

Dialogue Session ZGS

2 July 2014



**SINGAPORE
CUSTOMS**

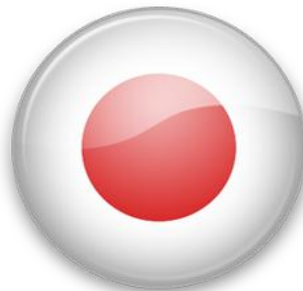
We Make Trade Easy, Fair & Secure



Secure Trade Partnership (STP) programme

MRA

Implemented



Latest addition: Signed on
27 Jun 2014
HONG KONG



Program Outline

| Time | Topic | Presenter(s) |
|-------------|---------------------------------|---|
| 1000 – 1030 | TradeFIRST Checklist | Mr Pratheeparn, Schemes & Engagement Branch (SEB) |
| 1030 – 1050 | ZGS Matters | Ms Jasmine Kong, SEB |
| 1050 – 1100 | Sharing of Offence Records 2013 | Ms Suhaila, Company Compliance Branch (CCmB) |
| 1100 – 1105 | Voluntary Disclosure Program | Ms Suhaila, CCmB |
| 1105 – 1115 | Trade Community Watch Group | Mr Bernard Lim, Intelligence Branch (IB) |
| 1115 – 1135 | Sharing on TradeXchange | Mr Sahril Mahmood, Business Innovation Branch (BIB) |
| 1135 – 1140 | Traders Satisfaction Survey | Mr Darren Giam, SEB |
| 1140 – 1200 | Q&A | All |



TradeFIRST Checklist



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Agenda



1) Background of TradeFIRST

2) The New TradeFIRST Checklist

- 5 key criteria categories, respective elements and purpose

3) Guide on filling up the TradeFIRST Checklist

4) Moving forward



TradeFIRST

A single trade facilitation window that makes trade
easy, fair and secure

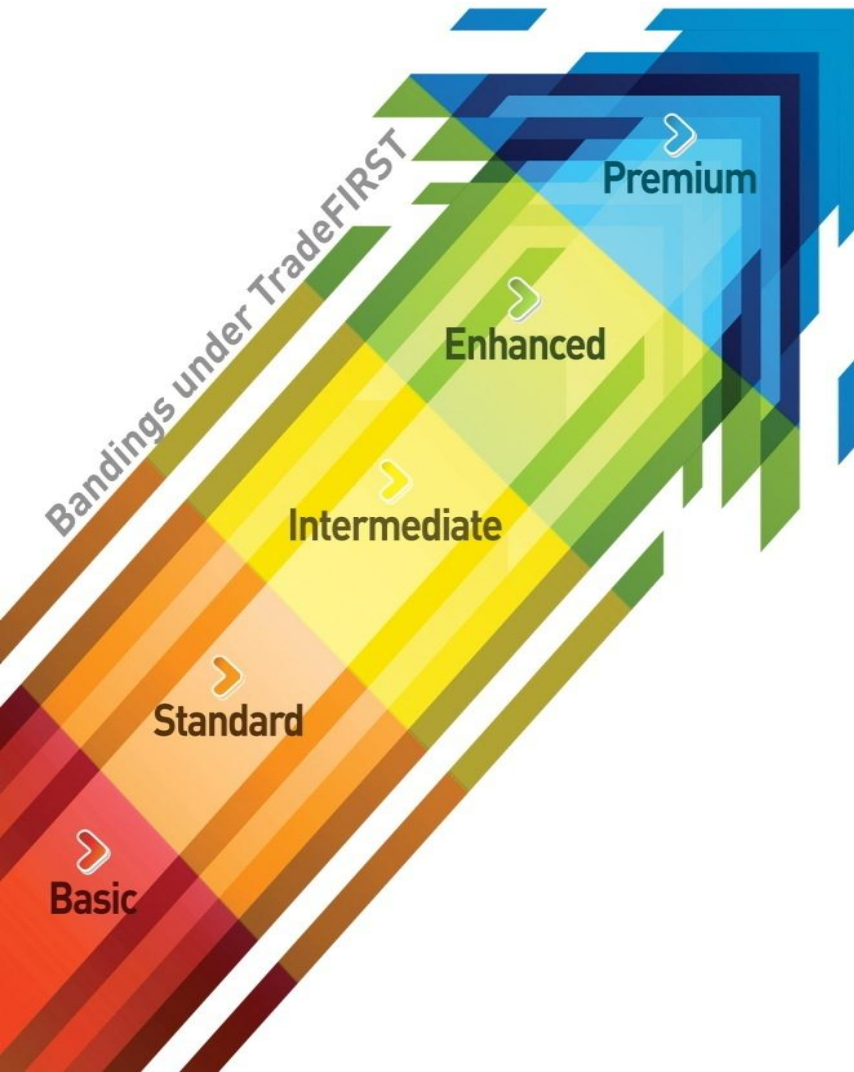
- Single Contact Point
- Single Assessment
- Set of criteria applicable for all schemes, programmes & facilitations



Trade Facilitation & **I**ntegrated **R**isk-based
Sys**T**em



TradeFIRST



↑ More robust systems & internal controls and procedures

- ↑
- Longer renewal periods
 - Eligibility for all schemes
 - Waiver of BGs
 - Customisation



The TradeFIRST Criteria

- Addresses Customs' concerns
 - Revenue – Duty, GST
 - Security – Supply Chain Security, Export Control
 - Adherence to Customs procedures – Permit Conditions etc.
- Improves self-compliance
 - Ability to detect, respond , report and implement corrective measures in case of non conformance
 - Minimize possibility of non conformance
- Adopt industry best practices and standards



Review of TradeFIRST

Launch in Jan 2011

- Single contact point
- Single assessment
- Single set of assessment criteria applied across all schemes

Need for Revision

- Greater clarity on assessment criteria requirements
- Share industry best practices
- Increase Trader's Compliance

Implementation

- Any submissions for TradeFIRST assessment after 1 May 2014 must be based on the new self-assessment checklist



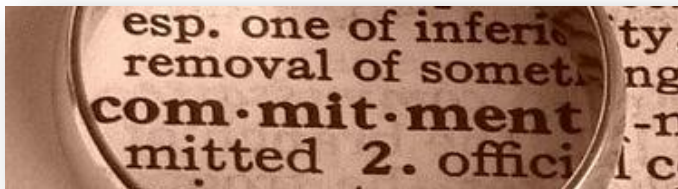
The New TradeFIRST Checklist

| TradeFIRST Self-Assessment Checklist | | | |
|--|---|-------------------|--|
| CRITERIA | Sub-Criteria | Applicants Answer | Remarks (Please briefly state the measures put in place in your company to meet the criteria) |
| Company Profile | | | |
| (1.1.1) Company Commitment | (a) Does your company have a Security Policy Statement? | | |
| | (b) Is the Security Policy Statement communicated: | | |
| | (i) Internally to all employees? | | |
| | (ii) Externally to business partners, clients and subcontractors? | | |
| | (c) Does your company have a Trade Compliance Policy Statement stating the company's commitment to comply with the terms and conditions and applicable regulations of the schemes that the company is applying for? | | |
| | (d) Is the Trade Compliance Policy Statement communicated: | | |
| (1.1.2) Review of TradeFIRST | (i) Internally to all employees? | | |
| | (ii) Externally to business partners, clients and subcontractors? | | |
| | (a) Does your company carry out the TradeFIRST self assessment annually? | | |
| | (b) Is the TradeFIRST self assessment endorsed by a member of the senior management? | | |
| | (c) Are there documented Standard Operating Procedures (SOPs) to rectify any instances of non conformance discovered during the annual self assessment? | | |
| | (d) Is there a mechanism to update Singapore Customs (SC) on any changes to the company's operations , or any particulars in the application form within 7 days of discovery or change? | | |
| Inventory Management and Controls | | | |
| (2.1.1) Data integrity | (a) Does your company file trade compliance documents (e.g. end-user screening results, training records, audit reports, export permits, end-user statements, supplying country's export licence etc.) for at least 5 years? <i>(Note to applicants: Score "N.A." only if your company does not deal with strategic goods)</i> | | |
| | (b) Does your company file shipping documents (e.g. Commercial invoice, B/L, AWB, import and export permits) for at least 5 years? | | |
| | (c) For Company Declaration Scheme (CDS) operators, | | |



TradeFIRST Checklist - Broad Criteria

| Key Criteria Categories | Elements | Purpose |
|------------------------------------|-------------------------|--|
| 1) Company Profile | Company Commitment | To assess company's commitment to ensure business security and compliance |
| 2) Inventory Management & Controls | i. Inventory Management | To assess the robustness of company's system in maintaining stock transaction records as well as preventing, detecting and responding to unauthorized access to its information system |
| | ii. Inventory Controls | |



TradeFIRST Checklist - Broad Criteria

| Key Criteria Categories | Elements | Purpose |
|------------------------------|------------------------------|---|
| 3) Procedures & Processes | i. HR Policies | To assess how company screens its employees, and if the employees are trained adequately on Customs requirements and security awareness |
| | ii. Security risk assessment | To assess how company identifies security threats in its business operations and come up with ways to mitigate the risks. |
| | iii. Cargo handling | To assess how company ensures cargo integrity and security |
| | iv. Container Security | |
| | v. Conveyance Security | |



