

Handbook on Secure Trade Partnership (STP)



SINGAPORE CUSTOMS

Preface

International trade is one of the key drivers of global economic growth. In today's globalised world, cargo supply chains are highly interconnected, complex and involve multiple players.

The ever-increasing complexity of the global supply chain also means more vulnerability to threats such as thefts, pilferages and terrorist attacks. It would be most unfortunate should the global trading system be disrupted by a single act of crime or terror anywhere along the supply chain.

Total supply chain security can only be achieved if every player along the entire supply chain, right from the point of origin to the point of final destination, takes responsibility in securing his part of the supply chain. To fulfill this objective, many countries have implemented or are implementing their national supply chain security initiatives.

As a key player in the global supply chain, Singapore has implemented the Secure Trade Partnership (STP) programme in partnership with our businesses to help raise the overall level of supply chain security standards in Singapore. The STP will ensure that we are not just an efficient and connected port, but also a safe and secure trading hub.

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1

About This Handbook

1.1 Is this handbook meant for me?

1.1.1 If you wish to have your company certified under the Secure Trade Partnership (STP) programme, you should read this handbook.

1.2 What is this handbook about?

This handbook provides you with information on:

- (a) How the STP programme works; (Please refer to Section 2.)
- (b) The requirements under the STP Guidelines; (Please refer to Section 3.)
- (c) How to apply for the STP; (Please refer to Section 4.)
- (d) What is a STP validation; (Please refer to Section 5.)
- (e) Certification under the STP; (Please refer to Section 6.) and
- (f) Other information. (Please refer to Section 7.)

2

Overview of the Secure Trade Partnership (STP)

2.1 What is Secure Trade Partnership (STP)?

- 2.1.1 Launched on 25 May 2007, the STP is a voluntary certification programme administered by Singapore Customs to help companies adopt robust security measures to enhance the security of the global supply chain.
- 2.1.2 The STP Guidelines spells out the requirements which companies in the supply chain should adopt to enhance the security of their operations and supply chains. Companies meeting such requirements will be certified as STP companies by Singapore Customs.
- 2.1.3 The STP is consistent with the World Customs Organisation (WCO) SAFE Framework of Standards to secure and facilitate global trade, adopted in June 2005.

2.2 How does the Secure Trade Partnership (STP) work?

- 2.2.1 By participating in the STP, companies will be demonstrating their commitment to adopt and implement appropriate security measures and their willingness to assume responsibility for keeping their supply chains secure.
- 2.2.2 Companies that decide to apply for certification under the STP will first need to self-assess against the STP Guidelines to ensure that their internal policies, processes and procedures are robust.
- 2.2.3 Singapore Customs administers a validation and certification process to certify companies that wish to participate in the STP.

2.2.4 The STP application and certification process involves:

- (a) A company performing a comprehensive self-assessment of its internal policies, processes and procedures against the STP Guidelines. The result of the self-assessment would be the formulation of the company's security profile that covers the following:
 - (i) The company's security management system;
 - (ii) The company's risk assessment process;
 - (iii) The company's security measures that address the 8 security elements under the STP Guidelines:
 - (1) Premise security and access controls;
 - (2) Personnel security;
 - (3) Business partner security;
 - (4) Cargo security;
 - (5) Conveyance security;
 - (6) Information and Information Technology (IT) security;
 - (7) Incident management and investigations; and
 - (8) Crisis management and incident recovery.

Please refer to Section 3 for an Overview of the STP Guidelines;

- (b) The company submitting an application to Singapore Customs, together with its security profile and supporting documents. Please refer to Section 4 for more details on the application to the STP;
- (c) Singapore Customs assessing the company's application and security profile for compliance with the STP Guidelines. The assessment will include on-site validation(s) by Singapore Customs. Please refer to Section 5 for more details on the on-site validation; and
- (d) Singapore Customs certifying the company if it meets the requirements under the STP Guidelines.

2.2.5 The STP certification will be valid for a period of 3 years. Certified companies have to comply with the terms and conditions stipulated by Singapore Customs. Singapore Customs will conduct periodic and regular site visits. Please refer to Section 6 for more details on certification under the STP.

2.3 Who can apply for the Secure Trade Partnership (STP)?

2.3.1 The STP is open to companies in Singapore that are involved in supply chain activities. Companies which believe that they can meet the requirements under the STP Guidelines can apply to join the STP.

