



Circular No: 15/2021
23 Dec 2021

Traders and Declaring Agents

Dear Sir/Madam

CLAIMING OF PREFERENTIAL TARIFF BENEFITS FOR GOODS IMPORTED FROM PARTIES TO SINGAPORE UNDER THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (RCEP)

The RCEP is a regional Free Trade Agreement between the 10 ASEAN Member States¹, Australia, China, Japan, Republic of Korea, and New Zealand. The RCEP provides improved market access in terms of preferential tariff treatment for exports of Singapore originating goods to an RCEP Party, as well as for imports of RCEP originating goods entering Singapore. This circular outlines the procedures for claiming preferential tariff treatment on RCEP originating goods imported from Parties into Singapore under the RCEP.

2. The RCEP will take effect on **1 Jan 2022**. With effect from the following dates, preferential tariff benefits for Singapore-originating goods can be claimed in the respective RCEP country:

- a) **1 Jan 2022** for **Australia, Brunei Darussalam, Cambodia, China, Japan, Lao PDR, New Zealand, Singapore, Thailand, and Viet Nam;**
- b) **1 Feb 2022** for **Republic of Korea**

3. Preferential tariff treatment for goods originating from the other RCEP parties, namely, Indonesia, Malaysia, Myanmar, and Philippines will not be granted preferential tariff treatment as the agreement has yet to enter into force for these countries as of the date of this circular. We will progressively update our circular once the remaining countries are ready to implement the RCEP.

Preferential Tariff Rates for Imports

4 Notwithstanding Customs Circular No: 03/2020 dated 15 Apr 2020 in which the customs duty for medicated samsu and other samsu are currently zero-rated, Singapore imposes customs duties on 4 other alcoholic beverages namely: stout/porter and beer including ale (under the HS codes 2203.00.11, 2203.00.19, 2203.00.91, 2203.00.99).

¹ Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam

5 With effect from the dates listed in para 2, the customs duty for the importation of RCEP originating goods listed in para 4 will be zero-rated for the 11 RCEP Parties listed in para 2. Excise duty on these RCEP originating goods, including medicated samsu and other samsu will still be applicable at their respective rates.

Procedures for Claiming Preferential Tariff Treatment

6 An importer may claim preferential tariff treatment using a Proof of Origin made out by any one of the following categories:

Proof of Origin	Effective Date
Form RCEP or Back-to-Back Form RCEP by an <u>issuing body</u> of the exporting Party	1 Jan 2022
Declaration of Origin or Back-to-Back Declaration of Origin made out by an <u>Approved Exporter</u> ² authorised by the customs authorities of a RCEP Party	1 Jan 2022
Declaration of Origin or Back-to-Back Declaration of Origin by an <u>exporter or producer</u>	Singapore will implement this at a later stage ³ . Implemented only by Australia, Japan and New Zealand on 1 Jan 2022.

7 While the indicative format of the Declaration of Origin is being finalised, the Minimum Data Requirements prescribed in Annex 3B of the legal text (**Annex A**) should be included in the Declaration of Origin. The Declaration of Origin may be made on the invoice or any other shipping documents.

8 The full text of RCEP Chapter 3 Rules of Origin can be downloaded at the Ministry of Trade and Industry's website at <http://rcepsec.org/legal-text/>. You can access the full text of the RCEP by scanning the QR code on the right.



Documentation Procedures

*(Refer to **Annex B** for a graphical illustration of the various scenario)*

Where the Proof of Origin is available at time of importation or when goods are bonded in licensed warehouse

9 An importer who wishes to claim preferential tariff treatment for his goods is required to specify his intention to do so in the TradeNet declaration for his In-Payment Permit by leaving the "Customs Duty Rate" field blank and indicating "PRF" in the

² An Approved Exporter is a manufacturer or trader who has the capacity to comply with the origin requirements to self-certify and make out origin declarations for the goods they are authorised to. This would bring about greater convenience to businesses by saving time and eliminating the need to obtain a Certificate of Origin from Singapore Customs.

³ Currently, Singapore Customs only accepts Form RCEP and Declaration of Origin made out by Authorised Exporters, for Back-to-Back exportation and Cumulation, till our implementation of Declaration of Origin or Back-to-Back Declaration of Origin by an exporter or producer.

“Preferential Indicator” field. The importer is required to declare the excise duty rate of the goods accordingly in the declaration.

10 In the case where a Proof of Origin is available at the time of importation, the importer is to submit the Proof of Origin, duly declared In-Payment Permit, commercial invoice, bill of lading (B/L) to Singapore Customs within one week of the release of the goods from the Customs checkpoint for our verification. If the Proof of Origin is not submitted to us within the stipulated period, we will proceed with duty recovery.