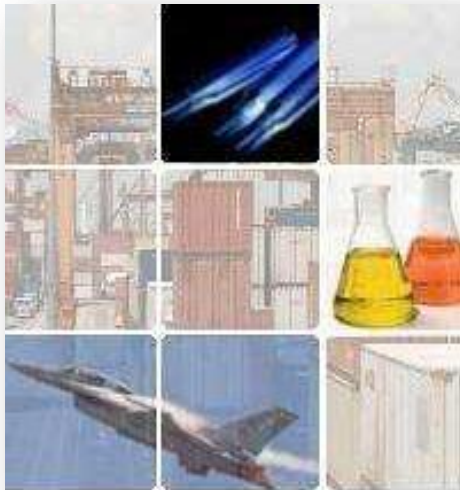
TradeFIRST Checklist - Broad Criteria

| Key Criteria Categories | Elements | Purpose |
|-------------------------|--|---|
| 4) Security | i. Premises security and access control | To assess how company secures its premises, conducts business partner screening and business continuity planning to safeguard supply chain security |
| | ii. Business partner security | |
| | iii. Crisis management and business continuity | |

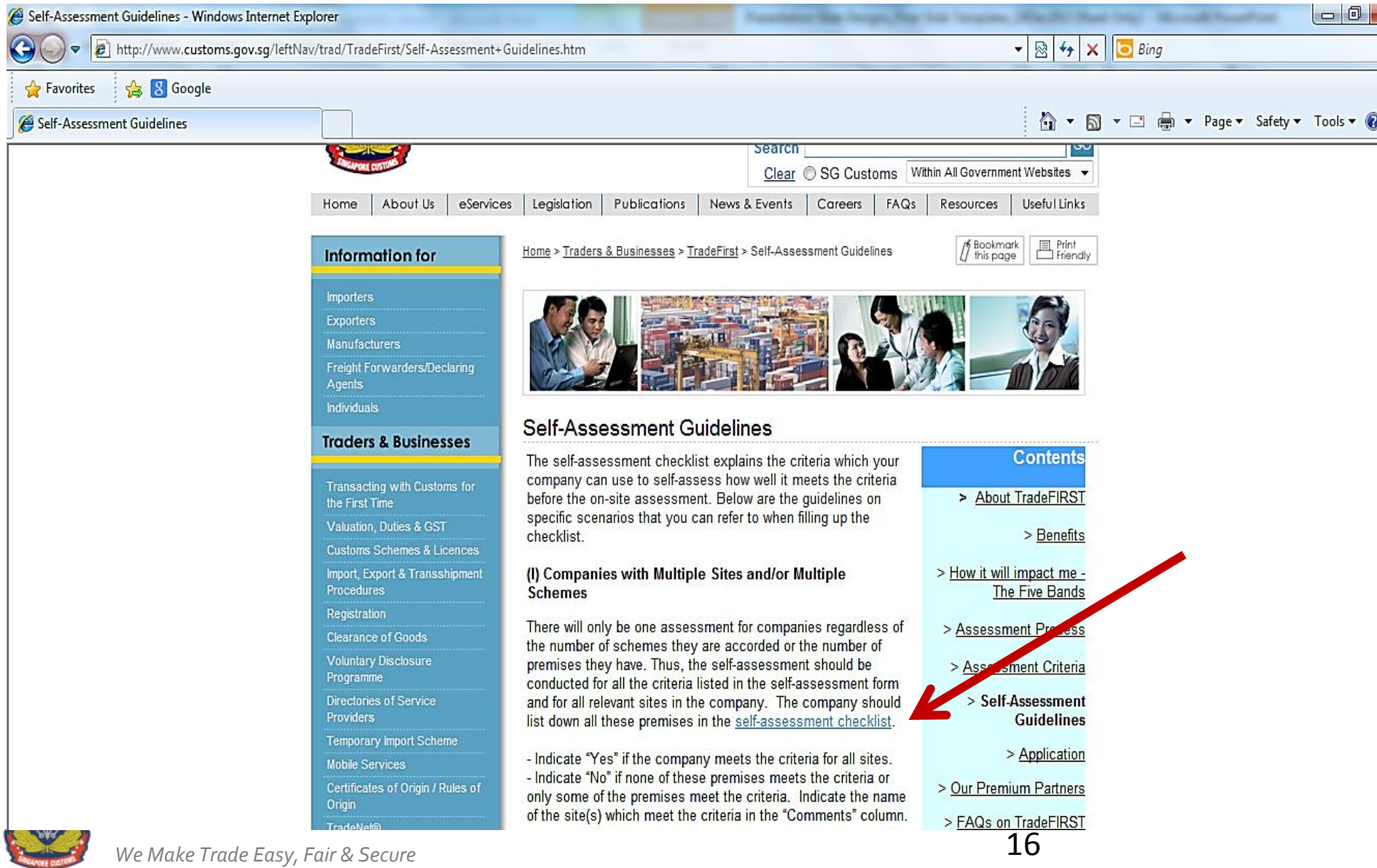


TradeFIRST Checklist - Broad Criteria

| Key Criteria Categories | Elements | Purpose |
|------------------------------------|----------------------------|--|
| 5) Compliance & other requirements | i. Strategic Goods Control | To assess the robustness of company's Internal Compliance Program. |
| | ii. Compliance | Company's compliance records with Customs and other agencies |



Downloading the TradeFIRST Checklist



The screenshot shows a Windows Internet Explorer browser window displaying the Singapore Customs website. The address bar shows the URL: <http://www.customs.gov.sg/leftNav/trad/TradeFirst/Self-Assessment+Guidelines.htm>. The page title is "Self-Assessment Guidelines".

The website header includes a search bar and navigation tabs: Home, About Us, eServices, Legislation, Publications, News & Events, Careers, FAQs, Resources, and Useful Links. The breadcrumb trail reads: Home > Traders & Businesses > TradeFirst > Self-Assessment Guidelines.

The main content area is titled "Self-Assessment Guidelines" and contains the following text:

The self-assessment checklist explains the criteria which your company can use to self-assess how well it meets the criteria before the on-site assessment. Below are the guidelines on specific scenarios that you can refer to when filling up the checklist.

(I) Companies with Multiple Sites and/or Multiple Schemes

There will only be one assessment for companies regardless of the number of schemes they are accorded or the number of premises they have. Thus, the self-assessment should be conducted for all the criteria listed in the self-assessment form and for all relevant sites in the company. The company should list down all these premises in the [self-assessment checklist](#).

- Indicate "Yes" if the company meets the criteria for all sites.
- Indicate "No" if none of these premises meets the criteria or only some of the premises meet the criteria. Indicate the name of the site(s) which meet the criteria in the "Comments" column.

The sidebar on the left contains a navigation menu with the following sections:

- Information for
 - Importers
 - Exporters
 - Manufacturers
 - Freight Forwarders/Declaring Agents
 - Individuals
- Traders & Businesses
 - Transacting with Customs for the First Time
 - Valuation, Duties & GST
 - Customs Schemes & Licences
 - Import, Export & Transshipment Procedures
 - Registration
 - Clearance of Goods
 - Voluntary Disclosure Programme
 - Directories of Service Providers
 - Temporary Import Scheme
 - Mobile Services
 - Certificates of Origin / Rules of Origin
 - TradeNet@

The sidebar on the right contains a "Contents" section with the following links:

- > [About TradeFIRST](#)
- > [Benefits](#)
- > [How it will impact me - The Five Bands](#)
- > [Assessment Process](#)
- > [Assessment Criteria](#)
- > [Self-Assessment Guidelines](#) (indicated by a red arrow)
- > [Application](#)
- > [Our Premium Partners](#)
- > [FAQs on TradeFIRST](#)

The Singapore Customs logo is visible in the bottom left corner, and the slogan "We Make Trade Easy, Fair & Secure" is at the bottom center. The page number "16" is in the bottom right corner.

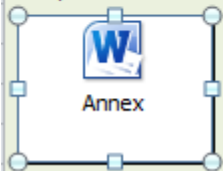
Filling up the TradeFIRST Checklist

Step 1: Read the Instruction Tab

Step 2: If your company owns/leases multiple sites OR has contracted any supply chain functions to third parties, pls complete Annex A and B

Please take note of the following when completing the checklist:

1. All information/documentation provided is to be accurate, complete and current at the time of submitting this form.
2. Companies which are renewing existing schemes will have to resubmit documents that have been updated from the previous submission. In cases where the documents have not been updated, please indicate clearly in the Remarks column that there are no updates to the documents submitted for the previous validation.
3. The checklist should be completed by an authorized personnel within the company.
4. If your company owns or leases multiple sites or has contracted any supply chain related functions to third parties, please complete Annex A and B downloadable at the below link:



Filling up the TradeFIRST Checklist

Step 3:

- Indicate Yes/No/NA in column C accordingly.
- In column D, pls indicate your remarks (if any) such as description of measures, references to supporting documents, etc.

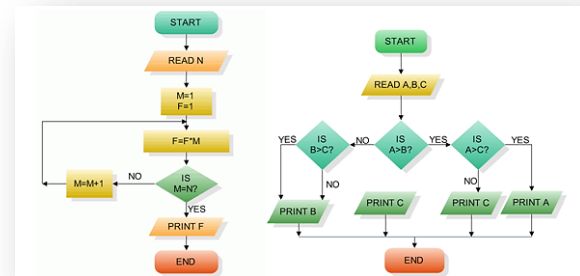
| CRITERIA | Sub-Criteria | Applicant's Answers | Remarks (Please briefly state the measures put in place in your company to meet the criteria) |
|-----------------------------------|---|---------------------|--|
| Company Profile | | | |
| (1.1.1) Company Commitment | (a) Does your company have a Security Policy Statement? | | |
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| | (i) Internally to all employees? | | |
| | (ii) Externally to business partners, clients and subcontractors? | | |
| | (c) Does your company have a Trade Compliance Policy Statement stating the company's commitment to comply with the terms and conditions and applicable regulations of the schemes that the company is applying for? | | |
| | (d) Is the Trade Compliance Policy Statement communicated: | | |
| | (i) Internally to all employees? | | |
| | (ii) Externally to business partners, clients and subcontractors? | | |
| | (a) Does your company carry out the TradeFIRST self assessment annually? | | |
| | (b) Is the TradeFIRST self assessment endorsed by a member of the senior management? | | |

Filling up the TradeFIRST Checklist

To note:

- It is **mandatory** to provide supporting documents* for every “Yes” that you have indicated in the checklist; otherwise it might be counted as a “No” answer

**Supporting document is any form of documented evidence to prove that your company fulfils the criterion. For example, SOP, flow charts, screenshots, emails, etc*



Renewal Process

- For TradeFIRST renewal, please submit the necessary documentation to your respective Account Managers (AMs) at least 4 months prior to your company's TradeFIRST renewal date
- During these 4 months, your AM will send reminders to you for submission of checklist and documents. **Pls do not hesitate to consult your AM if you need any clarification**
- Upon your submission, your AM will review the documents and advise you further if more information is required
- When most of the supporting documents are in, the AM will handover the documents and checklist to the Assessment & Audit team for follow-up and onsite assessment



Key Points to Note

- Incomplete/late submission of TradeFIRST checklist and documents might result in your licence not getting renewed in time and your business operations might be affected
- Appreciate your cooperation to be prompt in replying to Customs and to give reasonable time for Customs to respond.