2.3.2 In reviewing an application from a company, Singapore Customs will consider the following:

- (a) The company's compliance history with Singapore Customs and other relevant government authorities;
- (b) The company's security measures and standards; and
- (c) Related information on the company from local and/or foreign government authorities, where appropriate.

2.4 Why would a company want to be part of the Secure Trade Partnership (STP)?

2.4.1 A company that is certified under the STP will be recognised as a trusted partner of Singapore Customs and will partner Singapore Customs to enhance the security of the global supply chain.

2.5 What are the benefits of joining the Secure Trade Partnership (STP)?

2.5.1 Companies that have adopted and implemented robust security measures will benefit from increased visibility of goods in the supply chain, reduction in pilferages and greater efficiency in their supply chain management.

2.5.2 In addition, companies certified under the STP will be recognised as trusted partners of Singapore Customs and enjoy the following benefits:

- (a) Cargo less likely to be inspected;
- (b) Recognition as a low risk company i.e. enhanced branding; and
- (c) Reduced inspection or expedited clearance should certified status be also recognised by overseas countries.

2.6 Will the Secure Trade Partnership (STP) Guidelines apply equally to companies of all sizes?

2.6.1 Yes. Business operation models, sizes and risks vary across the different nodes in the supply chain and across different industries. The STP recognises these and allows for flexibility and customisation of security profiles based on companies' business models.

2.7 Will participation in other security programmes affect a company's obligation to comply with the requirements under the Secure Trade Partnership (STP) Guidelines?

2.7.1 The STP recognises that companies may have already undertaken security measures on their own accord to strengthen their internal security systems, or may have already participated and implemented measures under other security programmes. It is not the intention of the STP to replace or supersede a company's existing security systems or measures. The STP seeks to build upon industry best practices and partnerships to strengthen the security of the global supply chain.

2.7.2 The various security programmes have slightly different objectives and hence, they will not be direct substitutes for the STP. Existing certifications that a company already complies with will be taken into account, if the security requirements are comparable to those required under the STP Guidelines.

3

Overview of the Secure Trade Partnership (STP) Guidelines

3.1 What is the Secure Trade Partnership (STP) Guidelines?

3.1.1 The STP Guidelines spells out the requirements which companies in the supply chain should adopt to enhance the security of their operations and supply chains. Companies meeting such requirements will be certified as STP companies by Singapore Customs.

3.1.2 Under the STP Guidelines, companies are required to:

- (a) Have security management systems;
- (b) Conduct risk assessments of their business operations; and
- (c) Implement the stipulated security measures under the STP Guidelines to secure their supply chains.

3.1.3 The STP Guidelines provides companies with a framework to guide the development, implementation, monitoring and review of their security measures and practices.

3.1.4 For more details, please refer to the STP Guidelines on Customs website (<http://www.customs.gov.sg/>).

3.2 What is the security management system?

3.2.1 Supply chain security can never be an isolated responsibility of a person or a unit operating within a company. To achieve a robust supply chain security implementation, security must be driven through a holistic company wide effort. Companies must establish security management systems to develop, document, implement, maintain and review the companies' security measures and practices. The security management system should include but not be limited to:

- (a) A framework for establishing and reviewing the company's security policy and objectives and commitment to security;
- (b) A framework for effective communication within the company; and
- (c) A review process to ensure continuing relevance and improvement.

3.3 Why is the risk assessment process necessary?

- 3.3.1 The STP encourages companies to develop security profiles and implement security measures based upon risk assessments of their business models. Companies must conduct risk assessments of their operational processes and supply chains.
- 3.3.2 Companies must seek to mitigate the identified risks and vulnerabilities of their operations within the supply chains.

3.4 What are the security measures' requirements?

- 3.4.1 The security measures under the STP Guidelines comprise 8 security elements that companies must address:
 - (a) Premise security and access controls;
 - (b) Personnel security;
 - (c) Business partner security;
 - (d) Cargo security;
 - (e) Conveyance security;
 - (f) Information and Information Technology (IT) security;
 - (g) Incident management and investigations; and
 - (h) Crisis management and incident recovery.
- 3.4.2 The security measures adopted or implemented must seek to mitigate the risks and vulnerabilities identified from the company's risk assessment process.
- 3.4.3 For more details, please refer to the STP Guidelines on Customs website (<http://www.customs.gov.sg/>).