11 For goods bonded in a Licensed Warehouse (LW), the importer is required to furnish the Proof of Origin, In-non-Payment Permit, commercial invoice and other relevant documents to Singapore Customs within the validity (1 year) of the Proof of Origin and before the release of the goods from the LW for our verification. Only when the preferential tariff treatment is granted by us, can the importer then declare an In-Payment Permit at preferential tariff rate (i.e., with the “Customs Duty Rate” field left blank and “PRF” indicated in the “Preferential Indicator” field) for the subsequent release of the goods.

Where the Proof of Origin is not available at time of importation

12 If the importer intends to make a claim for preferential tariff treatment subsequently when he/she obtains the Proof of Origin, he/she is required to state his intention to do so in the “Remarks” column of the TradeNet declaration for his In-Payment Permit and make full payment of the customs duty for the goods. In the declaration, the importer is to declare the customs duty in the “Customs Duty Rate” field accordingly and leave the “Preferential Indicator” field blank. The importer may thereafter apply for refund of the duties paid with the necessary supporting documents, which include a valid Proof of Origin, within one year from the date of importation.

Waiver of Proof of Origin

13 Under Article 3.22 of the RCEP ROO, for an importation of originating goods where the value of the importation does not exceed US\$200 and the importation does not form part of a series of importations, a RCEP Proof of Origin will not be required. The importer is to leave the “Customs Duty Rate” field blank and indicate “PRF” in the “Preferential Tariff Indicator” field in his In-Payment Permit. He is still required to declare the excise duty rate of the goods accordingly.

Mode of Submission of Documents to Claim Preferential Tariff Treatment

14 Traders are to submit the Proof of Origin and other relevant required supporting documents electronically by scanning and converting to common image formats such as PDF, DOC and email the documents to customs_pref_doc@customs.gov.sg.

Rules of Origin for Exports to the RCEP Parties and other Details

15 Information on the Rules of Origin for exports to the RCEP Parties under the RCEP can be found in a separate circular (No. 14/2021). Both circulars can be downloaded at <http://www.customs.gov.sg> > News and Media > Circulars.

Retention of Documents

16 Customs may conduct post clearance audits on importers who had claimed preferential tariff benefits on the RCEP originating goods. Importers are to keep the Proof of Origin, bill of lading, invoices and other documents relating to the purchase and importation of the goods, for not less than 5 years.

Clarification

17 A list of Frequently Asked Questions (FAQ) is attached in **Annex C**. If you need further clarification on the contents of this circular, you may write in to customs_roo@customs.gov.sg.

Yours faithfully

Chua Yock Chin
Head Tariffs and Trade Services
for Director-General of Customs
Singapore Customs

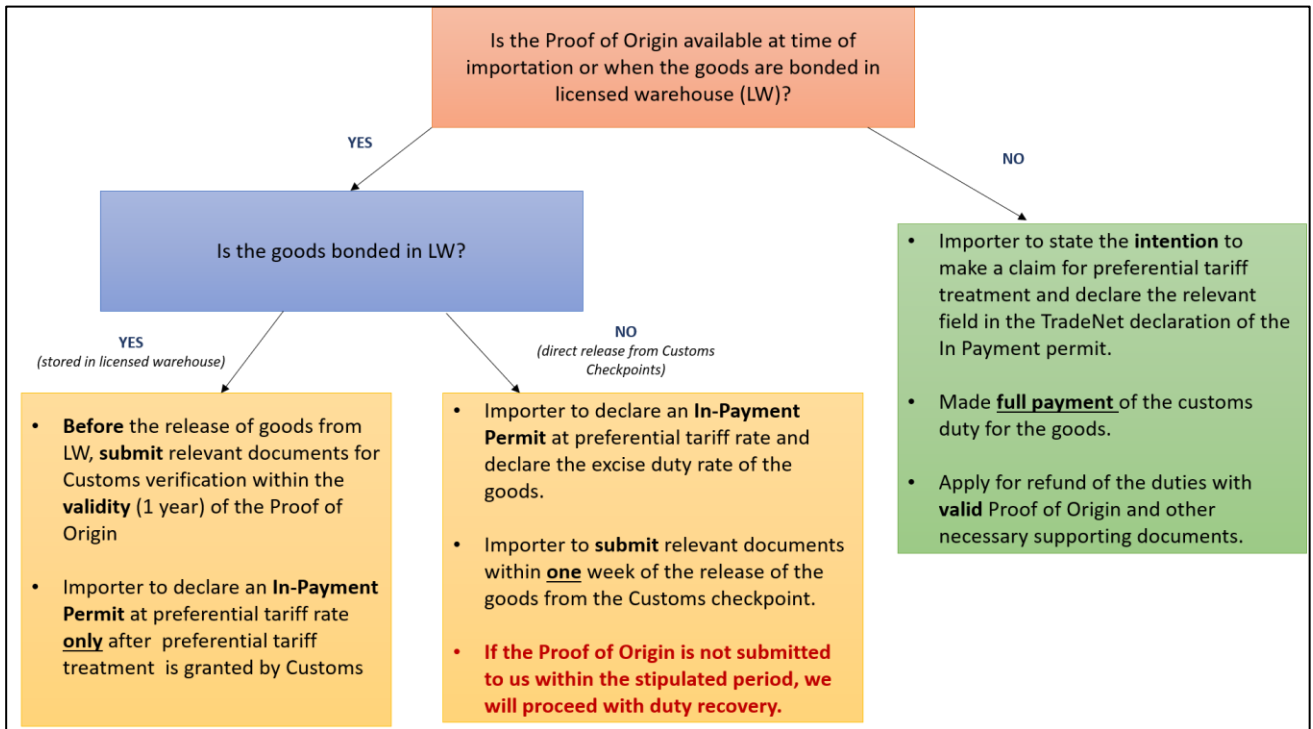
(This is a computer-generated circular. No signature is required.)

