



Compliance Best Practices

Sharing by Compliance Division





Singapore Customs encourages sound corporate governance & voluntary compliance by traders.

Adopt best practices & exercise due diligence to avoid being non-compliant with Singapore Customs' regulatory requirements.







Strategic Goods (Control) Act (SGCA)

- Maximum composition sum that can be levied on offenders is \$10,000 (per count).

Key offences:

- Section 5 of the SGCA:
 - Transfer of strategic goods without a valid strategic goods export (XO) permit
- *Section 6 (1) of the SGCA:*
 - Brokering of strategic goods without registering as a broker with Singapore Customs
- *Section 9 of the SGCA:*
 - Breach of condition of permit or registration





Do ..

- Read the information in the Strategic Goods Control (STGC) page on the SC website to determine if your products are controlled.
- Create an effective and robust Internal Compliance Programme (ICP)
- Keep permits, invoices, bills of lading/ air waybills, & other related documents for at least five years
- Develop a team of strategic goods control officers to ensure
 - compliance with regulatory requirements
 - be point of contact on strategic goods controlled exports / matters





Do Not ..

- Assume that your goods are not controlled
- Agree to cash payments where identity of the buyer and shipment routes are not normal.
- Engage in trade with
 - Dubious entities
 - Those listed in any sanctions or watch list,
 - Sanctioned or Weapons of mass destruction (WMD) related items





Free Trade Agreement – Rules of Origin (FTA-ROO)

- Regulations of Imports and Exports Act (RIEA) & Regulations of Imports and Exports Regulation (RIER)
- Maximum composition sum that can be levied on offenders is \$5,000
- Section 28 (1)(a) of the RIEA :
 - Penalty for false declaration
 - Incorrect trade descriptions
- *Regulation 24B (4) of the RIER:*
 - Failure to comply with requirements of the Director-General (DG) for the issue of Preferential Certificate of Origin (PCO)





Do ..

- Familiarise with the origin qualifying criteria for your products
- Ensure accurate and up-to-date manufacturing cost statements and production records of your products .
- Ensure retention of copies of certificate of origin (CO) & all supporting documents according to the time period stipulated in the respective FTAs.





Do ..

- Promptly accede to requests for documentation checks
- Allow access to your production facility by SC officers upon request
- Implement clear working procedures for notifying SC upon discovery of a possible error in origin declaration.





Do Not ..

- Make an origin declaration without ensuring the product meets the qualifying criteria
- Accede to requests from customers to make incorrect origin declaration.
- Re-label the country of origin on a product or its packaging.
- Include minimal processes when tabulating your regional value content (RVC) for FTAs with prescribed minimal processes .





Customs Act

- Maximum composition sum that can be levied on offenders is \$5,000 (per count).
- Section 27(1)(c) of the Customs Act:
 - Failure to comply with conditions imposed on removal of dutiable goods from customs control.
- *Section 128(1)(a) of the Customs Act:*
 - Makes /causes to be made, orally / in writing/ signs/causes to be signed any declaration, certificate or other document required by this Act, which is untrue or incorrect in any particular or which is incomplete by omitting any material particular therefrom.
- Section 128K(a) of the Customs Act:
 - Illegally removes or withdraws, or in any way assists or is concerned in the illegal removal or withdrawal of, any goods from customs control.





Do ..

- Conduct regular briefing sessions to remind staff and clients on LWS requirements
- Keep proper records of the time-in and time-out of any persons visiting the warehouse for the collection of goods.
- Remind the driver to proceed directly to the checkpoint and not stop en route at other locations to collect other goods.
- Container or the goods together with the relevant permits and supporting documents to be produced at the checkpoint for clearance.





Do ..

- Apply immediately for customs supervision of unstuffing when receiving a container sealed with Customs red seal.
- Apply to your Account Manager (AM) at Singapore Customs for operations such as repacking, survey and destruction etc.
- Apply for Customs supervision where necessary.





Do Not ..

- Remove any duty-unpaid goods from the designated storage area(s) without the proper permits.
- Break the Customs red seal & unstuff a container sealed with Customs red seal without any Customs approval.
- Store other types of goods (non-dutiable goods) in the designated storage area(s) meant for duty-unpaid goods. (Except for LW Type III licensees)
- Allow any unauthorised personnel to enter the storage area(s) meant for duty-unpaid goods.





Good Compliance Practices ..

- Declaring agents are encouraged to alert their importers immediately after the declaration of TradeNet permits with GF condition;
 - *Importer to ensure sufficient funds in his bank account for deduction before instructing the declaring agent to make the declaration.*





Good Compliance Practices ..

- Attend Singapore Customs Academy Courses and disseminate the information to the rest of your company staff.
- Conduct own due diligence checks (e.g. on business partners, end-users & end-use).
- Contact SC if in doubt





Voluntary Disclosure Programme (VDP)

- Individuals or companies to voluntarily come forward to disclose errors and omissions committed by them under laws and regulations administered and enforced by Singapore Customs.





Eligibility Criteria for the VDP

Disclosure must be:

- a. Complete with all the relevant information pertaining to the errors and omissions; &
- b. Made before notice or commencement of audit checks or investigations.



> Process

You are required to lodge your VDP submission using the VDP form. The following supporting documents should be attached to your submission:

- a. Permit;
- b. Invoice;
- c. Packing list;
- d. Bill of Lading or Air Waybill; and
- e. Other documents as applicable

Revised VDP Form:

<http://www.customs.gov.sg/leftNav/trad/Voluntary+Disclosure+Programme+%28VDP%29.htm>





Send your VDP submissions or queries to:

- customs_vdp@customs.gov.sg
- Fax at 6251 3227.
- Call Centre : 6355 2000