4

Application for the Secure Trade Partnership (STP)

4.1 What information should be provided when a company applies for the Secure Trade Partnership (STP)?

4.1.1 The information to be submitted in a company's application should include:

- (a) Application Form for the STP. Please refer to Customs website (<http://www.customs.gov.sg/>) for the application form;
- (b) An introduction of the company;
- (c) The company's security profile which comprises the following:
 - (i) A summary of the company's security management system;
 - (ii) A summary of the company's risk assessment process; and
 - (iii) Security measures put in place by the company to enhance the security of the company's supply chain.

Please refer to the Guide for Completing Security Profile on Customs website (<http://www.customs.gov.sg/>).

- (d) Supporting documents which include:
 - (i) Process map(s) that illustrates the flow of goods and documentation/information through the company's supply chain. Please refer to Appendix A for the Factsheet on Company's Process Map.
 - (ii) Site plan(s) that shows the layout of the company's premises and clearly identifies all perimeters, access areas, buildings, structures, security and access controls. Please refer to Appendix B for the Fact Sheet on Company's Site Plan.
- (e) Copy of the company's relevant security accreditations; and
- (f) Any other relevant supporting documents.

4.2 What information should be provided for the introduction of a company?

4.2.1 The introduction of a company should contain the following information:

- (a) The background and history of the company;
- (b) The company's principal operations;
- (c) Products that the company is dealing with;
- (d) The company's organisation chart and number of employees;
- (e) The company's relevant security accreditations; and
- (f) Any other relevant information.

4.3 What information should be provided for the summary of a company's management system?

4.3.1 The summary of a company's security management system should contain the following information:

- (a) The company's security policy, security objectives and commitment to security;
- (b) The procedures for ensuring that pertinent security management information is communicated to and from relevant employees and other stakeholders;
- (c) The procedures for the review of the company's security profile at planned intervals, to ensure its continuing suitability, adequacy and effectiveness; and
- (d) Any other relevant information.

4.4 What information should be provided for the summary of a company's risk assessment?

4.4.1 The summary of a company's risk assessment should contain the following information:

- (a) A flow chart to illustrate the company's risk assessment process;
- (b) The risks and vulnerabilities identified from the company's risk assessment process;
- (c) The countermeasures put in place to reduce the identified risks and vulnerabilities;
- (d) When the risk assessment was conducted;
- (a) Who conducted the risk assessment; and
- (b) Any other relevant information.

4.5 Does a company need to engage a consultant to assist in the conduct of the company's risk assessment?

4.5.1 It is not a requirement under the STP for a company to engage a consultant to assist in the company's risk assessment. It is the company's decision whether to engage a consultant.

4.6 What is the level of details to be provided in a company's security profile?

4.6.1 A company should provide as much information as possible in its security profile, making references to supporting documents such as standard operating procedures which can be attached together with the STP application. This will allow Singapore Customs to be more familiar with and to obtain a better understanding of the security measures put in place by the company.

4.7 What if one of the security measures does not apply to my company?

4.7.1 The STP recognises the complexity of international supply chains and allows for flexibility and customisation of security profiles based on companies' business models. If one of the security measures does not apply to your company, please explain why. If your company adopts measures that are different from those in the STP Guidelines, please document them in your security profile.

4.8 Can I use reference to describe my company's security measures?

4.8.1 Yes. You can use references such as standard operating procedures for the security measures, provided this is prefaced with a short description. The standard operating procedures can be attached together with the STP application.

4.9 Do I need to cover all sites in my company's security profile?

4.9.1 Yes. The security profile must cover all your company's sites. Where operations at any of these sites are considerably different, your company should develop separate assessments and security profiles for each type of operation.

4.10 Are there terms and conditions for application to the Secure Trade Partnership (STP)?

4.10.1 Yes, please read the terms and conditions stipulated in the Application Form for the STP.

4.11 Do I need to submit security profiles of my company's business partners?

4.11.1 You are not required to submit security profiles of your business partners when you submit your company's STP application.

4.11.2 However, Singapore Customs may request for information/documents related to the elements of your company's supply chain that are outsourced or contracted to your business partner. The officer who processes the application will advise on the information/documents requirements, where appropriate.

