

Compliance Outreach to ZGS Warehouse Licensees



Dialogue Session,
23 Sep 2015

**SINGAPORE
CUSTOMS**

We Make Trade Easy, Fair & Secure



Overview

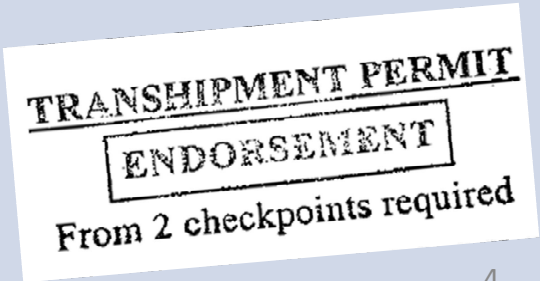
- ❖ Common Errors
- ❖ Customs Observations of ZGS Licensees
- ❖ Key Compliance Messages
- ❖ Responsibilities of Declaring Agents & Declarants
- ❖ Voluntary Disclosure Programme



Common Errors



Top Common Errors

Common Errors	Action Required	Suggested Improvements
<p>Failure to produce Customs permit and goods for 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 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. Put some form of reminder (consider multiple languages) on the permit in an obvious position e.g.
<p>Failure to produce Customs permit and goods for clearance at the 2nd checkpoint</p>		

Top Common Errors

Common Errors	Action Required	Suggested Improvements
Incorrect value	<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. 	<ol style="list-style-type: none"> a. Prepare the declaration based on the information as provided in the invoice(s). b. Use the prevailing Customs exchange rate if the invoice value is in foreign currency. 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. Avoid using default HS code and generic description. E.g. Using the HS code and generic description of “Parts” for specific products. HS code for “Parts” should be used only when there is no specific HS code available for the item description. c. Goods that are classified under different HS codes must be declared separately at item level. d. If in doubt, call the Classification Unit at 63552016

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
- Compliance Related Information
- Directorates of Service Providers
- Temporary Import Scheme
- Mobile Services
- Certificates of Origin / Rules of Origin
- TradeNet®
- Permits and Documentation
- Advance Export Declaration (AED)
- TradeFIRST
- Declaring Agent Governance Framework
- Secure Trade Partnership (STP)

Travellers

- Travel Advisory
- Customs Clearance Procedure
- Duty-free Concession and GST Relief
- GST Exemption for investment

Our Vision

A leading Customs that advances Singapore's economy by assuring the integrity of the trading system






What's New

CIRCULARS / NOTICES

- 31 Aug 2015
Advisory: Sharing of TradeNet® User ID is Not Allowed
- 28 Aug 2015
Advisory: Combating Terrorism Financing and Proliferation Financing
- 19 Aug 2015
Awareness Briefings on Changes to the Strategic Goods Control List

MEDIA RELEASES

- 14 July 2015
Company director fined \$434,000 for submitting false statements and declarations to Singapore Customs
- 16 June 2015
Three Singaporeans and one Indonesian charged for involvement in contraband cigarette activities

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eServices

- Select -
- QuickLinks for **Businesses**
- Select -
- QuickLinks for **Travellers**
- Select -

CUSTOMS EXCHANGE RATE AND CURRENCY CONVERTER

ONLINE Payment Services

SINGAPORE CUSTOMS ACADEMY

GUIDE TO CUSTOMS PROCEDURES (e-Learning)

TRADEXCHANGE®

Strategic Goods Control (STGC)

National Authority (Chemical Weapons Convention)

TradeFIRST

CLASSIFICATION OF GOODS

INS INC
singapore customs newsletter • may/june 2015

REPORT CUSTOMS OFFENCES



Top Common Errors

Common Errors	Action Required	Suggested Improvements
<p>Failure to return required permit/documents within stipulated time</p>	<p>1) Submit the Cargo Clearance Permit (CCP), commercial invoice(s) and BL(s)/AWB(s).</p> <p>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</p>	<p>a. Always check the permit conditions listed.</p> <p>b. Create a monitor and alert mechanism to track compliance with permit conditions.</p> <p>c. State the permit number in big and clear characters at a prominent place on the invoice(s) and BL(s)/AWB(s).</p> <p>d. Number all the pages you are going to submit.</p> <p>e. Ensure you receive an acknowledgement one working day after you have submitted the documents. Call Tel: 63552139 if you do not receive the acknowledgement.</p>

Customs Observations



Observations of ZGS Licensees

- Excess/under-declaration of quantity of goods moving into ZG warehouse 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)
- Storage of GST-paid cargo in ZG warehouse (for Type I)
- GST-suspended goods not labelled with Customs Lot Numbers (for Type I)
- WMS does not fulfil Customs requirements
- Lack of properly documented cargo handling SOPs
- Sharing of TradeNet® User-IDs and passwords

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, 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 ZG 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:

Singapore Customs homepage > Customs Schemes & Licences > Zero GST Warehouse Scheme



Where can I obtain more information on the Zero GST Scheme?

