

## QUESTIONS AND ANSWERS FROM STS DIALOGUE ON 29 SEP 2011

### Questions pertaining to TradeNet® Version 4.1 and permit declarations

**Q1) Importers/Exporters always seemed to be the ones liable for any errors in the permit declarations. Since the Declaring Agents are the ones driving the process of permit declaration, to what extent are they responsible for errors in the declaration?**

A1: It is the onus of the importers and exporters to provide the correct information to the appointed declaring agents to submit the TradeNet® declarations. In the event of errors in the permit declaration, the liability of the parties involved will be assessed on a case-by-case basis.

**Q2) In TradeNet® 4.1, since STS Tier 2/3 permit holders can no longer declare their SGC and non-SGC goods in the same export declaration, does that mean that their SGC and non-SGC goods have to be packed separately as well? In addition, do STS Tier 2/3 permit holders need to prepare separate shipping documents such as the invoice and packing list for SGC and non-SGC goods? An example given was an STS Tier 3 permit holder needs to export a server that is non-SGC but there are SGC components/accessories to be exported together with this server.**

A2: Arising from the feedback provided during the STS Dialogue session, SC has decided to allow STS Tier 2/3 permit holders to declare both Tier 2/3 and non-SGC goods in the same export declaration. Thus, STS Tier 2/3 permit holders do not have to worry about the need to pack their goods separately or prepare separate shipping documents. For the declaration of non-SGC goods in the same STS Tier 2/3 declaration permit, please declare the information in a separate line item and leave the "CA/SC Product Code field" blank.

For example, if a STS Tier 3 permit holder submits a permit application for both SGC goods (with product code DL5A002 approved in Tier 3 permit no. T3U1234R01P) and non-SGC goods, the following should be declared:

CPC	PC1	PC2	PC3
STS	STS3	T3U1234R01P	

<b>Line item 1: CA/SC Product Code field</b>	Approved SGC Product Code
DL5A002	

<b>Line item 2: CA/SC Product Code field</b>	Leave Blank

\*Leave blank in the CA/SC Product Code field in Line item 2 for declaration of non-SGC goods

**Q3) What are the benefits for STS Tier 2/3 companies to submit separate declarations for SGC and non-SGC goods?**

A3: Please refer to the response to Q2. SC has decided to allow STS Tier 2/3 permit holders to declare both SGC and non-SGC goods in the same export declaration.

**Q4) It seems that many of our declaring agents are still unaware of the implementation of TradeNet® Version 4.1? Is SC conducting any outreach to declaring agents?**

A4: Yes, SC has conducted a series of outreach sessions for traders including declaring agents. Companies may wish to sign up for SC's outreach sessions via SC Website <http://www.customs.gov.sg/topNav/new/Courses+Resources+and+Events+for+Businesses/Outreach+sessions+for+Tradenet+version+4.1+and+AHTN2012.htmPSB>

**Q5) Will SC be providing a simple guide for declaring agents to comply in the new TradeNet® 4.1?**

A5: The outreach materials that are loaded on the SC website have provided an illustration of the change in the information to be submitted for STS Tier 2/3 applications.

**Q6) Currently, my company (Tier 3 permit holder) declares an OT permit to cover the export of my Tier 3 products that are moved from one FTZ to another FTZ. My Tier 3 permit number and product codes are stated in the "Trader's Remarks". With TradeNet® 4.1, how should my company declare such movement?**

A6: For exports of STS Tier 3 shipments involving the need to move the products from one FTZ to another (e.g. from KZ to CZ), your company should declare two separate permit applications as follows:

**1<sup>st</sup> permit:** Inter-gateway transshipment application (Message/Declaration Type: TNP-IGM) to account for the movement of the goods from KZ to CZ.

**2<sup>nd</sup> permit:** Outward permit application (Message/Declaration Type: OUT-DRT) without inter-gateway movement (in this example, the Place of Release and Place of Receipt = CZ).