Moving forward

- Feedback
 - Customs_Schemes@customs.gov.sg
 - Account Managers
- Upcoming TradeFIRST Handbook



ZGS Warehouse Matters



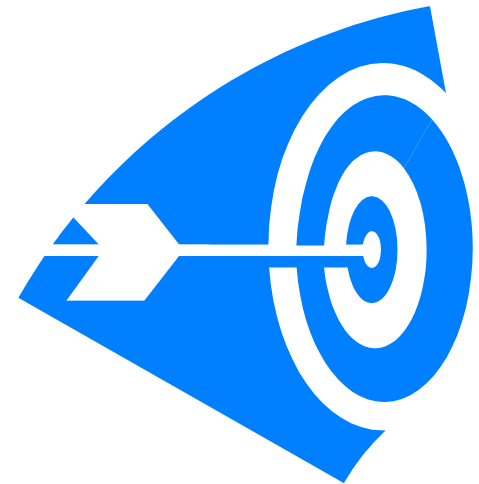
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Agenda

- Licensed Premises (Zero-GST Warehouse)
- Zero-GST Stock Accounting
- Permitted Activities in Zero-GST Warehouse
- Other Matters





Licensed Premises (Zero-GST Warehouse)



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Licensed Premises (Zero-GST Warehouse)

- ZGS goods must be stored within the licensed area marked as ZGS Warehouse in the approved layout plan
- Should there be reduction, extension or relocation of ZGS Warehouse, approval has to be sought
 - Inform AM in advance (one month)
 - Provide the following when informing the AM (via email):
 - Reasons for reduction, extension or relocation
 - Proposed layout plan
 - Proposed layout plan with security features
 - Tenure Agreement





Zero-GST Stock Accounting



Zero-GST Stock Accounting

- Licensees are responsible to:
 - Account for all the ZGS stock movements into and out of ZGS Warehouse by declaring proper permits
 - Keep all stock inventory updated
 - Maintain all trade documents and other supporting records for the stock movements



Zero-GST Stock Accounting

- Pay GST for ZGS goods that are subsequently released into local market
- Report in writing any stock discrepancies to Customs by the following day
 - Report via email to Customs_APS@customs.gov.sg
 - When reporting, use the following email template (see next slide) and attached supporting documents.
Note: Email subject format → **<Name of company> <Licence No.> - <Description of discrepancy>**



Dear SEB Officer,

The following discrepancy was discovered upon *receipt/release of goods *into/from our licensed premises:

*delete accordingly



| S/N | Licence No. | Permit No. | Lot No. | Declared | Actual | Remarks <i>To explain how error occurs. Attached supporting documents if necessary.</i> |
|-----|-------------|-------------|----------|----------|---------|--|
| 1 | BW1234 | I13K500943K | TRRA1013 | 100 NMB | 120 NMB | <u>Overlanding.</u> Supplier's explanation letter is attached. |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Please allow us to make amendments due to the above discrepancy. Thank you.

Declaration by company:

<<Name of Licensee>> is aware that the discrepancy reported will be investigated. Should the investigation prove that an offence has been committed, <<Name of Licensee >> undertakes to accept liability and penalty offered.

File Message Insert Options Format Text Review Developer

Clipboard: Cut, Copy, Paste, Format Painter

Basic Text: Calibri (Body), 11, Bold, Italic, Underline, Bullets, Numbered, Indent, Decrease Indent, Increase Indent, Paragraph, Styles

Names: Address Book, Check Names

Include: Attach File, Attach Item, Signature

Tags: Follow Up, High Importance, Low Importance

Zoom: Zoom

Send

From: [Redacted]

To: [CUSTOMS APS \(CUSTOMS\);](#)

Cc:

Bcc:

Subject: ABC Pte Ltd (BW1234) - Over landing of 20 NMB into BW1234

Attached: [050715.pdf \(8 KB\);](#) [MBEWRN.pdf \(292 KB\);](#) [UploadedFile_129924168966053418.doc \(1 MB\)](#)

Dear SEB Officer,

The following discrepancy was discovered upon receipt of goods into our licensed premises:

| S/N | Licence No. | Permit No. | Lot No. | Declared | Actual | Remarks <small>To explain how error occurs. Attached supporting documents if necessary.</small> |
|-----|-------------|-------------|----------|----------|---------|--|
| 1 | BW1234 | II3K500943K | TRRA1013 | 100 NMB | 120 NMB | Over landing. Supplier's explanation letter is attached. |

Please allow us to make amendments due to the above discrepancy. Thank you.

Declaration by company:

ABC Pte Ltd is aware that the discrepancy reported will be investigated. Should the investigation prove that an offence has been committed, ABC Pte Ltd undertakes to accept liability and penalty offered.

Regards,
Jasmine Kong
Executive
ABC Pte Ltd

Zero-GST Stock Accounting

- Seek approval for destruction of ZGS goods
 - Inform AM in advance (one month)
 - Provide the following when informing the AM (via email):
 - Reasons for destruction
 - Customer's written request for destruction
 - Goods details as follows:

| S/N | Description | Packing | Customs Lot No. / SKU No. | Quantity | Value | Potential GST |
|-----|-------------|---------|---------------------------|----------|-------|---------------|
| | | | | | | |



Zero-GST Stock Accounting

- Licensee is to engaged NEA authorised waste disposal companies for the destruction of goods at NEA authorised disposal site
 - Some lists of waste disposal companies:
 - » [http://app2.nea.gov.sg/docs/default-source/energy-waste/list-of-licensed-general-waste-collectors---updated-jan-2013-\(2\).pdf?sfvrsn=0](http://app2.nea.gov.sg/docs/default-source/energy-waste/list-of-licensed-general-waste-collectors---updated-jan-2013-(2).pdf?sfvrsn=0)
 - » <http://app2.nea.gov.sg/docs/default-source/anti-pollution-radiation-protection/chemical-pollution/Toxic-Industrial-Waste/list-of-tiw-collectors-18-12-13.pdf?sfvrsn=0>
- A copy of destruction certificate has to be submitted to the AM after the destruction is completed



Zero-GST Stock Accounting

- Seek approval for temporary removal of ZGS goods from ZGS Warehouse for approved exhibition, auction and repair of, maintenance of or performance of any other similar service on the goods
 - Inform AM in advance
 - Complete the **declaration form for temporary removal of ZGS goods (Annex A)** and submit to the AM
 - Do not remove the ZGS goods until approval has been granted
 - Ensure that the ZGS goods are returned to the ZGS Warehouse; complete the **declaration form for the return of ZGS goods into ZGS Warehouse (Annex B)** and submit to the AM when the exhibition / auction / repair is over





Permitted Activities in Zero-GST Warehouse



Permitted Activities in Zero-GST Warehouse

- In general, activities that change the original characteristics of the ZGS goods are not allowed
- Some e.g.s of general activities allowed in a ZGS Warehouse, besides the storage of ZGS goods:
 - re-packing where the total quantities of ZGS goods are not changed;
 - re-packaging, including mixing, sorting, grading, labelling, stamping, etc. for distribution or sale;
 - preservation to keep the ZGS goods dry, cool or frozen; and
 - lubricating, rust-proofing, airing or cleaning the ZGS goods



Permitted Activities in Zero-GST Warehouse

- These activities require approval to be sought
 - Inform AM in advance (one month)
 - Provide the following when informing the AM (via email):
 - Reasons/Background
 - The customer
 - The type of goods involved
 - The proposal for the activity to be conducted – should ideally include a written SOP on the activity, inventory accountability etc.





Other Matters



Other Matters

- Notify Customs immediately when there are changes made to the following:
 - Name of Entity
 - Organizational Structure
 - Contact Person
 - Contact Details
 - Declaring Agent / Declarant
 - Staff granted with access to Customs' system i.e. eCustoms
 - Operating Procedures
 - Features of Inventory System etc.