You may refer to "A Handbook for the Zero GST Scheme (June 2014 version)" ([PDF](#) 839 kb). Alternatively, should you need further clarification on the ZGS, you may contact Singapore Customs at our Call Centre number 6355 2000 or email us at customs_schemes@customs.gov.sg.

Offences and Penalties

<u>Offence</u>	<u>Penalty Upon Conviction</u>
<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.	A fine not exceeding \$5,000.
<i>Section 128(1)(a) of the Customs Act:</i> Making an incorrect declaration.	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.

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
- Verify all supporting documents provided by traders and ensure it is of authenticity.
- 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 Singapore Customs immediately at Tel: 1800-2330000, if you encounter any suspicious transactions.

Responsibilities of Declaring Agents & Declarants

With reference to Circular No. 11/2015, a reminder that sharing of TradeNet® User ID(s) and password(s) is NOT allowed.

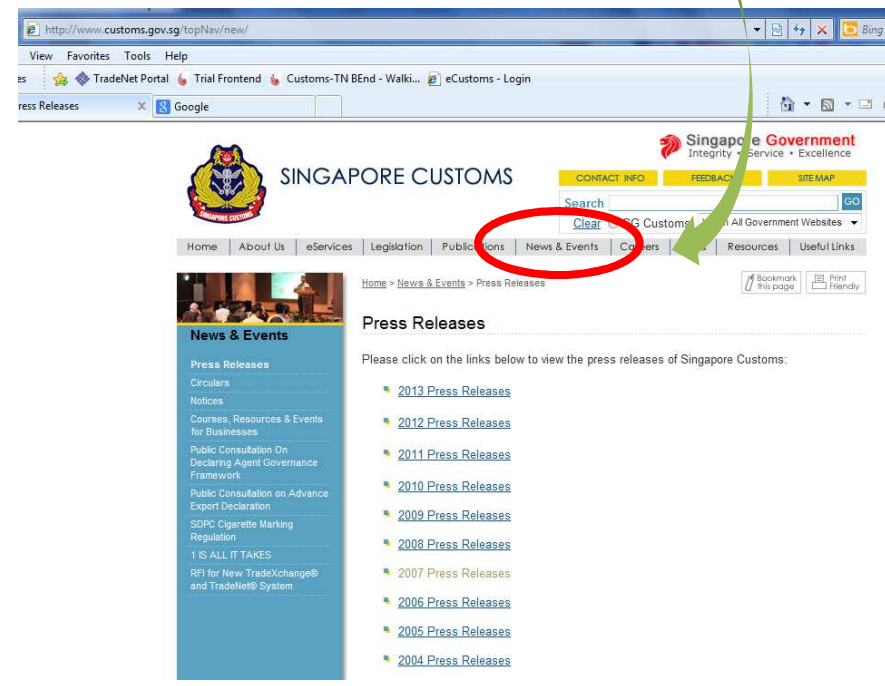
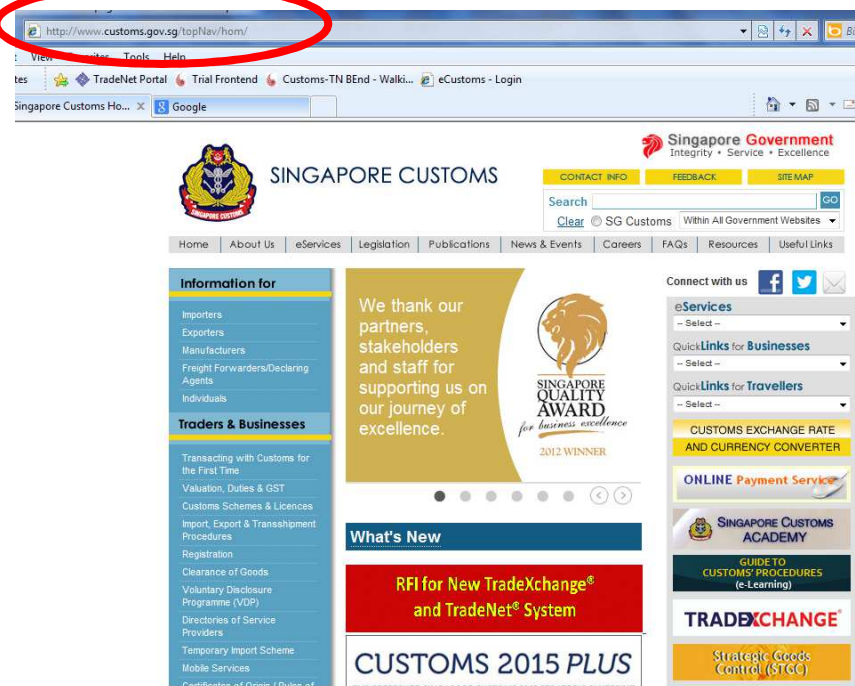
- As stipulated in Clause 9.6 of the “Terms and Conditions for Declaring Agents” and Clause 5.2 of the “Terms and Conditions for Declarants”:
 - A DA must ensure that the TradeNet® User ID(s) or password(s), which are assigned to its declarant(s), are personal to the declarant(s) and are not shared with others.
 - A declarant must maintain confidentiality of the User ID or password which is being assigned to him/her.
- Resources for more information on the DA and declarant registration under the DA Governance Framework:
 - Singapore Customs website.
 - Contact our call centre at 6355-2000 or
 - Email your enquiries to customs_documentation@customs.gov.sg.