**\*Note:** Please remember to fill in company's STS Tier 2/3 permit information accordingly into the respective fields as required under TradeNet® 4.1.

**Questions pertaining to Advance Export Declaration (AED)**

**Q7) If my freight forwarders are all RCAR certified but not STP certified, do my freight forwarders still need to declare export permits at least 1 hour before flight departure when AED is implemented?**

A7: An export declaration has to be submitted prior to export of all goods, regardless of whether the freight forwarders are RCAR certified or not. The 1 hr prior to flight departure is a guideline to ensure that SC has sufficient time to conduct effective risk assessment, so as to only select high risk goods for further checks.

**Q8) Is any penalty imposed on my company or my freight forwarder if my freight forwarder declares an export permit less than 1 hour (e.g. 15 mins) before flight departure when AED is implemented?**

A8: No, there will be no monetary penalty imposed on companies/freight forwarders if the export permit is declared past the recommended timeline, e.g. 15mins before flight departure. However, such cargo will have a much higher possibility of being subjected to checks when being lodged with port operators or ground handling agents. Further checks may result in a delay of cargo. Therefore, we strongly recommend that information is submitted as soon as it is available, before the cargo is lodged with the port operators or ground handling agents. This is to allow sufficient time for effective risk assessment of cargo, ensuring that that cargo would not be diverted for checks unnecessarily.

**Q9) What are the benefits of being in the Premium band or being a STS Tier2/3 permit holder or an STP-Plus company if company still have to declare an export permit at least 1 hour before flight departure? Is there any buffer or reduced penalty for these privileged companies?**

A9: We recognise that STP-certified companies are companies that are secure. Therefore, the cargos of STP-certified companies will be given a lower risk score and will have a lower probability of being selected for checks.

For STS Tier 2 and 3 companies, the full strategic goods declaration is still not required. In addition, unlike Tier 1 permits, Tier 2 and 3 permits need not be submitted 5 working days prior to export.

**Q10) Has SC considered the cost and impact to the industries by implementing AED?**

A10: Yes, SC has conducted extensive industry consultations since 2010 and has taken into consideration the feedback of various players of the supply chain on the impact, including costs. An inter-agency AED Taskforce (Ministry of Transport, Ministry of Trade & Industry, Economic Development Board, and SC) was formed earlier and the taskforce had conducted all three waves of industry consultations together.

From the various consultations conducted, we recognise that businesses may have to revise some processes, e.g. information, cargo flow. Therefore, we will provide ample lead time of about 1 year for companies to make their necessary work process changes prior to the start of the 18 months 'no penalty' implementation phase. This is to help companies adjust to and comply with the requirements, and also allow SC to monitor the implementation and review issues.

We would like to assure the industry that we have formulated our approach based on the principle of minimal impact to trade. In addition, we will continue to tweak the system to meet Singapore's twin objectives of facilitating as well as securing trade, and will seek further feedback after AED implementation to hear from businesses on the implementation/operational issues faced.

**Q11) Is there any platform where my company (an exporter) could feed cargo and shipping information to my freight forwarders or directly to SC for the purpose of permit declaration? This will help to streamline business processes and reduce the lead time for permit declaration, especially when AED is implemented.**

A11: All declarations are to be submitted through TradeNet®. It is possible for companies to extract the relevant information from their in-house system and establish a customised link to submit the information directly into TradeNet®. You may approach any of the TradeNet® front-end software vendors or CrimsonLogic (Singapore Customs' appointed operator for TradeNet) to help with the customisation.

#### **Questions pertaining to the STP programme**

**Q12) What importing benefits are there for STP-plus companies under the MRA?**

A12: STP-Plus companies will be recognised as low risk companies. Exports of STP-Plus companies will be accorded lower risk scores at the importing end, and thus experience expedited clearance or lower chance of customs' intervention at the MR partner's ports.

In fact, STP-Plus companies' imports are facilitated independent of any implemented MRAs. The STP-Plus companies' imports will be accorded lower risk scores by both SC and ICA, resulting in a smoother clearance process at Singapore's ports.