

CATCH-ALL CONTROLS

Rapid globalisation and technological advances has not only facilitated cross border flow of goods and people, but also eased the building of deadly weapons. The real risk of nuclear, biological and chemical weapons falling into the wrong hands is mitigated with effective controls on cross border trade in strategic goods. In broad terms, strategic goods comprise munitions and sensitive dual use items/technology used for/in the development or production of weapons of mass destruction (WMD).

2. Singapore enacted the Strategic Goods Control Act in January 2003 as part of our international efforts to curb the proliferation of WMD. Strategic items/technology controlled in Singapore are listed in the Strategic Goods (Control) Order, the Fourth and Fifth Schedules of the Strategic Goods (Control) Regulations for transshipment and transit controlled items, and items listed in the Strategic Goods (Control) (Brokering) Order. Unlisted items or catch-all items are also controlled in Singapore.

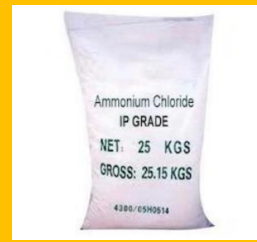
What is Catch-All Control?

3. Under the Strategic Goods Control Act, a 'relevant activity' or "catch-all" provision has also been incorporated to cover all goods and technology which are intended or likely to be used for WMD purposes. Catch-all control refers to the control of goods or technology which are not specified in the Strategic Goods Control Order, but are intended or likely to be used for nuclear, chemical or biological weapons purposes, including **missiles** which are capable of delivering any such weapon.

4. Catch-all controls

- Regulate items based on the end use and end user rather than based on listed types of items;
- Are applicable to all types of items, but are only triggered for those individual transactions where an end use or end user of concern is suspected;
- Can be applied outside the normal licensing process

For example, dual use items like steel pipes can be cut to specifications for use in bomb production; connectors or plugs can be used to connect pipes in a nuclear reactor for production of plutonium; ammonium chloride can be used to make missile propellant; and helium gas can be used to dilute uranium hexafluoride gas for uranium enrichment.



Why do we need to have “catch-all” controls?

5. To ensure the continued relevance of our enhanced controls to evolving technologies and weapons development programmes, we need to incorporate a blanket control, or “catch-all” on all goods that are likely to be used for WMD purposes. We need to be mindful that even basic components can be used in WMDs, and lower specification items can be upgraded to perform at higher specifications. As such, catch-all controls are necessary to ensure that items exported from Singapore do not end up in the wrong hands.

What are the catch-all permit requirements?

6. A **permit** is required to:
- a. export, tranship, or bring in transit any goods;
 - b. export any document in which any technology is recorded, stored, or embodied;
or
 - c. transmit any technology;
- if the person:
- i. has been notified by an authorised officer;
 - ii. knows; or
 - iii. has reasonable grounds to suspect,

that the goods or technology is intended or likely to be used, wholly or in part, for or in connection with the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of any nuclear, chemical or biological weapon; or the development, production, maintenance or storage of missiles which are capable of delivering any such weapon.

7. Similarly, a brokering permit is required for any electronic transmission of technology or brokering of goods or technology that are not listed in the Strategic Goods (Control) Order or the Strategic Goods (Control) (Brokering) Order, but are intended or likely to be used for WMD purposes. Prior to any transmission of controlled technology, an ITT permit must be submitted to Customs at least 7 working days before the intended transmission.

8. We share a common responsibility to prevent the proliferation of WMD. If you know or suspect the goods or technology is intended or likely to be used for such illicit purposes, you can inform Customs by taking up a “catch-all” permit for us to help you assess if the transaction is legitimate.

Best Practices for “Catch-All” Compliance

9. If you are wondering how to proceed to check if goods not listed in the Strategic Goods (Control) Order might be controlled under the “catch-all” provision, you should first:

- **SCREEN** all your customers and known end-users of your items against denied or sanctioned parties list prior to each sale. For such screenings, you can rely on third party software / website that performs screening against sanction lists or search the various government and United Nations sanctions website. If your screenings show that they have no WMD links, you can then proceed with the sale. For entities which are traced, take a closer look to see if they are of WMD proliferation risk.
- When in doubt, **ENQUIRE** more details on the end use of the items from your customers. You should be wary of customers who are evasive and unclear about how the product is going to be used. Chances are they might have something to hide from you.
- With the information at hand, **ASSESS** if the end use and end user are of any concern. Some useful questions to ask are whether the items’ capabilities are consistent with the buyers’ line of business (e.g. orders for CNC lathe machines for a firm dealing with IT servers).
- Next, always **INFORM** Customs if you know or suspect that your items may be or likely to be used for relevant activity. This is a good practice even if you decide not to conduct business with the potential customer overseas.
- If you have checked, assessed and are still unsure, you can **SUBMIT** to Customs an application to seek preliminary advice on strategic goods transaction before you sign any contracts or apply for a “catch-all” permit.

If you know or have reasonable grounds to suspect that the goods or technology which you are handling are likely to be controlled under the “catch-all” provision, you should gather the following information:

- *Consignee details*
- *Information on intermediaries*
- *Delivery information*
- *Item description and details (including the model or Chemical Abstracts Service (CAS) Registration Number)*
- *Technical Specification*

To inform Customs of such shipments, please email the information gathered to customs_stgc@customs.gov.sg and explain why you suspect that the shipment may be controlled under the “catch-all” provision.

Red Flags

10. Preventing proliferation is a duty we all share and exercising vigilance is key to making this world a safer place. A thorough review and impact assessment (i.e. due diligence) is essential to ensure that you comply with Singapore’s strategic goods control system. These are some examples of red flags you should look out for in the course of your business in terms of customer or end user:

- You are approached by a customer whose identity is not clear
- The customer is usually involved in military related business
- The customer or his address is similar to a party listed in the UNSC sanctioned entity list
- The customer has little or no business background
- The customer is reluctant to offer information about the end use of the goods
- The customer requests shipment or labelling of goods that are out of the norm
- The customer is unfamiliar with the products’ performance characteristics and end use but still wants to buy the product
- The customer declines routine installation, training, or maintenance services

11. These are the red flags in terms of end use or product:

- The delivery dates are vague

- The goods are planned for out of the way destinations
- The product capabilities do not fit the buyer's line of business (for example, an order for sophisticated computers for a small bakery)
- When questioned, the buyer is evasive and unclear about whether the product is for domestic use, export, or re-export
- The shipping route is abnormal for the product and destination
- The packaging is inconsistent with the stated method of shipment or destination
- Equipment is to be installed in an area under strict security control (for example an area in, or close to, military facilities, or an area where access is severely restricted), or in a suspicious or unusual location.

Penalties

12. Under Section 5(6) of the Strategic Goods (Control) Act, any person who fails to take up a strategic goods permit when required to is subjected to:
 - a fine of up to \$100,000 or 3 times the value of the goods (whichever is greater),
or
 - imprisonment for up to 2 years, or
 - bothfor the 1st conviction.
13. Harsher penalties are imposed for second or subsequent convictions.

Conclusion

14. All of us play a part in this large network of supply chain security. It is important that we assess our control systems internally and conduct due diligence on all transactions, so that we do not inadvertently contribute to any countries' WMD programmes or anyone's ill intentions. We can put into effect national systems and legislations to prevent the proliferation of WMD but ultimately, there is a need to contribute in our own capacity to make the world a safer place.