

Overview of Singapore's Strategic Goods Control

12 July 2017



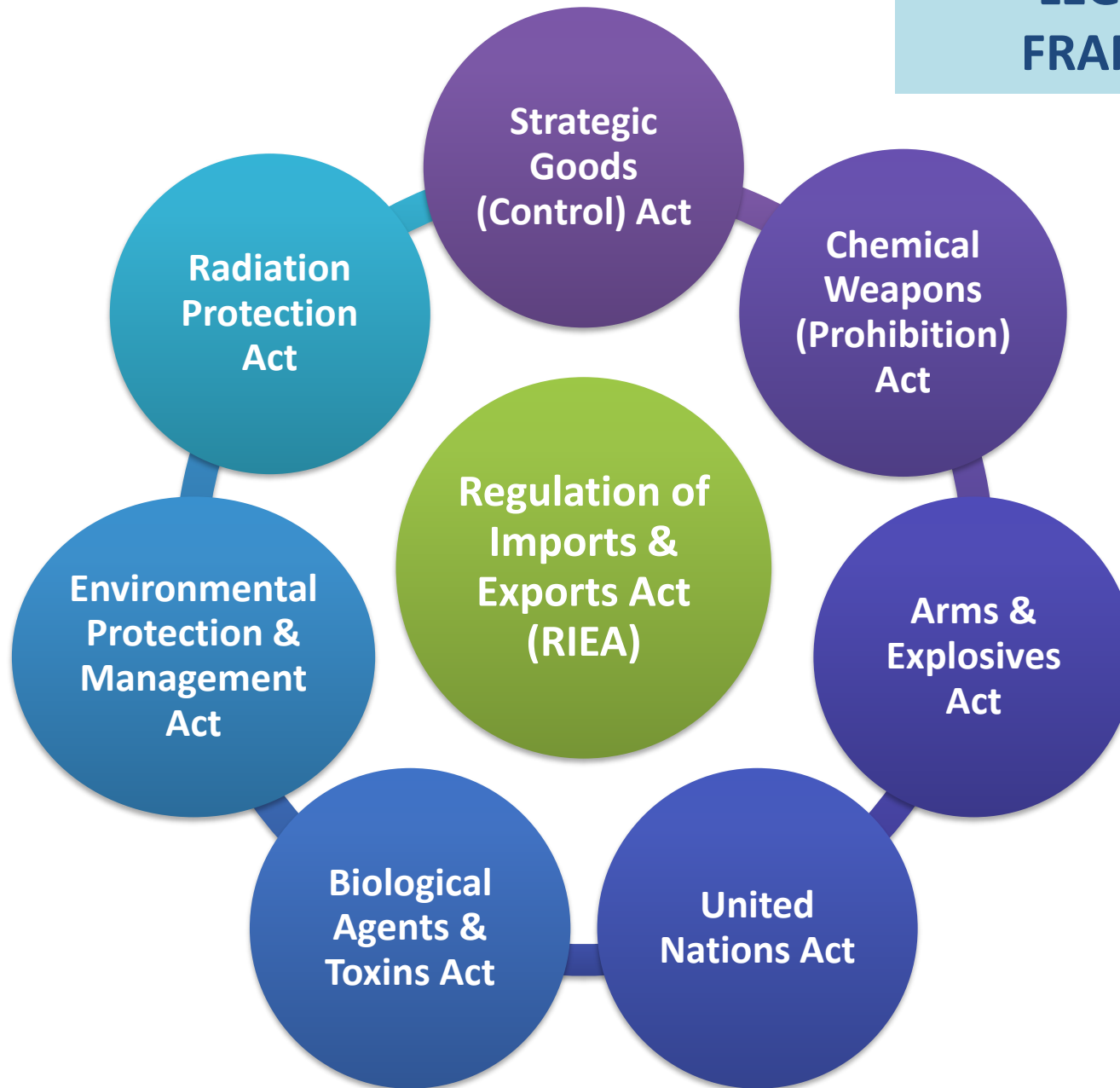
SINGAPORE CUSTOMS

We Make Trade Easy, Fair & Secure



- 1. Legislative Framework**
- 2. Controlled Transactions**
- 3. Permit / Registration Requirements**
- 4. Non-Compliance of SGCA Requirements**
- 5. Improving Self-Compliance**
- 6. Facilitative Scheme**
- 7. Useful References**





Strategic Goods (Control) Act

Strategic Goods
(Control)
Regulations



Fourth Schedule – Transshipment List
Fifth Schedule – Transit List

Strategic Goods
(Control)
Order



Munition List
Dual-Use List

Strategic Goods
(Control)
(Brokering)
Order



ML 1 - 4 & 8



Controlled Goods & Technology

Strategic goods & technology prescribed by the Min (T&I)

Strategic Goods (Control) Order

Goods and technology not prescribed, but you know/suspect/ have been notified, are intended or likely to be used for WMD purposes

'Catch-All'



Export*

- Foreign consignee
- **Local consignor**
- Export BL/AWB
- Goods are **loaded in SG**

Tranship*

- Foreign consignee
- **Foreign consignor**
- Through BL/AWB
- Goods are **loaded in SG**

Bring in Transit*

- Foreign consignee
- **Foreign consignor**
- Through BL/AWB
- Goods are **loaded overseas (freight on board)**

*Refer to the Strategic Goods (Control) Act for the full definition of the terms.