4.12 How do I apply?

4.12.1 To apply for the STP, please send your completed STP application to Singapore Customs:

- (a) Via email to customs_scs@customs.gov.sg; or
- (b) Via fax to 6258 3705; or
- (c) By mail to Singapore Customs, 55 Newton Road, #08-01, Revenue House, Singapore 307987. Attention to Supply Chain Security Branch.

4.13 How long will the application process take?

4.13.1 The duration of the application process will depend on the complexity of a company's business operations and the number of sites. The officer who receives the company's application will be able to provide an indication of the timeframe.

4.14 How much will the application cost?

4.14.1 There is no application fee.

5 Validation

5.1 What is a validation under the Secure Trade Partnership (STP)?

5.1.1 A validation is a process by which Singapore Customs visits a company to verify that the information outlined in the company's security profile is accurate and implemented.

5.1.2 The validation visit also serves as a platform for Singapore Customs and the company to build up a partnership of trust and to develop a better understanding of each other.

5.2 Will all companies that decide to participate in the Secure Trade Partnership (STP) undergo a validation?

5.2.1 Yes. All companies that decide to participate in the STP will have to be validated by Singapore Customs before they are certified under the STP.

5.3 Who will conduct the validation?

5.3.1 Singapore Customs will conduct the validation.

5.4 What is expected of a company during a validation?

5.4.1 The company must have all relevant documents/information available for review during the validation. The company must arrange for a tour of the company's site(s) and have company representatives available during the validation to address the following:

- (a) Overview of the company;
- (b) The company's security management system;
- (c) The company's risk assessment process; and
- (d) The company's security measures addressing the following 8 security elements:
 - (i) Premise security and access controls;
 - (ii) Personnel security;
 - (iii) Business partner security;
 - (iv) Cargo security;
 - (v) Conveyance security;
 - (vi) Information and Information Technology (IT) security;
 - (vii) Incident management and investigations; and
 - (viii) Crisis management and incident recovery.

5.5 Will Singapore Customs conduct validations at all the company's sites?

5.5.1 Yes. Singapore Customs will conduct validations at all the company's sites.

5.6 Will Singapore Customs conduct validation on a company's business partners?

5.6.1 Singapore Customs may conduct selective validations on the company's key business partners. The officer who processes the company's STP application will advise on the validation requirements, where appropriate.

5.7 Will Singapore Customs conduct overseas validation?

5.7.1 Singapore Customs will not conduct overseas validation.

5.8 How will validation findings impact a company's participation in the Secure Trade Partnership (STP)?

5.8.1 If the validation findings are satisfactory, the company will be certified as an STP company.

5.8.2 If the validation findings reveal significant weaknesses in the company's security profile, Singapore Customs will reject the application or work with the company to develop a work plan to rectify the areas of weakness.

5.9 Will validation findings be communicated to a company?

5.9.1 Yes. Singapore Customs will communicate the validation findings to the company.

5.10 How long will the validation process take?

5.10.1 The duration of the validation process will depend on the complexity of a company's business operations and the number of sites that the company has. The officer who processes the company's application will be able to provide an indication of the timeframe.

6

Certification under the Secure Trade Partnership (STP)

6.1 What are responsibilities of a Secure Trade Partnership (STP) company?

6.1.1 In addition to the responsibilities stated in the Application Form, an STP company's responsibilities include:

- (a) To update Singapore Customs as and when there are significant changes to the company's security profile;
- (b) To submit an annual statement of commitment on the anniversary dates of the company's STP certification; and
- (c) To inform Singapore Customs of any non-conformities by the company with STP Guidelines.

6.2 Will Singapore Customs conduct site visits to an STP company during the 3-year certification period?

6.2.1 Yes. Singapore Customs will conduct periodic and regular site visits. Singapore Customs will provide notice to the STP company prior to the site visits.

6.3 Will there be any penalties imposed on an STP company for non-compliance to the terms and conditions?

6.3.1 Non-compliance to the terms and conditions of the STP certification will result in suspension or removal of a company's certification status and associated benefits.

6.4 When will a company's STP status be suspended?

6.4.1 A company can have its STP certification suspended if:

- (a) The company does not abide by the terms and conditions of the STP certification; or
- (b) There is non-compliance by the company with Singapore Customs laws and regulations and/or with the laws and regulations of other relevant Singapore government authorities; or
- (c) Supply chain security weaknesses in the company or non-conformity by the company with STP Guidelines are discovered and not rectified to Singapore Customs' satisfaction.