Other Matters

- Write-in to inform Customs and apply online for a new ZGS Warehouse licence when there are changes of the following:
 - Name of licensee; and
 - UEN
- ZGS Warehouse Licence is strictly non-transferable
 - Subletting of the ZGS Warehouse is not allowed



Other Matters

- Ensure all trade documents and other supporting records for the ZGS stock movements are kept for at least 5 years
- Read the permit conditions issued after declaration of permits



*Thank
you*



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Sharing of Offence Records 2013



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Overview

- ❖ Industry Compliance Level
- ❖ Customs Observations of ZGS Licensees
- ❖ Key Compliance Messages
- ❖ Responsibilities of Declaring Agent & Declarant
- ❖ Voluntary Disclosure Programme

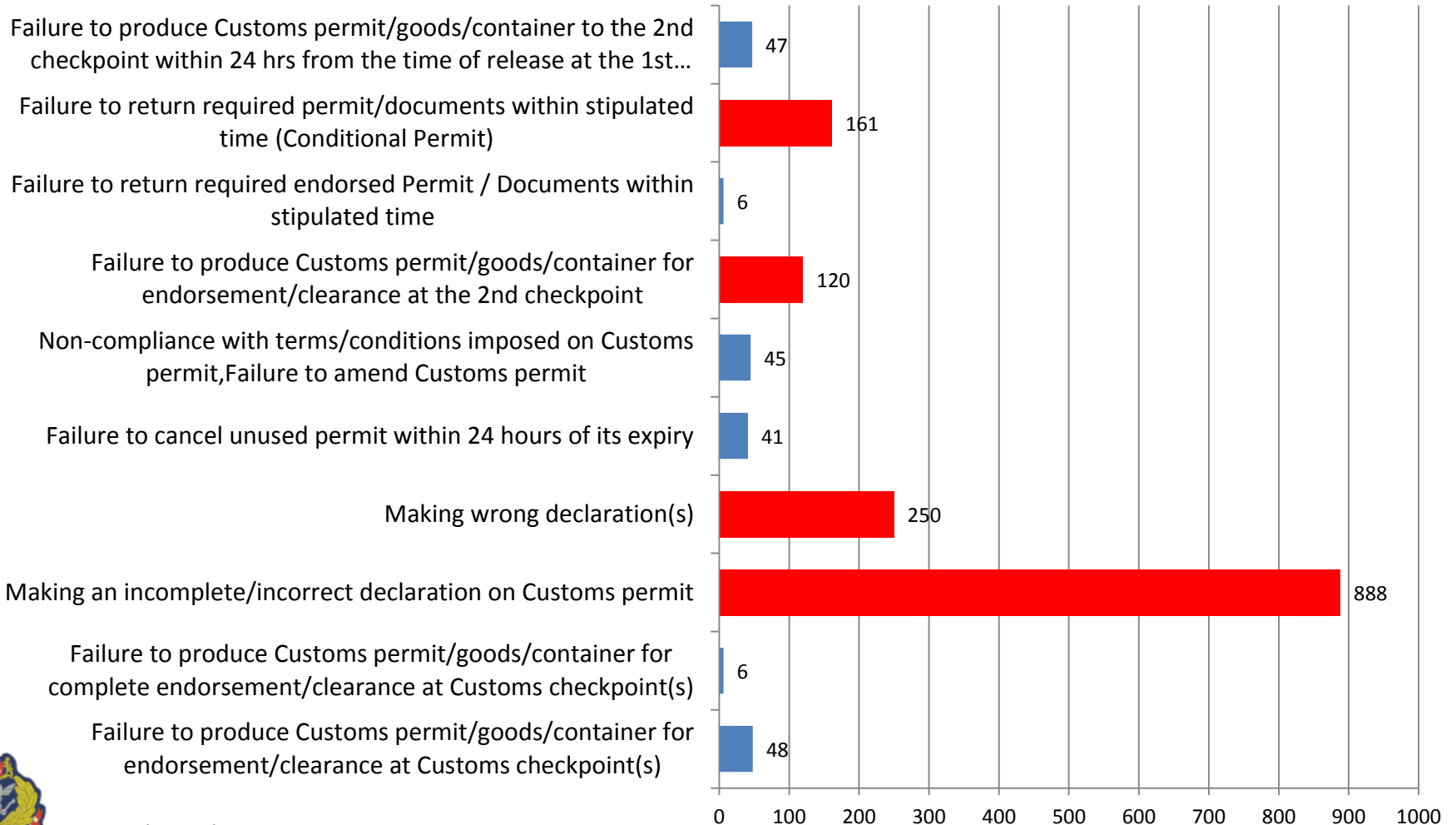


Industry Compliance Level



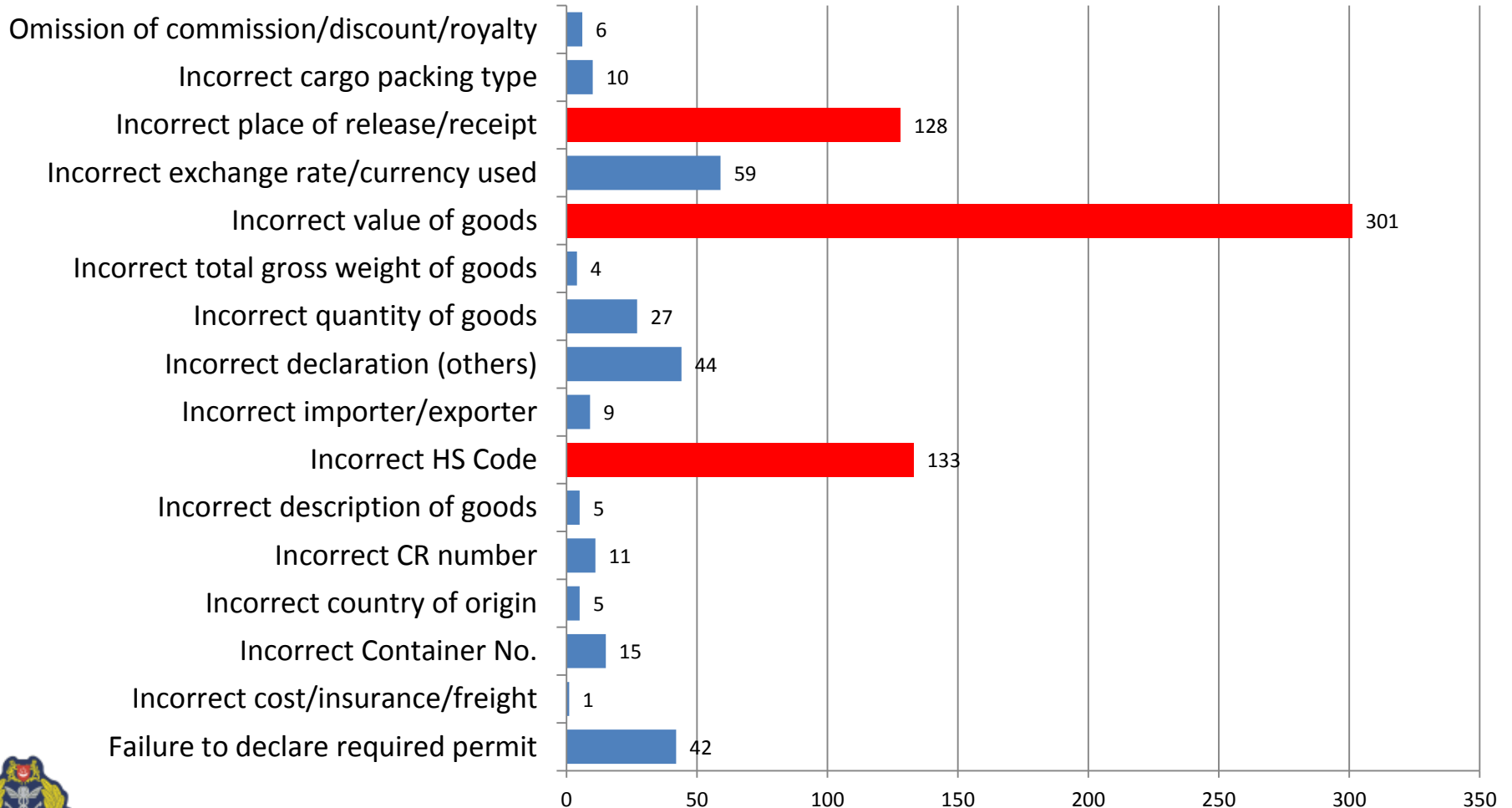
Offence Record (Jan – Dec 2013)

Type of Error Committed between Jan - Dec 2013



Offence Record (Jan – Dec 2013)

Type of Error Committed between Jan - Dec 2013



Top Common Errors

| Common Errors | Action Required | Suggested Improvements |
|--------------------------|---|---|
| Incorrect Value of Goods | <ol style="list-style-type: none"> 1. Key in CIF/LSP value (S\$) - for imports for each item. 2. FOB value (S\$) – For exports for each item. The values must be rounded to the nearest dollar. | <ol style="list-style-type: none"> a. Use the prevailing Customs exchange rate if the invoice value is in foreign currency. b. Be careful of the use of comma (,) and full stop (.). In some European countries, they use the comma as a decimal point and full stop as thousand separators. c. CIF/LSP – This is the cost/sale price of the goods including insurance and freight or the last selling price in Singapore Dollars (S\$). d. FOB - This is the sale price of the goods excluding freight and insurance in Singapore Dollars (S\$). |
| Incorrect HS Code | Use the most applicable HS Code for the goods for declaration. | <ol style="list-style-type: none"> a. Use the alphabetical index at http://www.customs.gov.sg/topNav/res/ b. Search for the appropriate HS code at https://www.tradexchange.gov.sg/tradexchange/default.portal?_nfpb=true&_nfls=false&_pageLabel=main_tn&_action=searchHSCA c. If in doubt, call the Classification Unit at 63552016 d. Goods that are classified under different HS codes must be declared separately at item level. e. Avoid using HS code for “Parts”. The HS code for “Parts” should be used only when there is no specific HS code available for the item description. |