Intangible Transfer of Technology*

Electronic transmission of controlled technology **by a person in Singapore** such that the technology becomes **accessible** to a **person in a foreign country**

Brokering*

Arranging or negotiating a contract for the transfer of controlled goods/technology **from one foreign country to another foreign country**

***Refer to the Strategic Goods (Control) Act for the full definition of the terms.**



Transfers of Strategic Goods

- ❑ A strategic goods permit is required for the following:
 - ✓ Export of strategic goods and related technology listed in the Strategic Goods (Control) Order
 - ✓ Transshipment and transit of strategic goods and related technology listed in the 4th and 5th schedules of the Strategic Goods (Control) Regulations
 - ✓ Transshipment and transit of strategic goods and related technology (listed and catch-all) if they remain in the free trade zone for more than 21 days (by air) and 45 days (by sea).
 - ✓ Export, transshipment and transit of goods and technology known or suspected to be used for WMD purposes (Catch-all)



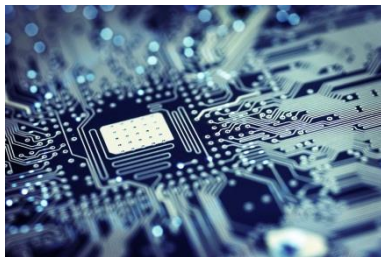
Brokering of Strategic Goods



Brokering

- Apply for a brokering **registration at least 14 days before** the brokering of items **listed in the Strategic Goods (Control) (Brokering) Order.**
- Apply for a **brokering permit for “catch-all” transactions**

Electronic Transmission of Controlled Technology



Intangible Transfer of Technology

- Apply for ITT permit together with supporting documents **at least 7 working days before** the transmission of strategic goods software or technology.



Example: Export of strategic goods without valid permit

Reasons:

- ❑ Lack of awareness that products were strategic goods
- ❑ Miscommunication/poor information flow between related parties
- ❑ Misassumption that originating country's license exemptions are also applicable to Singapore's regulatory requirements
- ❑ Deliberate intention to flout Singapore's laws

Case Example:

Freight Forwarder exported military electronic connectors without valid permit. Company was fined \$22,000 for offence under Sec 5(1)(a) of the SGCA



Copyright @Accenture. Pictures are for illustration purposes only and do not refer to the actual items

https://www.customs.gov.sg/~media/cus/files/business/strategic%20goods%20control/mediarelease_worldfreightagcweb1.pdf?la=en



Other Offences

Examples:

- Falsely declaring the identity of the item
- Failure to retain documents
- Failure to register as broker or comply with brokering registration requirements

Case Example:

Individuals were found to have brokered arms to Syria, and were sentenced to imprisonment for offence under Sec 6(1)(a) of the SGCA.



Image © exchange3d. Pictures are for illustration purposes only and do not refer to the actual items

https://www.customs.gov.sg/~/_media/cus/files/business/strategic%20goods%20control/pressrelease_11oct06.pdf?la=en





Best Practices

- Be updated on Customs Legislation and UNSC sanctions
- Be familiar with the export control (including re-export control) regulations of other countries
- Exercise due diligence on the control status and end-use of goods, and legitimacy of the entities.
- Have proper record keeping practices
- Self-disclose to Singapore Customs any cases of non-compliance



Red-Flags Awareness

- Customer whose identity is not clear or is reluctant to offer information on item's end-use
- Item ordered is incompatible with company's business or technical ability in country of destination
- Freight forwarding firm is listed as end-user
- Product does not fit buyer's business
- Cash for a sale that would normally require financing



Copyright @pixabay



Strategic Trade Scheme (STS)