6.4.2 Once suspended, the company will lose its STP status and associated benefits. The company will have its STP status and associated benefits reinstated when the areas of weakness or non-compliance are rectified to the satisfaction of Singapore Customs.

6.4.3 If the company is unable to take the required measures to rectify the areas of weakness or non-compliance to the satisfaction of Singapore Customs within a stipulated period of time, the company will have its STP status and associated benefits removed.

6.5 When will a company's STP status be removed?

6.5.1 A company can have its STP certification status removed if:

- (a) The company does not abide by the terms and conditions of the STP certification; or
- (b) There is serious non-compliance by the company with Singapore Customs laws and regulations and/or with the laws and regulations of other relevant Singapore government authorities; or
- (c) Serious supply chain security weaknesses in the company or non-conformity by the company with STP Guidelines are discovered and not rectified to Singapore Customs' satisfaction.

6.5.2 The company will have its STP status and associated benefits removed immediately.

6.5.3 After removal, the company cannot re-apply for STP certification within 1 year.

6.6 Can an STP company withdraw from the Secure Trade Partnership (STP)?

6.6.1 Yes. The STP is a voluntary programme and an STP company is able to withdraw from the STP if it no longer wishes to be in the programme. The company has to write in to lodge its request with Singapore Customs. Upon withdrawal, the company will have its STP status and associated benefits removed.

6.7 Can a company's STP status be renewed?

6.7.1 Yes. A company can renew its STP certification if it wishes to continue to participate in the STP.

7

Other Information

7.1 Who will have access to business documents/information provided in companies' applications?

7.1.1 The business documents/information are for Singapore Customs' purposes only and will not be disclosed to a third party without the companies' prior written consent. All business documents/information provided by the companies will remain confidential.

7.2 Is there an appeal process within the STP programme?

7.2.1 A company can lodge an appeal against a decision of Singapore Customs made with regards to the company's application and participation in the STP programme. The company has to write in to lodge its appeal with Singapore Customs within 28 days from the date of the relevant decision communicated to the company by Singapore Customs.

7.3 Contact information

7.3.1 This handbook is developed to provide a general overview of the STP programme. Should you need further clarifications or advice, please contact our Supply Chain Security Officers:

- (a) Via email to customs_scs@customs.gov.sg; or
- (b) Via fax to 6258 3705; or
- (c) By mail to Singapore Customs, 55 Newton Road, #08-01, Revenue House, Singapore 307987. Attention to Supply Chain Security Branch.

Fact Sheet on Company's Process Map

1 What is a process map?

- 1.1 A process map illustrates the flow of goods and documentation/information through a company's supply chain.

2 Why is the process map necessary?

- 2.1 The process map allows Singapore Customs to see the continuous link of activities that take place within a company's supply chain and provides us with a better understanding of the company's entire supply chain.

3 What information must the process map contain?

- 3.1 The process map must cover a company's entire supply chain, accounting for both the physical and documentary processes.

4 What if a company has multiple sites with different operations?

- 4.1 If a company has multiple sites and operations at any of these sites are considerably different, the company should develop separate process maps for each type of operation.

5 If a company has many different products that undergo different logistics routes and supply chain processes (i.e. process maps), does the company need to provide a process map for each product?

- 5.1 If there are many different supply chain processes, a company can provide a general process map that shows the different activities involved at each stage. Singapore Customs will request for detailed process maps, if necessary. If a general process map is not feasible, the processes should be separately mapped.
- 5.2 An example of a basic process map is attached to assist you.