Top Common Errors

| Common Errors | Action Required | Suggested Improvements |
|---|---|---|
| <p>Failure to produce Customs permit/goods/container for endorsement/clearance at Customs checkpoint(s)</p> | <p>The goods must be produced together with:</p> <ul style="list-style-type: none"> - permit - commercial invoice - BL/AWB - Other supporting docs for customs clearance/endorsement at checkpoints | <ol style="list-style-type: none"> 1. DA to identify permits with such conditions and notify drivers. 2. Remind drivers to produce for endorsement to ICA officers upon inspection. 3. Stick a note or stamp on front page permit to indicate to be endorsed to serve as reminder for drivers. <p>E.g</p> <div data-bbox="1207 1085 1870 1342" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>TRANSHIPMENT PERMIT</p> <p>ENDORSEMENT</p> <p>From 2 checkpoints required</p> </div> |
| <p>Failure to produce Customs permit/goods/container for endorsement/clearance at the 2nd checkpoint</p> | | |

Top Common Errors

| Common Errors | Action Required | Suggested Improvements |
|--|--|---|
| <p>Making an incomplete/incorrect declaration on Customs permit</p> | <p>To key in information provided by traders/shippers via commercial invoice and AWB/BL for declaration of Customs Permit</p> | <ul style="list-style-type: none"> a. Prepare the declaration based on the information as provided in the invoice(s). b. Avoid using default HS code description. Avoid using generic description like “part” to describe a specific product. E.g. Hard disk drive as computer parts. c. The number of packages should also be stated correctly for each item. |
| <p>Failure to return required permit/documents within stipulated time (Conditional Permit)</p> | <ul style="list-style-type: none"> 1) Submit the Cargo Clearance Permit (CCP), commercial invoice(s) and BL(s)/AWB(s). 2) When submitting the supporting document you must state the CCP No. clearly on it and submit to Singapore Customs within 48 hours by fax (63371556) or by email at customs_tn48hr@customs.gov.sg | <ul style="list-style-type: none"> a. Submit the documents before you utilize the permit. b. State the permit number in big and clear characters at a prominent place on the invoice(s) and BL(s)/AWB(s). c. Number (pg n/m) all the pages you are going to submit. d. Ensure you receive an acknowledgement one working day after you have submitted the documents. Call Tel: 63552139 if you do not receive the acknowledgement. e. A reminder will be sent if we do not receive the documents. You are given another 48 hours to comply with the condition to submit the documents upon receipt of the reminder. |

Top Common Errors

| Common Errors | Action Required | Suggested improvements |
|--|---|---|
| <p>Non-compliance with terms/conditions imposed on Customs permit - Removal of goods outside the permit validity period.</p> | <ol style="list-style-type: none">1. To comply with stated conditions imposed on last page of permit.2. To move/clear goods within permit validity period. | <ol style="list-style-type: none">1. Check for permit conditions that require special attention. E.g AX, A12. Take note of the permit validity period so as to avoid late clearance. |



Customs Observations of ZGS Licensees



Observations of ZGS Licensees

- Excess/under-declaration of quantity of goods moving into ZG warehouse (ZG warehouse did not request for stock amendment) and missing stock on the export leg
- GST unpaid goods found outside the ZG warehouse (i.e. using staging area (loading/unloading bay) to store GST-suspended goods)
- GST-suspended goods not labelled with Customs Lot Numbers (for Type I)



Key Compliance Messages



Key Responsibilities of a ZGS Licensee

1. Take up relevant permits for all movement of goods into and out of the ZG warehouse;
2. Pay GST before releasing the ZG goods for local consumption;
3. Ensure that the nature and quantity of ZG goods received into or released from the ZG warehouse are in accordance with those described in the customs permits. If there are discrepancies, you must apply to Customs to amend the customs permit within 24 hours of receiving or releasing the ZG goods, with valid reasons;
4. Seek Customs approval before amending the designated ZG area;
5. Comply with the Goods And Services Tax (General) Regulations (Warehousing Regime) and other conditions imposed by Customs from time to time; and
6. Obtain the necessary clearance from other relevant authorities.



Key Things to Note

- Know your customer, ensure that the authorised person collects the goods (keep track of person entering/exiting ZG premises during collection of goods)
- Know who you are hiring, especially the people who are handling the goods
- The movement of goods into and from the ZG warehouse must be covered by relevant Customs permits
- The licensee must maintain inventory record on goods stored. (A discrepancy report must be submitted without delay to Schemes & Engagement Branch on any discrepancy in stock)
- Conduct internal periodic stock counts of the Zero-GST goods
- Conduct regular briefing sessions to remind staff and clients on ZG Scheme requirements.



Handbook for ZGS Scheme

For more requirements under the ZG Scheme, Licensees may refer to:

"A Handbook for the Zero GST Scheme" , at the following link:

http://www.customs.gov.sg/NR/rdonlyres/C66467FE-A7BD-4668-BD8E-36CCA7280A98/0/3iiZGSHandbook_June2014version.pdf



Offences and Penalties

| <u>Offence</u> | <u>Penalty Upon Conviction</u> |
|---|---|
| <p><i>Section 27(1)(c) of the Customs Act:</i> Failure to comply with conditions imposed on removal of duty/GST goods from customs control.</p> | A fine not exceeding \$5,000. |
| <p><i>Section 128(1)(a) of the Customs Act:</i> Making an incorrect declaration.</p> | A fine not exceeding \$10,000, or the equivalent of the customs duty, excise duty or GST payable, whichever is the greater; or imprisonment not exceeding 12 months; or both. |



Case Examples

Technical Errors involving Incorrect Declarations

- Licensees or their authorised declaring agents should ensure that information is correctly declared when applying for customs permit, including consignment details such as HS Code, HS Quantity & Unit, Packing/Goods Description, etc.
- Company A made errors in their declaration and was compounded for an offence under Section 128(1)(a) of the Customs Act.

Violation of P1/H1/A3 Permit Condition

- The above permit conditions require that the container or the goods, together with the relevant permits and supporting documents to be produced at the checkpoint for customs clearance.
- Licensees or their authorised declaring agents should ensure that their drivers report to the designated lane at the checkpoint for customs clearance by Immigration and Checkpoint Authority officers.
- Company B was compounded under Section 27(1)(c) of the Customs Act for failure to produce the goods for customs clearance.
- Duty and GST were also recovered as the company was unable to show proof of export of the goods.



Responsibilities of Declaring Agents & Declarants



Responsibilities of Declaring Agents & Declarants

With reference to Circular No. 10/2010, it is the responsibilities of the declaring agent and the declarants to ensure that all declarations made to Singapore Customs via TradeNet® on behalf of your customers are accurate and complete.

- DA and declarants are encouraged to keep records of customers' identities (identity card no., passport, office or residential address and local contact details) to enable traceability to investigations and audits).
- Verify all supporting documents provided by traders and ensure it is of authenticity. When in doubt, clarification should be sought in writing from traders.
- All records of transactions including supporting documents are to be maintained for 5 years under the law.
- Enhance your skills and your knowledge of permit declarations to ensure competency.
- Contact SC immediately at Tel: 1800-2330000, if you encounter any suspicious transactions.



Voluntary Disclosure Programme



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Voluntary Disclosure Programme

The Voluntary Disclosure Programme (VDP) is for individuals or companies to voluntarily come forward to disclose errors/omissions committed by them under laws and regulations administered and enforced by Singapore Customs.

<http://www.customs.gov.sg/leftNav/trad/Voluntary+Disclosure+Programme.htm>


The eligibility criteria for the VDP are as follows:

- a. Disclosure must be complete with all the relevant information pertaining to the errors and omissions; and
- b. Disclosure must be made before notice or commencement of audit checks and investigations.

Important:

There is no fixed time period for the errors/omissions committed.

The VDP Application Form must be signed by the individual/company who made the errors/omissions.

| APPLICATION FOR VOLUNTARY DISCLOSURE | |  | | SINGAPORE CUSTOMS 25 Stevens Road 206-01 Revenue House Singapore 257987 Tel: 63552000 Fax: 63512217 E-mail: customs_vdp@customs.gov.sg http: http://www.customs.gov.sg | |
|---|-------------------------|---|-------------------------|---|--|
| <small>Instructions: (i) This form will take about 10 minutes to complete. (ii) You will need the following information for this form: • UEN • Permit Details (iii) Please complete this form and return it together with the required supporting documents (permit, invoice, packing list, etc. or ATR) and other documents as applicable.</small> | | | | | |
| PART I: PARTICULARS | | | | | |
| Company Name: | | | | | |
| Company UEN: | | | | | |
| Company Address: | | | | | |
| Person Name: | | | | Designation: | |
| NRIC/Fin/Passport No: | | | | Office Tel: | |
| Email: | | | | Mobile No: | |
| PART II: DISCLOSURE INFORMATION | | | | | |
| PART II(A): PERMIT DECLARATION ERROR | | | | | |
| Permit No. | S/N of Permit Line Item | Field(s) Wrongly Declared | Incorrect Data Declared | Correct Data | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| PART II(B): OTHER TYPES OF ERRORS (If Part II(A) is not applicable) | | | | | |
| | | | | | |
| PART III: REASONS FOR ERROR | | | | | |
| | | | | | |
| PART IV: DECLARATION | | | | | |
| I, _____ on behalf of M/S _____ declare that the <small>(Full name/authorized person)</small> <small>(Company Name)</small> information given in this form is true and complete. | | | | | |
| Signature : | | Company Stamp : | | Date : | |
| PART V: FOR OFFICIAL USE | | | | | |
| VDP Reference No. : | | | | Date : | |

Voluntary Disclosure Programme

Contact Information

For all VDP form submissions or enquiry:

Email to customs_vdp@customs.gov.sg or

Fax to [6251 3227](tel:62513227)

THANK YOU

TRADING COMMUNITY WATCH GROUP (TCWG)



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AGENDA

- Aims of TCWG
- Past Cases of Interest
- Red Flags & Contact Details

AIMS OF TCWG

- **TCWG is an initiative launched by Singapore Customs to reach out to the Trading Community in order to:**
 - Highlight warning signs and “Red Flags” Signs of illicit activities.
 - Encourage companies to proactively alert the authorities about suspicious activities at their premises.
- **Past cases show that there is a need for Singapore Customs to work with companies.**
- **Will share these cases and encourage companies to work with us to secure their facilities and prevent exploitation by criminals.**



PAST CASE ON ILLICIT ALCOHOL

- In 2012, Singapore Customs received information that a logistics company was **importing dutiable Samsu using non-dutiable HS Code** and **smuggling beer through using herbal tea as coverload**.