We hope that this circular has been written in a way that is clear to you. If not, please let us have suggestions on how to improve this circular at customs_roo@customs.gov.sg.

Minimum Information Requirements for Declaration of Origin

- (a) exporter's name and address;
- (b) producer's name and address, if known;
- (c) importer's or consignee's name and address;
- (d) description of the goods and the HS Code of the goods (six - digit level);
- (e) in the case of an approved exporter, authorisation code or identification code of the exporter or producer;
- (f) unique reference number;
- (g) origin conferring criterion;
- (h) certification by an authorised signatory that the goods specified in the Declaration of Origin meet all the relevant requirements of Chapter 3 (Rules of Origin);
- (i) RCEP country of origin referred to in Article 2.6 (Tariff Differentials);
- (j) FOB value, if the regional value content origin conferring criterion is used;
- (k) quantity of the goods;
- (l) in the case of a back-to-back Declaration of Origin, original Proof of Origin reference number, date of issuance, RCEP country of origin of the first exporting Party, and, if applicable, approved exporter authorisation code of the first exporting Party.

Graphic illustration of the scenarios to claim preferential tariff treatment



FREQUENTLY ASKED QUESTIONS

Q1: Is the product that I am importing from the RCEP Parties eligible for preferential tariff treatment under the RCEP?

A1: The following items originating under the RCEP are eligible for preferential tariff treatment when imported into Singapore under the RCEP: stout/porter, beer including ale (under the HS codes 2203.00.11, 2203.00.19, 2203.00.91 and 2203.00.99). The Customs duties for all other goods are already zero-rated.

Q2: Does the RCEP cover GST rebate?

A2: No. The preferential tariff treatment accorded under the RCEP only pertains to customs duties. All other taxes, such as GST and Excise duty, are excluded from the scope of the Agreement and remain applicable, where relevant.

Q3: What are the product details my supplier should include in its commercial invoice with the origin declaration to enable the good's identification by Singapore Customs?

A3: The document on which the origin declaration is inserted should provide a product description that is generic enough for the good to be identified by Singapore Customs, while also including product information such as the model, brand and trademark (if any) of the good. Such information should also tally with that provided in your In-(Non) Payment Permit and supporting documents submitted.

Q4: I forgot to indicate my intention to claim preferential tariff treatment when submitting my Import Permit declaration on TradeNet. I have the necessary supporting documents, including a Proof of Origin from the RCEP, can I claim preferential tariff treatment thereafter?

A4: You are required to indicate your intention when declaring your Import Permit on TradeNet before removal of your goods from Customs control (e.g., release from Customs Checkpoint or move out of the Licensed Warehouse customs control area), failing which you will not be entitled to claim preferential tariff treatment for your imports.

Q5: What are some of the acceptable common images that I can convert my Proof of Origin to for electronic submission to claim preferential tariff treatment?

A5: Generally, Singapore Customs can accept common document types such as PDF and DOC. The scanned document should contain the entire image of the Origin Declaration and be reasonably legible. Illegible or truncated image of the Origin Declaration will be rejected by Singapore Customs.

Q6: Would I still need to submit hardcopy Proof of Origin to Customs to claim preferential tariff treatment?

A6: No. If you have submitted a scanned copy of the Proof of Origin to claim preferential tariff treatment, you do not need to submit the original hardcopy unless it is requested to be produced during a post verification audit.

Q7. What is the country of origin of the goods that I should indicate in the TradeNet declaration?

A7: You are to declare the country of origin of the goods and not “RCEP” in the TradeNet declaration.