Achieving Self-Compliance



Education & Outreach

- For more information on Customs procedures, please visit our website at : www.customs.gov.sg
- For latest updates on Customs requirements, please refer to our press releases, circulars and notices at: <http://www.customs.gov.sg/topNav/new/>



Education & Outreach

For more information on Compliance Related Information, visit our website at:

www.customs.gov.sg



The screenshot displays the Singapore Customs website. At the top, there is the Singapore Government logo with the tagline 'Integrity · Service · Excellence' and the Singapore Customs logo. A navigation menu includes 'Home', 'About Us', 'eServices', 'Legislation', 'Publications', 'News & Events', 'Careers', 'FAQs', 'Resources', and 'Useful Links'. A search bar is present with a 'GO' button and a dropdown menu set to 'SG Customs'. Below the navigation, there are utility icons for 'Bookmark this page' and 'Print Friendly'. The main content area is titled 'Compliance Related Information' and features a list of links: 'Overview', 'Self-Compliance', 'Post Clearance Audit', and 'Offences and Penalties'. The 'Overview' section contains text about Singapore's trade and customs laws, and a paragraph about the government's approach to compliance. A red circle highlights the 'Compliance Related Information' link in the left-hand navigation menu.

Education & Outreach



- Training courses organised by Singapore Customs Academy
- To equip traders with relevant knowledge in technical areas and regulatory requirements
- For more information, please refer to <http://www.customsacademy.gov.sg/reception-area.aspx>


Course List	
	SC 101 (2015) Customs Procedures This module seeks to give all declarants a better understanding on customs procedures pertaining to importation and exportation of goods as well as the requirements for preparing TradeNet declarations.
	SC 102 (2015) Classification and the Harmonised System This module seeks to give all participants a better understanding on the classification of goods and the Harmonised System.
	SC 103 (2015) Rules of Origin / Free Trade Agreements This module seeks to give all participants a better understanding on the certificate and rules of origin, the procedures for the application of a certificate of origin (CO) and the benefits of a CO.
	SC 201 (2015) Basics of Strategic Goods Control Seminar This module seeks to enhance the industry's awareness and understanding of Singapore's strategic goods control system.
	SC 202 (2015) Essentials of Internal (Export Control) Compliance Programme This module presents to participants details and requirements on Tier 2 and 3 permits as well as their application procedures.
	SC 111 Hands-on TradeNet® Declaration To provide new declarants who just entered the industry with the basic information on TradeNet®, the various message and declaration types. The guided practical session will help new declarants to prepare and submit a declaration.

Voluntary Disclosure Programme

<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.**

APPLICATION FOR VOLUNTARY DISCLOSURE				
<p>Instructions:</p> <p>(i) This form will take about 10 minutes to complete.</p> <p>(ii) You will need the following information for the form:</p> <ul style="list-style-type: none"> • UEN • Permit Details <p>(iii) Please complete this form and return it together with the required supporting documents (permit, invoice, packing list, B/L or A/W) and other documents as applicable.</p>				
		<p>SINGAPORE CUSTOMS 55 Newton Road #06-01 Revenue House Singapore 107987 Tel: 62552000 Fax: 62512227 E-mail: customs_vdp@customs.gov.sg http: http://www.customs.gov.sg</p>		
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 information given in this form is true and complete. <small>(Full name of authorized person) (Company Name)</small>				
Signature :		Company Stamp :		Date :
PART V: FOR OFFICIAL USE				
VDP Reference No. :			Date :	

Voluntary Disclosure Programme

- Make a disclosure via VDP immediately upon detection of an error and/or omission in your declaration
- Ensure that all information provided on the VDP form is accurate and concise
- Ensure that every section of the VDP application form is completed
- Ensure that VDP form and all supporting documents are submitted together and in order
- Inform Customs prior to submitting hard copies of the supporting documents by hand



THANK
YOU!