- An operation was conducted, which resulted in the successful seizure of the duty-unpaid alcoholic beverages which were stored in a warehouse.



PAST CASE ON ILLICIT CHEWING TOBACCO

- In 2013, Singapore Customs received a tip-off about a consignment from a neighbouring country that was **fraudulently declared through a Declaring Agent**, as containing Personal Effects (Tea), but was instead concealing tobacco leaves.



- Hans chap chewing tobacco was found and seized upon checking a vehicle (a yellow cab) which arrived to collect the illicit goods from the supply source.



PAST CASE ON ILLICIT CIGARETTES

- In 2013, Singapore Customs received a **tip-off from a company staff** about their premises being used for the movement of duty-unpaid cigarettes.



- Singapore Customs officers arrived and seized cases of duty-unpaid cigarettes which were being transferred from a container into a van.



HOW YOU CAN PLAY A PART

Call us at **1800-2330000** or email us at **CUSTOMS_Intelligence@customs.gov.sg** if you spot these tell-tale signs:

- **Misdeclared, wrongly described cargo**
- **Wrongly spelt company names**
- **Obscure labels**
- **Non-matching shape, weight description**
- **Unusual odours**
- **Nervous & evasive point of contact**
- **Preference to settle accounts early in cash terms**
- **Dubious delivery instructions**
- **Mismatch between products and company's business**

END

TradeXchange: Promoting collaborations to enhance competitiveness

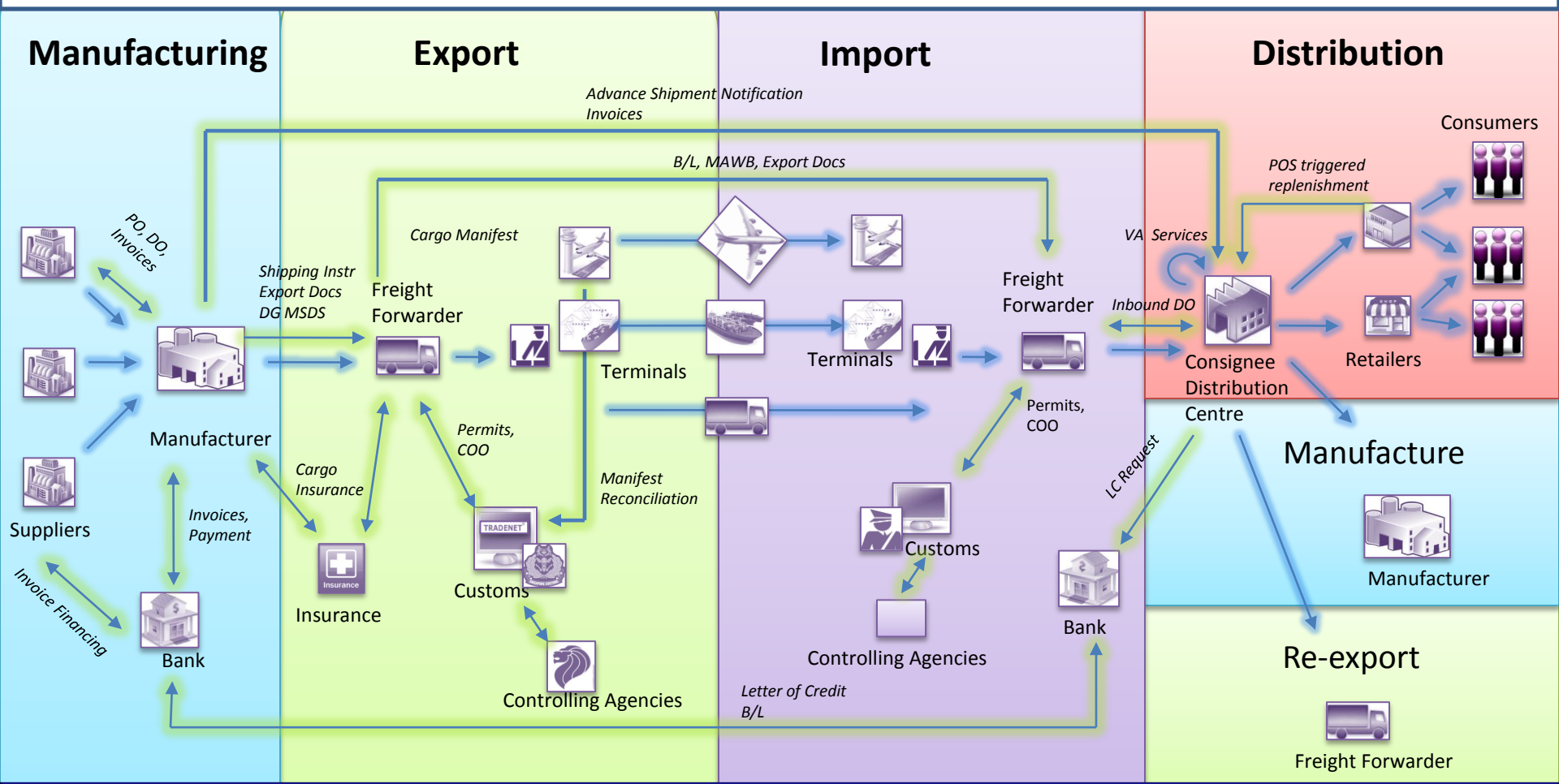


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Supply Chains are Complex



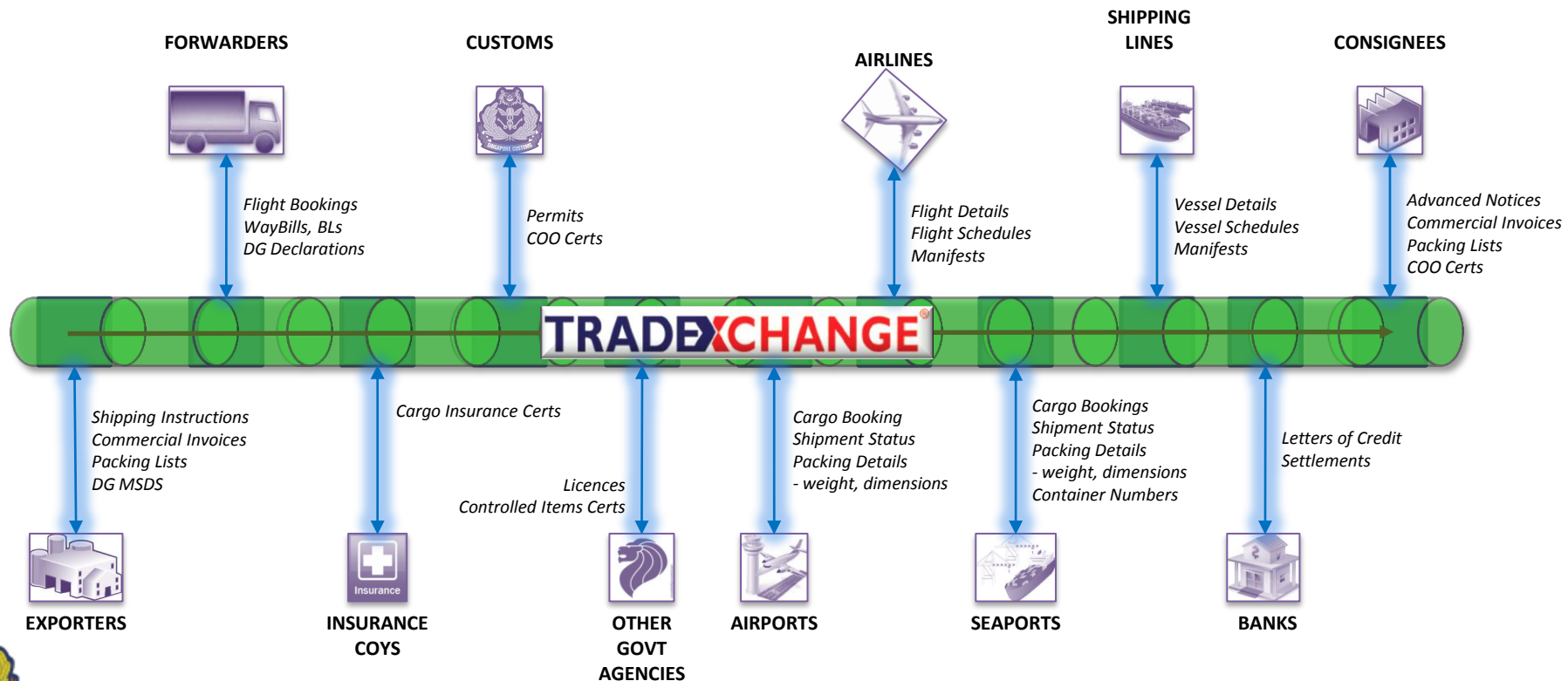
- **Fragmented Landscape**
 - One consignment can involve up to 25 different parties
- **Inefficient Data Flow**
 - Up to 30-40 documents exchanged.
 - Multiple data re-entry: 60-70% of data is re-keyed in at least one.

