>.

8.5 Do I need to submit the End-user statement or certificate together with my application for Tier 2 or Tier 3 Permit?

8.5.1 No, you only need to keep the End-user statement or certificate and submit them upon request by the Singapore Customs. These statements should be made available to the Singapore Customs when we conduct our audits at the company's premises. (*See Section 6.1 for Record Keeping requirements.*)

ANNEX: INTERNAL COMPLIANCE PROGRAMME (ICP) GUIDELINES

Introduction

1. The specific elements that should be included in your company’s Internal Compliance Programme (ICP) is dependent upon the complexity of your business activities, the nature and size of your company, the strategic goods and technology you are dealing in, the recipient or end-user country and the company’s relationship with the shipper(s) or consignee(s). However, an effective ICP would need to contain certain critical elements which are applicable to all. Please see table below for the correlation of the STS essential criteria, reflected in the TradeFIRST self-assessment checklist.

STS Essential Criteria		TradeFIRST self-assessment checklist	
Element 1	Company’s Commitment	1.1.1	Corporate policy statement/framework
Element 2	Nomination of strategic goods control officer(s)	5.1.2	Nomination of strategic goods control officer(s)
Element 3	Product Screening	5.1.4	Product Classification/Order Screening
Element 4	End-users screening	5.1.5	End-user Screening
Element 5	Record keeping	2.1.1	Data integrity/accuracy
Element 6	Training	5.1.3	Awareness programme – Strategic goods export control
Element 7	Audits	5.2.1	Internal Audits of coy's strategic goods export compliance system

How do I Develop an ICP?

2. This section will guide you on how to develop an ICP. The following **5-Ws** can help you determine how your ICP should be crafted:

WHAT is the item?
↓
WHERE from/to? [Under United Nations Security Council (UNSC) or supplying country’s sanctions/embargo? Any import/export licence required?]
↓
WHO will receive/use it? (A UNSC sanctioned entity? Under any black list, denied party list or watch list?)
↓

WHAT is the end-use?
↓
WHAT is the end-user's line of business/activity?

What are the Administrative Procedures?

3. You can go through the following questions about your company and its personnel, to determine the appropriate administrative procedures to implement the ICP.

Question 1

Which of your employees are involved in the day to day export, sales or business transactions of the company? Identify the specific responsibilities of each employee.

Question 2

Who is/are the most experienced employee(s) in the area of export controls or strategic goods controls in your company? Or who is most capable of administering the strategic goods control compliance system? Appoint him/them as the strategic goods control officer(s) or administrator(s).

Question 3

Do you have any regular training programmes (including awareness courses for new staff, refresher course and briefing on new updates) in place for all employees on strategic goods control? Are there any internal or external courses that your employees can attend to keep them updated of any new requirements or regulations pertaining to strategic goods controls? It should be noted that any type of training must be formally documented.

Question 4

Have you identified the types of export control or strategic goods control documents are to be kept and how should they be kept? You need to comply with the record keeping requirements under the Strategic Goods (Control) Act (SGCA) and the Strategic Goods (Control) Regulations 2004 (SGCR). Such records should be ready for audits or inspections by Singapore Customs officers.

Question 5

What other specific elements are within the ICP guidelines? You need to document the detailed written procedures of these elements (which are applicable to your company) and circulate to all employees.

Developing ICP Elements

Company's Commitment

4. The company needs to convey a clear commitment of strict compliance with the SGCA and its Regulations and other related domestic legislations through the senior management to all employees, particularly those involved in the export/re-export, sales or business transactions and shipping/logistics arrangements of the company. An important component of this commitment is for the company to provide sufficient time, money and personnel to make the compliance programme effective. The following steps serve to guide you through the procedures under this element:

a) Prepare and distribute a policy statement. The written statement should convey a clear commitment to comply strictly with the SGCA and its Regulations and other related domestic legislations. This formal statement should be included in the ICP Manual or Guidance which should be made available to all staff.

b) This policy statement should be well communicated to all employees and the company's clients.

c) Senior management, preferably the president, owner of the company or the chief executive officer, should be the party responsible for the issuance of this statement. Senior management should also be responsible for providing the relevant corporate policies, organisational structure and resources to carry out an effective ICP.

d) The policy statement on your commitment to comply with the Strategic Goods Control Act/Regulations (SGCA/SGCR) may include the following:

i) There should not be any sales or transfers made in violation of the SGCA/SGCR and other related domestic legislations. Special care should be taken to prevent transactions or dealings with countries or entities involved in the proliferation of nuclear, chemical or biological weapons, or missiles delivering these weapons.

ii) Any questions concerning the legitimacy of a transaction or potential violations should be referred to the strategic goods control officer(s) or administrator(s) within a specified time period e.g. 3 days.

iii) Descriptions of penalties imposed on instances of non-compliance within the company e.g. employment terminated if employee fails to comply with SGCA.

e) The policy statement can be reinforced through an induction or orientation programme, in-house publications or intranet, training and/or procedures manuals.

f) The policy statement should be regularly circulated to all staff particularly those dealing with contracts, marketing, international sales, finance and accounting, legal counsel, order entry, shipping, and classification of controlled items.

g) The policy statement should be prepared on the company's letterhead, dated and signed by a senior management, which includes his name and designation.

h) For policy statements circulated through email, employees with no email access should be informed through another channel. E.g. notice board or memo/letter.