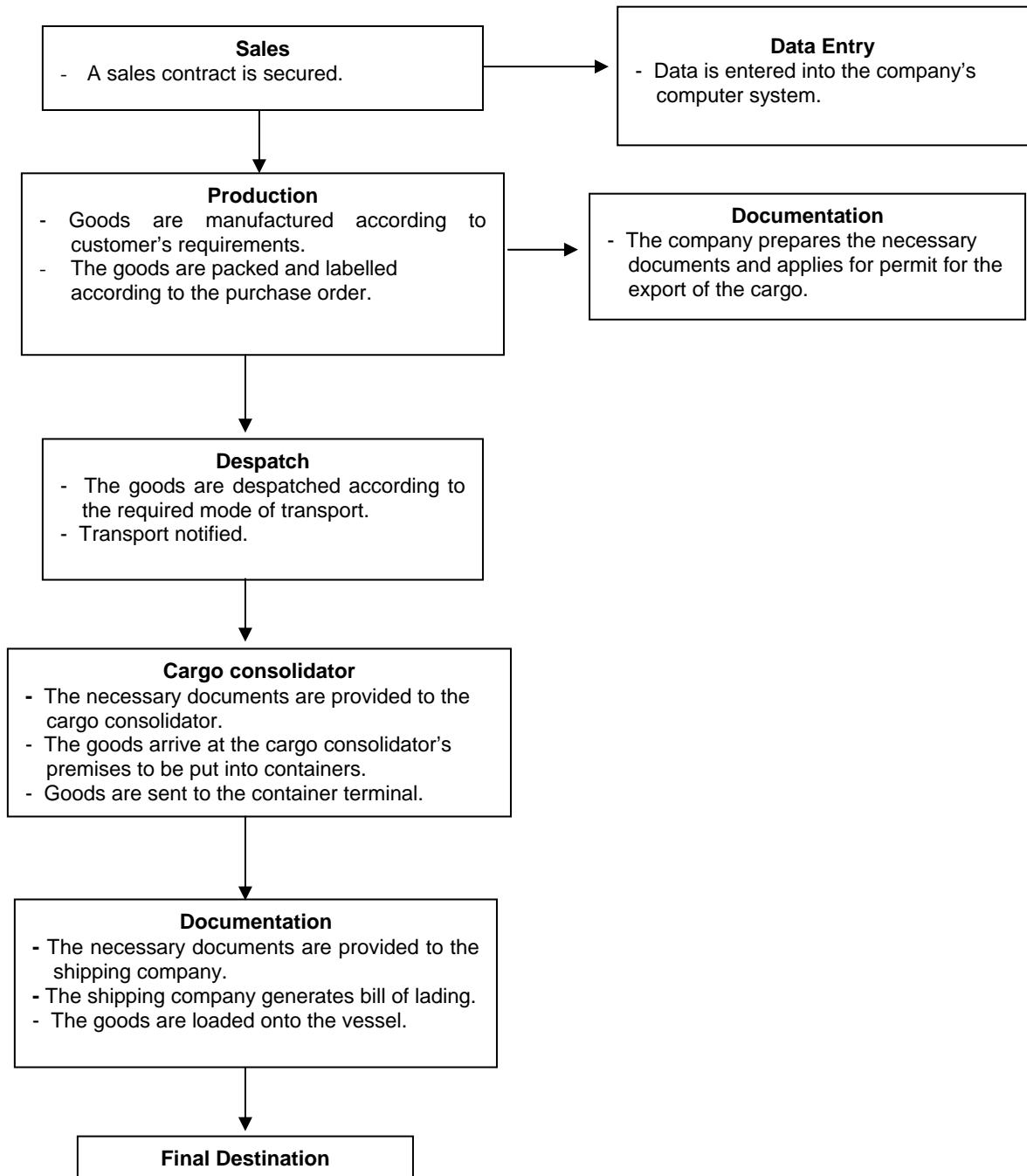
An Example of a Process Map

Name of company:

Dated:

Name of site:

Type of operation:



Fact Sheet on Company's Site Plan

1 What is a site plan?

- 1.1 A site plan shows the layout of a company's premises and clearly identifies all perimeters, access areas, buildings, structures, security and access controls.

2 Why is the site plan necessary?

- 2.1 The site plan provides Singapore Customs with an overview of the environment where a company operates and the security features on-site to enhance the security of the company's operations.

3 What information must the site plan contain? How detailed must the site plan be?

- 3.1 The site plan must be to scale and clearly identify a company's site boundaries, the various buildings within the site and also the usage of any open areas. Entry points to the site and the buildings within the site must be clearly indicated and labeled. The company should also preferably include in the site plan the positions of lightings (flood lights, emergency lights etc), CCTVs (coverage) and any other security equipment in the company's premises. The site plan must be dated and identified with the name and address of the site.

4 What if a company has multiple sites?

- 4.1 If a company has multiple sites and the layouts at any of these sites are considerably different, the company should develop separate site plans for each site.