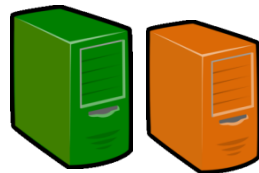
Individual Permit



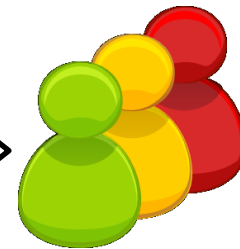
1 permit per shipment



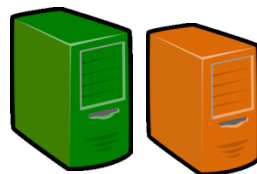
Bulk Permits



Pre-approval of multiple products to pre-approved consignees/ end-users



Approval by Specific Entities



Pre-approval of multiple products to pre-approved destinations

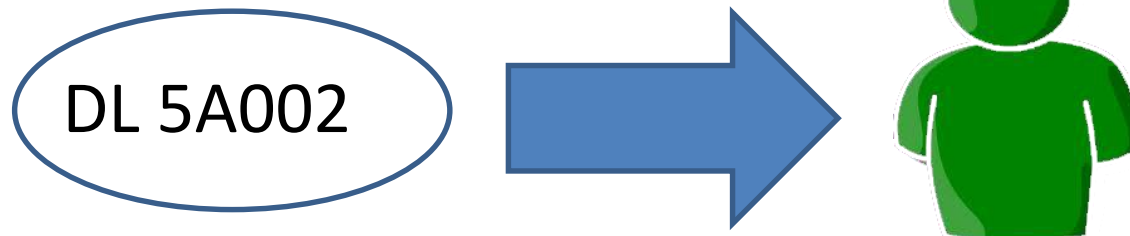


Approval by Countries of Destination



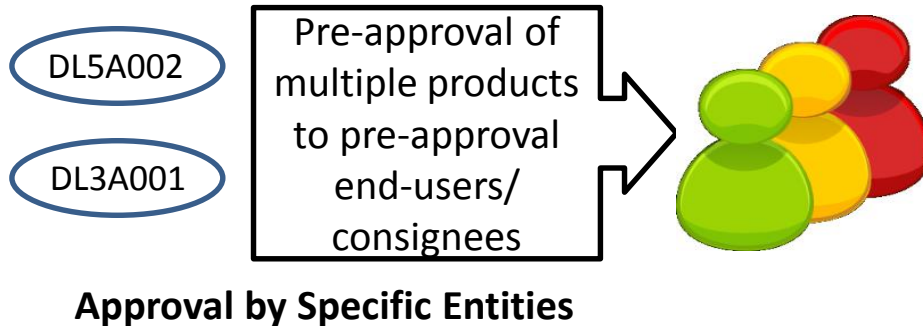
Strategic Trade Scheme (STS) Individual Permits

- ❑ Register with Singapore Customs
- ❑ Apply for a strategic goods permit together with supporting documents **at least 5 working days before** the transfer
- ❑ Should be taken up for transactions that fall under 'catch-all'

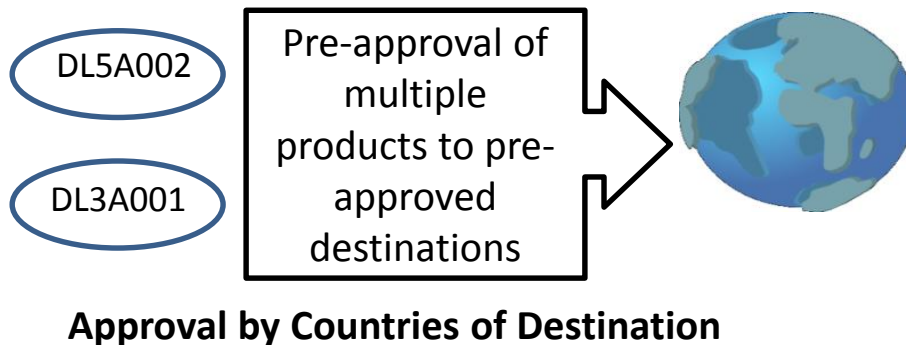


Strategic Trade Scheme (STS) Bulk Permit

Export/Re-Export/Tranship/ITT



Export/Re-Export/ITT



- Register with Singapore Customs
- Have good compliance records with Customs
- Implement an effective ICP (7 elements)
- Have minimum **'Enhanced'** Band under TradeFIRST
- With pre-approval granted, apply for permit **just prior** to every transfer

Customs Requirements & Schemes

- ❑ For more details on permits and registrations:
<https://www.customs.gov.sg/businesses/strategic-goods-control/permit-and-registration-requirements>

- ❑ For more details on STS bulk permit:
<https://www.customs.gov.sg/businesses/strategic-goods-control/permit-and-registration-requirements>

- ❑ For information on STS Handbook:
<https://www.customs.gov.sg/~media/cus/files/business/strategic%20goods%20control/2016-02-04%20sts%20handbook.pdf?la=en>



Customs Requirements & Schemes

- ❑ For more details on red flags, UNSC sanctions and unilateral sanctions:
<https://www.customs.gov.sg/businesses/strategic-goods-control/sanctioned-lists-and-red-flags>

- ❑ For more details on Voluntary Disclosure Programme:
<https://www.customs.gov.sg/businesses/compliance/voluntary-disclosure-programme>

- ❑ For more details on the determination on strategic goods:
<https://www.customs.gov.sg/businesses/strategic-goods-control/published-guidebooks>



**2016 Wassenaar
Arrangement
Munitions List**

**2016 European Union
Dual-Use List**

SGCO 2017

Effective 1 September 2017

**SGCR 4th
Schedule**

**SGCR 5th
Schedule**

SGCBO



Thank you

The information shared is for general reference only. It does not constitute legal or other professional advice in relation to any particular matter. It may not represent all the information that is available in relation to any particular issue, and the Government of the Republic of Singapore may vary or modify the policies and/or practices that have been referred to.