Nomination of Strategic Goods Control Officer(s)/Administrator(s)

5. The company needs to identify positions and specific individuals responsible for compliance with the SGCA and its Regulations and other related domestic legislations. A current list of these persons, their responsibilities and positions in your company should be stated clearly in your office document.

6. The strategic goods control officer(s)/administrator(s) should ideally be from the senior management who is not concurrently responsible for the company's sales or marketing functions, to avoid any conflict of interest. If there is more than one strategic goods control officer/administrator, they should be led by a senior management.

7. The senior management may be based in Singapore and be familiar with the SGCA and its Regulations and other related domestic legislations.

8. Staff assigned with strategic goods control functions should be given authority that commensurate with their responsibilities which include:

- i) Formulation, review and implementation of the ICP and its administrative procedures;
- ii) Screening and approval of all transactions and enquiries as to product, end-use, and end-user;
- iii) Strategic goods control audits;
- iv) Training and education of company's employees on strategic goods control;
- v) Providing guidance and assistance to subsidiaries and/or affiliates.

9. Formal lines of communication between the key personnel and others with export/business related functions should be established.

10. Once the strategic goods control responsibilities have been assigned, the company may update and document the list of personnel responsible and his/their contact details. This list should be circulated to all staffs and stated clearly in the office document and manual.

Product Screening/Classification

11. The company must ensure that any shipment or transfers of strategic goods and technology are covered by a valid strategic goods permit. The strategic goods control officer(s)/administrator(s) may design and use a system (IT or working procedures) that incorporates a product/country/entity determination of acceptable and non-acceptable transactions.

12. The screening may contain the following procedures:
- a) Determine² if product/technology is controlled under the SGCA. The classification should be conducted by qualified personnel.
 - b) Establish a systematic and efficient process in the classification of products. Customs Officers should verify the working procedures and personnel (whether internal or external party) involved as well as the guidelines of the process.
 - c) Maintain detailed records/information on the controlled items, including information such as the name, brand, model, product number and the category code.
 - d) Put in place a procedure to ensure that each transaction of known consignments or transactions involving strategic goods or Weapons of Mass Destruction (WMD) related items where individual permits are required, has a valid strategic goods permit.
 - e) Maintain a list of strategic goods and strategic goods technology that are controlled under SGCA. This list should be updated as and when necessary and be made accessible to employees for their reference purposes.
 - f) Maintain a database/reporting format of strategic goods/technology controlled under the SGCA that are exported, re-exported or, transhipped by the company. This includes the product code of the goods, model, brand product number and technology and their concordance HS codes, where applicable. Staff should be informed of any new product/technology that is classified as controlled under SGCA.
 - g) Put in place measures to check licence requirements and to hold shipment before an approved, valid permit is obtained.
 - h) Maintain a list of items determined as “could be controlled” under the SGCA. The strategic goods control officer(s)/administrator(s) may need to review the list, and reassess if they fall under the SGCA.
 - i) Forward the controlled and non-controlled list to the sales/marketing/business department of the company, for them to assess any potential transaction or order.
 - j) Record the decision on the control status of the company’s products together with the relevant paperwork relating to the transaction. You may design a product classification sheet with the following fields:
 - ✓ Item description;
 - ✓ Product code;
 - ✓ HS code;
 - ✓ Technical specifications;

² For trading companies, they must obtain the specifications and technical capabilities of the item from the supplier of the goods, in order to determine if the product/technology is controlled under the SGCA. The company may also forward the technical details to the Tariffs & Trade Services Branch of Singapore Customs to make the determination.

- ✓ End-use;
- ✓ Classification notes;
- ✓ Other information [e.g. civilian or military, proliferation-related activities];
- ✓ Name of engineer/strategic goods control officer;
- ✓ Date;
- ✓ Opinion;
- ✓ Contacts made (if any) to determine product classification;
- ✓ Reasons for classifying products in a particular category.