TradeXchange is the data pipe provided to industry to link systems, integrate processes and share data

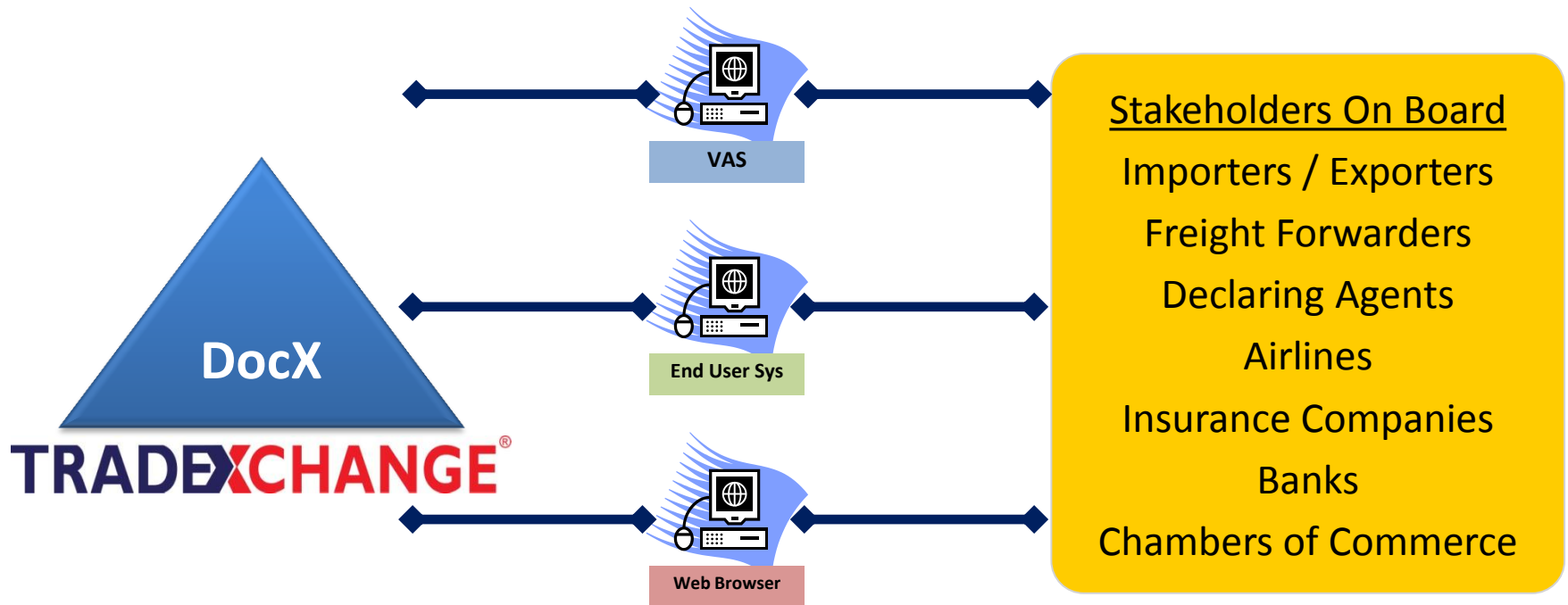
Physical Flow of Cargo:



Information Flow:



The Document Exchange (DocX) on TradeXchange enables documents to be uploaded and retrieved easily



- Enables reuse of source data for downstream processes
- Prompts with alerts and notifications on document delivery status
- Tracks & Traces documents

- Eases sharing of documents and data - uploads, downloads and electronic access
- Safeguards documents and data with authorizations and digital signatures



There have been early successes to bring the industry together to collaborate

Stakeholders On Board

Importers / Exporters
Freight Forwarders
Insurance Companies
Chambers of Commerce
Declaring Agents
Airlines
Banks

Processes enabled

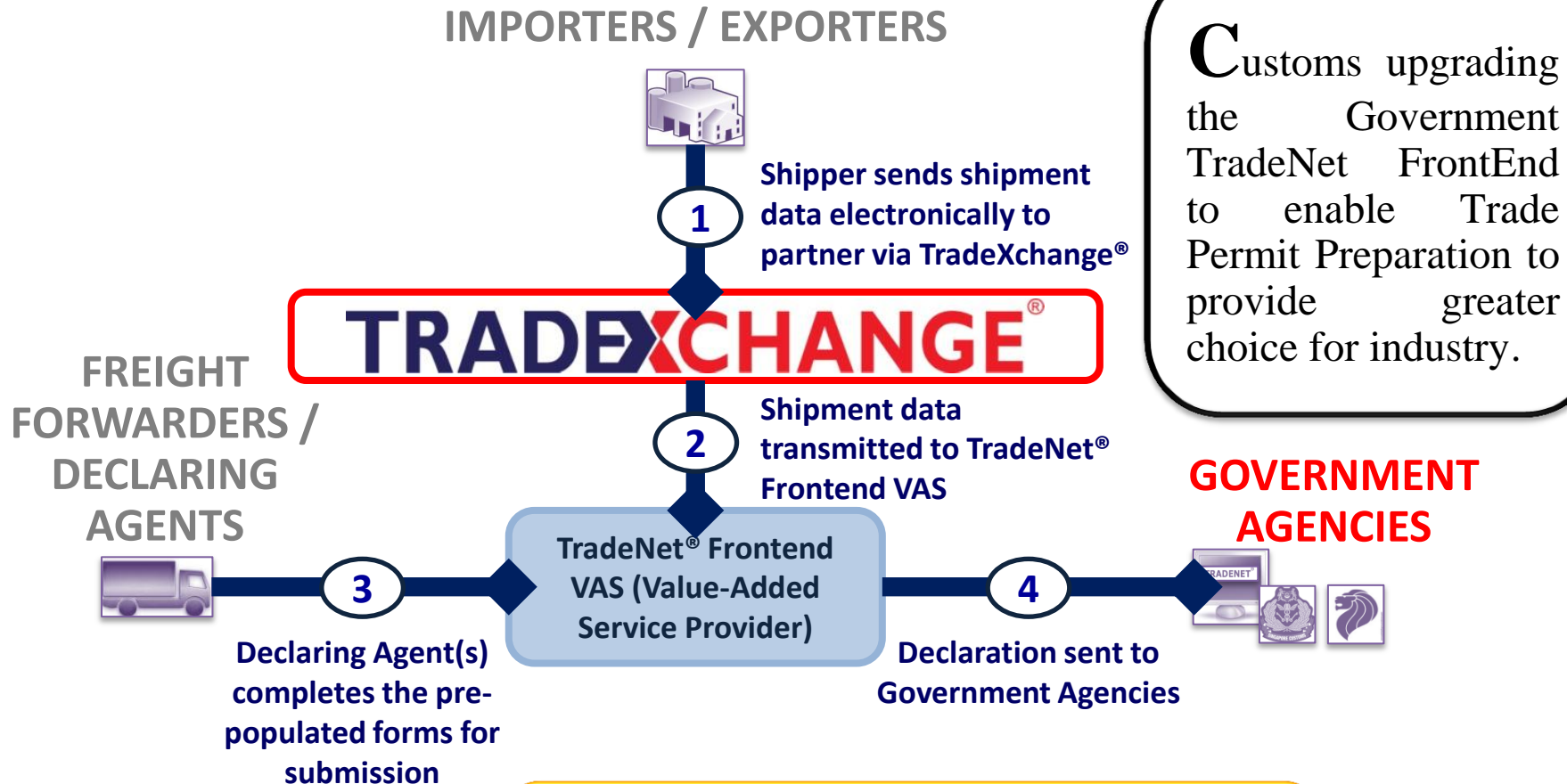
Permit Preparation
Permit Return
Cargo Insurance
Application
eCO Application
eFreight
Trade Finance
Data @Source

Benefits

up to 50% time savings in permit preparations
up to 90% time savings in cargo insurance applications
Faster & Less Costly financing



