

# MUTUAL RECOGNITION ARRANGEMENTS

## SECURING & FACILITATING SINGAPORE'S TRADE



Sep 2012

## Outline

- Singapore's approach on Supply Chain Security
- Mutual Recognition Arrangements
  - Korea
  - Canada
  - Japan
  - China

Copyright Singapore Customs. All Rights Reserved. 2

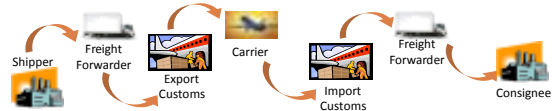
## Singapore's Approach

- Commitment to Implement the WCO SAFE Framework
  - Signed Letter of Intent in 2005
  - Robust risk-based approach & partnerships
- Total Supply Chain Security Approach
  - Implemented AEO programme (Secure Trade Partnership) in 2007
- Business Friendly Approach

Copyright Singapore Customs. All Rights Reserved. 3

## Total Supply Chain Security

- **Shared responsibility of supply chain stakeholders**
  - Synergy of strengths and measures
- **Mutual recognition**
  - Network of secured supply chains
- **Risk-based**
  - Checks and scanning where appropriate
- **Holistic**
  - Not just import only, includes export
- **Deterrence and resilience**



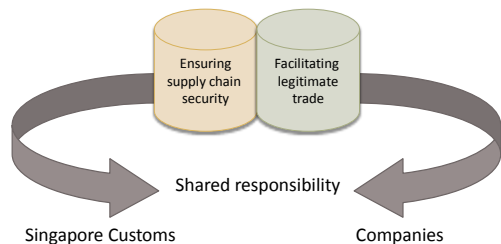
Copyright Singapore Customs. All Rights Reserved. 4

## Risk-Based Approach

- Optimise resources
- Implementation of the Advance Export declaration in 1 April 2013
- Plug a key gap in the supply chain
- Risk Profiling and Assessment
- Alternative to 100% Scanning

Copyright Singapore Customs. All Rights Reserved. 5

## Business Friendly Approach

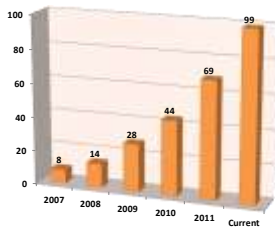


**Voluntary and Partnership approach**

Copyright Singapore Customs. All Rights Reserved. 6

## STP Today

### SECURE TRADE PARTNERSHIP SINGAPORE - CUSTOMS



Copyright Singapore Customs. All Rights Reserved. 7

## Mutual Recognition

- Under a mutual recognition arrangement (MRA), customs administrations mutually recognise each other's supply chain security programmes and customs control
- A network of MRAs will offer a more holistic approach in strengthening trade security across the global supply chain
- 19 MRAs in place globally

Copyright Singapore Customs. All Rights Reserved. 8

## Concluded MRAs

Date	Country
June 2007	New Zealand - USA
May 2008	Japan - New Zealand
June 2008	Canada - USA
June 2008	Jordan - USA
June 2009	Japan - USA
July 2009	EU - Norway*
July 2009	EU - Switzerland*
June 2010	Canada - Japan
June 2010	Canada - Korea
June 2010	Canada - Singapore
June 2010	EU - Japan
June 2010	Korea - Singapore
June 2010	Korea - USA
January 2011	Andorra - EU**
May 2011	Japan - Korea
June 2011	Korea - New Zealand
June 2011	Japan - Singapore
May 2012	EU - USA
June 2012	China - Singapore

Copyright Singapore Customs. All Rights Reserved. 9

## Benefits of Mutual Recognition



- Certified companies recognised as lower risk:
  - In addition to domestic facilitation, exports will have a lower or lesser chance of Customs intervention when imported at MRA partner ports
  - In the event of trade disruption, cargo from certified companies are likely to be cleared ahead of others when trade resumes

Copyright Singapore Customs. All Rights Reserved. 10

## Singapore's MR Discussions

- Concluded with:
  - Canada Border Services Agency, Partners in Protection (2010)
  - South Korea Customs Service, AEO Programme (2010)
  - Customs Administration of Japan, AEO Programme (2011)
  - China Customs, Measures on Classified Management of Enterprises (2012)
- Ongoing:
  - United States, Customs-Trade Partnership Against Terrorism

Copyright Singapore Customs. All Rights Reserved. 11

## MRA Implementation

Country	Signed in	Implemented in
Korea	25 June 2010	1 January 2011
Canada	25 June 2010	Pending Canada's system enhancement
Japan	25 June 2011	1 August 2011
China	30 June 2012	Pilot implementation in 1 September 2012 Involve China AEO registered under Guangzhou Customs & Guangzhou Nansha Seaport & Baiyun Airport . Target full implementation in 1 January 2013

Copyright Singapore Customs. All Rights Reserved. 12

## Korea-Singapore MRA

- Operationalized 1 Jan 2011
- Who stands to benefit:
  - ▣ STP Plus companies exporting to Korea
  - ▣ Singapore importers importing from a Korea AEO exporter

## Korea-Singapore MRA

### Import

- Check if Korean business partner is an AEO
- If yes, request for the KR AEO code and input in your TradeNet **import** permit declaration

### Export

- STP-Plus exporter: Provide your STP code to your Korean business partner for them to declare it in their **import** permit in Korea.

## Japan-Singapore MRA

- Operationalized 1 Aug 2011
- Who stands to benefit:
  - ▣ STP Plus exporters exporting to Japan
  - ▣ Singapore importers importing from a AEO exporter in Japan
  - ▣ Singapore exporters exporting to a AEO company in Japan

## Japan-Singapore MRA

### Import/ Export

- Check if Japanese business partner is an AEO
- If yes, request for the JP AEO code and input in your TradeNet **import/export** permit declaration

- STP-Plus companies: Provide your STP code to your Japanese business partner for them to declare in their **import/export** permits in Japan

## China-Singapore MRA (pilot)

- Pilot launched on 1 Sep 2012 to test and fine tune procedures
- Guangzhou Customs district - Nansha Seaport and Baiyun Airport
- Who stands to benefit:
  - ▣ STP Plus companies exporting to Nansha Seaport or Baiyun Airport in Guangzhou
  - ▣ Singapore importers importing from a China AEO registered under GZ Customs aka AA enterprise, 广州海关AEO企业, AA类企业

## China-Singapore MRA (pilot)

### Import

- Check if Chinese business partner is an China AEO registered under GZ Customs aka AA enterprise, 广州海关AEO企业, AA类企业
- If yes, request for China AEO code aka Customs registration code, 中国海关的10位海关编码 and input in your **import** TradeNet permit declaration

### Export

- STP-Plus exporter exporting to either Nansha seaport or Baiyun Airport: Provide your STP code to your Chinese business partner for them to declare it in their **import** permit in China