End-users Screening

13. The company may adopt the following working procedures for the screening of customers and end-users to ensure that transactions are made to known legitimate customers or end-users:

- a) Assign the strategic goods control officer(s)/administrator(s) to classify all customers of the company according to their “risk level”.
- b) Circulate this customer classification list to the company’s sales, marketing, shipping or contracts department.
- c) Maintain a list of prohibited/denied list of companies and customers. As a reference, companies can visit the strategic goods control website (<http://www.customs.gov.sg/stgc>) under “Useful Links” for links to the United Nations Security Council (UNSC) and other foreign export control agencies for the list of their controlled or prohibited entities. Companies can also subscribe to commercially available software that provides updates on these entities or denied parties list.
- d) Upon receipt of a potential order/contract, the sales/marketing/contracts department will screen against the customer classification list, the customer/end-user identified in the potential transaction and record the screening results on the documents.
- e) Wherever possible, check the addresses, contract numbers, business registration and other information on your customers/end-users, to establish if they are genuine companies/entities and not a “front company” for illegal activities.

14. The company shall exercise due diligence by not:

- a) Exporting/re-exporting, transshipping, transiting, brokering or transmitting strategic goods and technology destined to UNSC prohibited countries and proscribed entities;
- b) Diverting strategic goods and technology to countries/end-users not approved by the supplying or exporting country (where applicable);
- c) Exporting/re-exporting, transshipping, transiting, brokering or transmitting strategic goods and technology destined for use in weapons of mass destruction and/or related activities.

15. You may wish to establish procedures to adequately screen orders for diversion risk “red flag” indicators using a checklist. (Please refer to strategic goods control website (<http://www.customs.gov.sg/stgc>) for more information.)

16. You should not confirm any orders or deliver any strategic goods or technology if any red flags have been identified and if follow-up enquiries cast doubts. Your company should not proceed with the transaction in question before contacting Singapore Customs.

Record Keeping

17. The company must also keep record of all strategic goods transactions carried out, and make them available during the audit, upon request by the Singapore Customs. The record-keeping requirements are mandatory under the SGCA/SGCR.

18. The SGCA requires that your company maintain records of strategic goods transactions. These records are to be kept for a period of **at least 5 years** from the end of the calendar year for export/re-export, transshipment and transit, and for a period of **at least 5 years** from the end of the calendar year for any transmission of technology or brokering of strategic goods and related technology.

19. The documentation to be kept, where applicable, includes:

- ✓ Export, transshipment, transit or transmission of technology or brokering permits;
- ✓ Tier 2/Tier 3 Permit(s) granted;
- ✓ End-user statement or certificate;
- ✓ Export licence from the supplying or exporting country;
- ✓ Import authorisation from the importing country;
- ✓ Business transaction documents such as order forms, contracts, invoices, bills of lading, air waybills, transaction-related communications, etc.;
- ✓ Other supporting documentation.

20. In addition to the above records, the following records of your ICP where applicable, should be maintained:

- ✓ Internal documents recording the assessment of a consignee or end-user and the classification of new products;
- ✓ Internal audit reports;
- ✓ Internal training records;
- ✓ Records of instructions to subsidiaries/affiliates;
- ✓ Reports and details of non-compliance incidents (if any).

Training

22. The company will need to conduct regular training programmes to inform its employees who are directly involved in the administration of strategic goods or export controls within the company and to keep them up to date of any new requirements/regulations pertaining to strategic goods controls.

23. The types of training or courses conducted may be varied – i.e. you may conduct general briefings for all employees, but more specific and detailed training should be conducted for employees directly involved in strategic goods control, e.g. those in sales, engineering, shipping, etc.

24. The company should maintain records of these trainings by noting the date and content outline/speaker, participation level and outcome.

25. The company should regularly update the employees on current issues and export regulations. Discussions between employees and the management on ways to improve the ICP or training programs are strongly encouraged.

Audits

26. The company needs to conduct regular internal audits, as applicable, to ensure compliance with the company's ICP. Such audits should be conducted at least **once in every 18 months**. Regular external audits are strongly encouraged.

27. A report containing any known violations relating to strategic goods and strategic goods technology should be compiled and submitted to senior management of the company. Details and causes of the breaches, as well as actions taken to correct them are to be included in the report.

28. As part of its internal checks, the company will need to put in place an internal system of notifying Singapore Customs promptly (i.e. within 7 days of shipment or transfer) if there is any known or suspected non-compliance with the SGCA/SGCR and/or any conditions specified by Singapore Customs.

29. The internal system auditor should review and verify all applicable documents maintained to determine if they could verify the firm's compliance with the SGCA/SGCR, such as:

- a) A management policy statement that is adequate and up-do-date.
- b) ICP procedures that are formalised in a written manual, including the review process to evaluate the actual operation of the ICP procedures.
- c) All ICP communications regarding compliance with the SGCA are accessible to all staff.
- d) Employees' attendance at the training programmes is monitored.

* * *