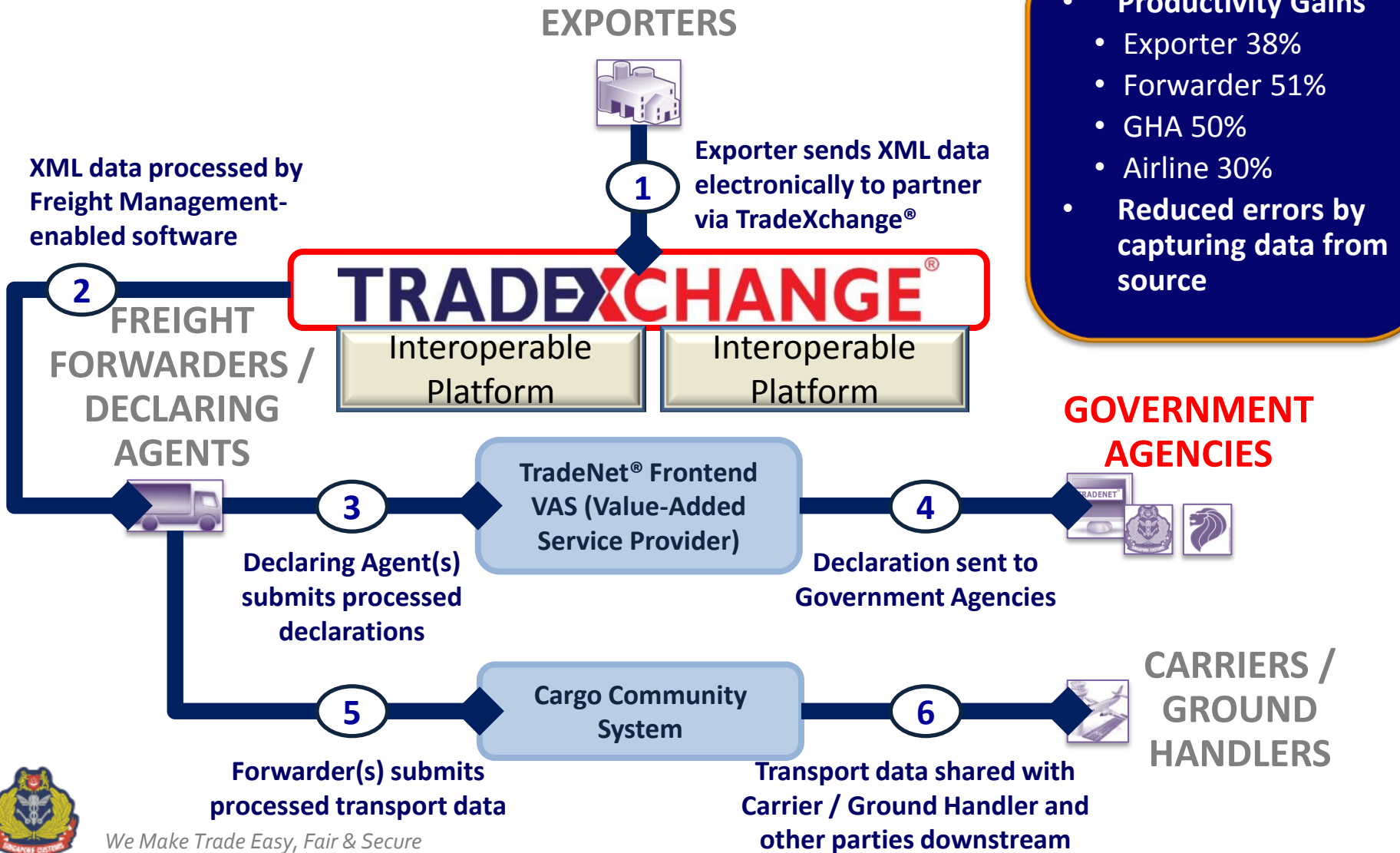
Trade Permit Preparation



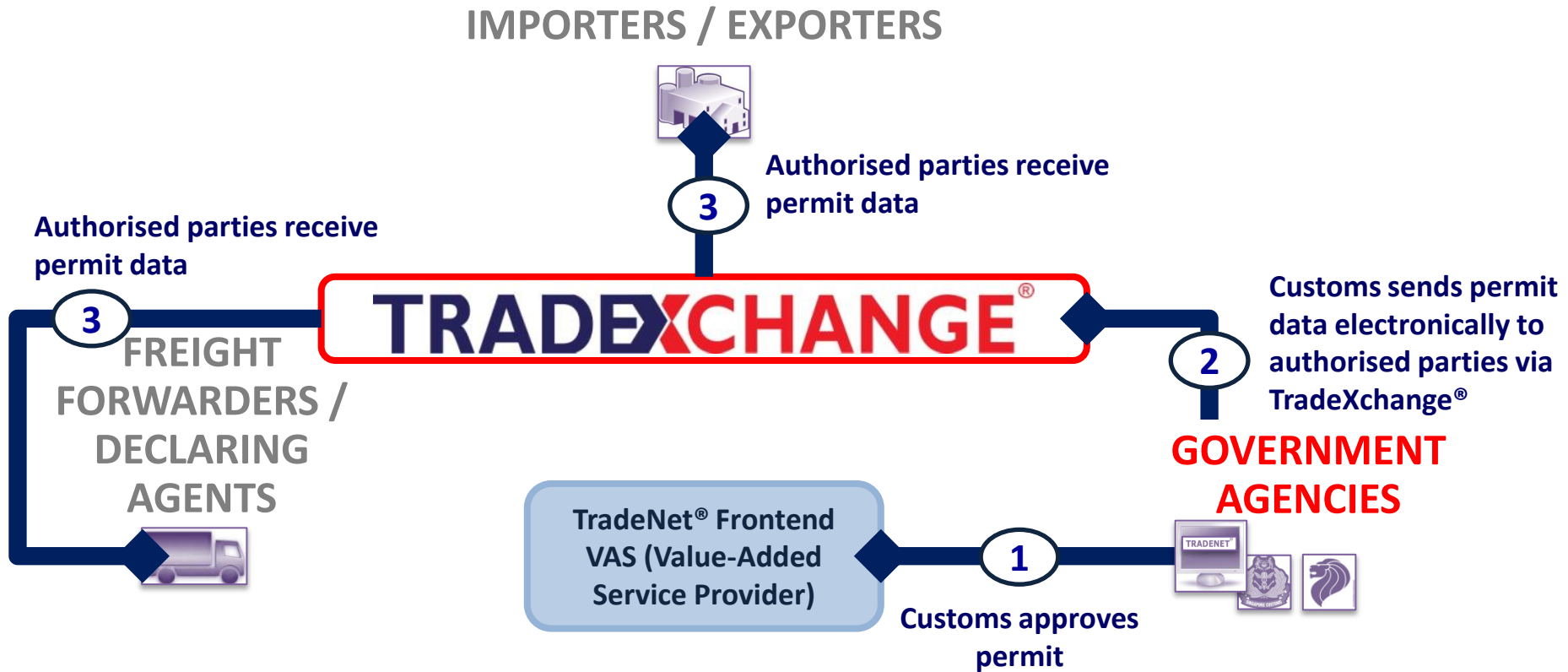
- Up to 50% Time Savings in applying for Trade Permits
- Reduced errors by capturing data from source



eFreight@Singapore



Trade Permit Return



- Importers/Exporters receive approved permits almost immediately upon approval
- PDF or machine-readable formats allow for verification or re-use of permit information



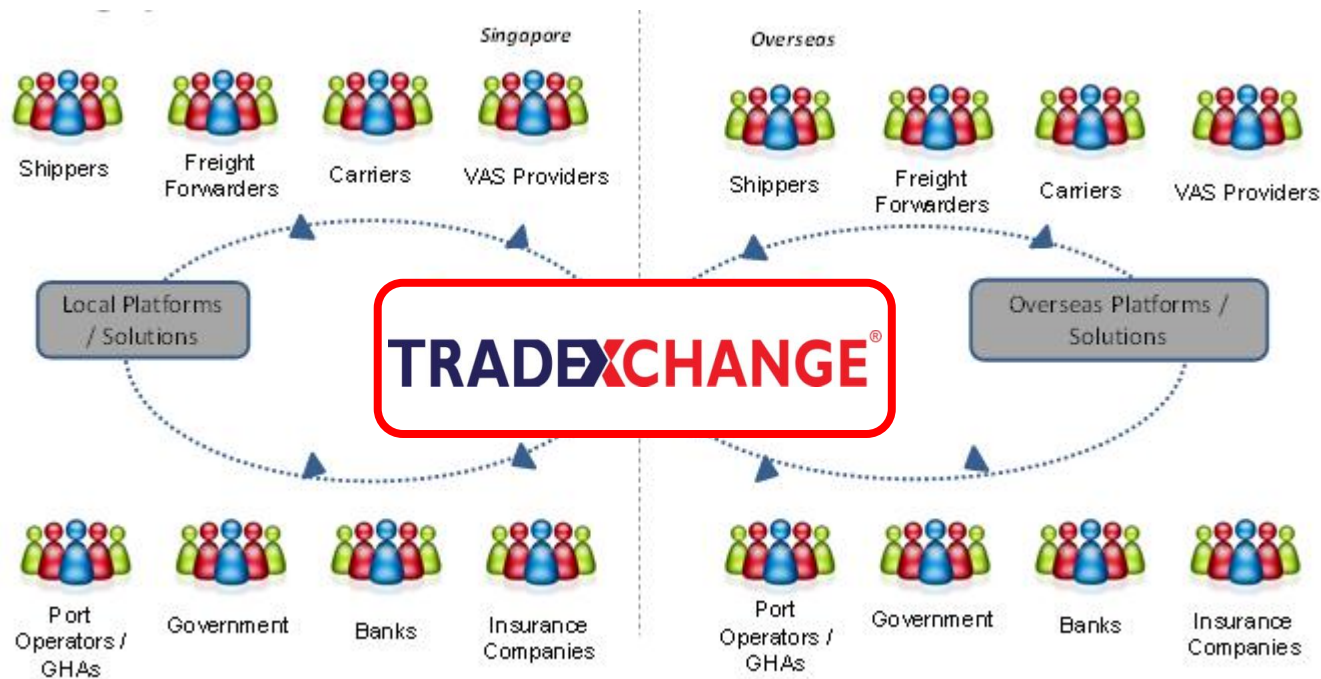
Waiver of TradeXchange Charges

For the period 1 April 2014 to end 2017, TradeXchange charges for subscription, downloading and uploading are waived for the following services

- Trade Permit Preparation
- eFreight@Singapore
- Data@Source



TradeXchange® will continue to evolve and support Singapore's infrastructure and cargo clearance



What can you do?

- Join the community to better collaborate with your partners
- Identify focus areas / processes for possible innovations



Thank You

For more information

www.tradexchange.gov.sg

tradexchange@crimsonlogic.com



SINGAPORE CUSTOMS

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Traders Satisfaction Survey



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Traders' Satisfaction Survey

- Measure customer satisfaction on areas such as Singapore Customs' engagement channels and interaction points

| Year | % of respondents who | |
|------------------|----------------------|--------------------------|
| | Are "Satisfied" | Are "Strongly Satisfied" |
| 2011 | 93.4% | 67.6% |
| 2012/2013 | 97.7% | 78.5% |



Traders' Satisfaction Survey

- Conducted online from mid July 2014 to end August 2014
- Engaged an external consultant, Aadvantage Consulting, to conduct it
- All feedback will be kept strictly confidential and will remain anonymous to Singapore Customs



Q&A

THANK YOU



We Make Trade Easy, Fair & Secure