

List of questions and answers raised and discussed during the dialogue sessions with licensees and scheme holders on 1, 2, 4 and 11 Jul 2014

Topic: Advance Export Declaration (AED)

1. How will Customs advise shippers to meet AED requirements when shippers sell their goods under Ex-works incoterms? This is because Declaring Agents (DAs) are usually appointed by overseas customers, and shippers have no visibility on the information passed from the customers to the DAs.

Answer: The use of incoterms in commercial invoices is a commercial arrangement between companies and their business partners. Singapore Customs advises companies to review your business processes and improve your information flow and communications with your business partners so that export declarations can be submitted as early as possible. Please note that under the Regulation of Imports and Exports Regulations, the exporter is generally responsible for submitting the AED.

2. Are there any new updates or additional documents required for AED?

Answer: A hardcopy of the export permit is *not* required to be presented at the Customs-ICA checkpoints, *unless* there is a specific condition imposed on the permit. However, as a good practice, exporters/hauliers/forwarders should minimally have the permit number available upon cargo lodgement, in case there is any need for verification.

Please refer to

[http://www.customs.gov.sg/leftNav/trad/Advance+Export+Declaration+\(AED\).html](http://www.customs.gov.sg/leftNav/trad/Advance+Export+Declaration+(AED).html) for the latest information on AED. You may wish to subscribe to Singapore Customs' mailing list at <http://app.customs.gov.sg/subscribe.aspx>, select "Supply Chain Security", and complete the subscription for future preferred announcements.

3. In the event that there is no permit after the full implementation on 1 Oct 2014, will my cargo be able to leave the port?

Answer: Singapore Customs does not adopt a "do not load" approach to exports. Therefore, it is possible for an exporter to export their goods without submitting the declaration prior to export. However, if the export declaration has not been declared before the cargo arrives at the sea port or before the cargo is lodged with ground handling agents, it may be subjected to physical checks, which could result in delays.

If your cargo has been exported without a permit, you can inform Customs via the Voluntary Disclosure Programme (VDP):

<http://www.customs.gov.sg/leftNav/trad/Voluntary+Disclosure+Programme.html>

Please inform your Account Manager (AM) as well.

4. How will Singapore Customs know if the export permit has not been declared when the cargo arrives at the port?

Answer: Singapore Customs has established system linkages and put in place procedures with the port operators and ground handling agents so that, upon cargo arrival at the sea port and upon lodgement of cargo, they can receive Customs' decision on which cargoes need to be diverted for scanning. These linkages will thus enable us to determine if the export declaration has been submitted.

5. What are the penalties on AED non-compliance after the adjustment period?

Answer: After the adjustment period, which ends on 30 Sept 2014, all export declarations must be submitted before export. Companies submitting late declarations are liable to penalties.

6. Can Customs conduct more outreach to DAs as they do not seem to know the AED requirements?

Answer: We appreciate the feedback and will continue to keep DAs informed of AED requirements and updates.

Topic: TradeXchange

7. My company, which is a freight forwarding company, is interested in coming on board TradeXchange but we are hesitant because of the costs involved in setting up the necessary interface. Are there any subsidies available?

Answer: You may like to approach SPRING and/or IDA to find out more on the types of subsidies or grants available for companies keen on business enhancements. However, do be aware that there are certain qualifying requirements for the grant applications.

To elaborate, there may be different cost elements involved for different parties and services. You may wish to know that from 1 Apr 2014, the subscription and downloading fees for 3 of TradeXchange services, namely Trade Permit Preparation, eFreight @Singapore and Data @Source, have been waived.

As an illustration, for Trade Permit Preparation service, it is usually the shipper who has to bear the investment cost for system enhancements and developing the necessary interface with TradeXchange. The TradeNet front-end service providers connect to TradeXchange and download data to pre-populate the forms in their software. The cost to the freight forwarder is to engage the services of a TradeNet front-end service provider to connect to TradeXchange.

8. Freight forwarders have many customers who are Small Medium Enterprises (SMEs) and the investment cost to come onboard TradeXchange is a concern, is there any assistance to help the SMEs adopt TradeXchange?

Answer: TradeXchange has been evolving and we recognise that more can be done to help the SMEs. As explained in question 7, there may be some grants which the SMEs can apply for and each application would be assessed on a case-by-case basis.

You may also like to note that there are off-the-shelf softwares available for SMEs to assist them in connecting with TradeXchange. The list of software solutions has been published in the Customs website. You may refer to the link below for more information:

[http://www.customs.gov.sg/NR/rdonlyres/PDF/Listing%20of%20ICT%20Providers%20on%20OSC%20website%20\(16%20May%202014\).pdf](http://www.customs.gov.sg/NR/rdonlyres/PDF/Listing%20of%20ICT%20Providers%20on%20OSC%20website%20(16%20May%202014).pdf)

9. Shippers tend to encounter problems in obtaining Airway bill and having to chase for documents for FCA incoterms. Can Customs make it a mandatory requirement for DAs to return the shipping documents to exporters or waive the requirement for exporters to possess the documents?

Answer: You may wish to consider utilizing the “Permit Return” service available on TradeXchange which allows the shipper to receive the approved permit automatically and almost instantaneously through TradeXchange after the DA submits the permit declaration.

10. The shipper has no direct visibility over the permit declarations and subsequent status of the declarations made through ACCESS by the Air Express Companies (AECs). Can Customs do something about that?

Answer: There is a new ACCESS Return service coming up on TradeXchange which allows the shipper to receive the approved permit declaration made through ACCESS by the AECs. The new service is expected to be launched at a later date.

Topic: TradeFIRST

11. During the TradeFIRST renewal, how many checklists must be submitted if the company has two or more schemes with Customs?

Answer: Only one checklist is required. However, do take note of the scheme specific requirements. If in doubt, please clarify with your AM.

Topic: Strategic Trade Scheme

12. If the freight forwarder declared a normal permit instead of a Strategic Trade Scheme (STS) permit (as instructed by exporter) by mistake, who should be the party to declare a VDP?

Answer: The importer/exporter (or authorised declaring agent) can come forward to submit a voluntary disclosure for any errors/omissions committed by them. The disclosure must be made before notice or commencement of audit checks and investigations.

13. What is the range of penalties under the Strategic Goods Control Act?

Answer: This is dependent on the legislations guiding the Act, and on a case by case basis.

Topic: Licensed Warehouse/Zero-GST Warehouse Licences

14. My company is planning to relocate our warehouse, but unfortunately, as the lease expiry is nearing, we do not have time to prepare the new warehouse for the supplementary assessment.

Answer: Licensees are encouraged to keep their respective AMs informed of any *intention* to relocate their licensed warehouses in advance, and the progress of the relocation subsequently. As Customs needs to assess the suitability of the new warehouse prior granting of approval, we seek your understanding to give reasonable time for Customs to process your request.

Topic: Petroleum Licences

15. When will the proposed monthly essential fuels report be implemented?

Answer: One of the objectives of the dialogue session is to solicit feedback on the proposed monthly essential fuels report. After consolidation and consideration of all the feedback, Customs will share with all petroleum licensees the new template and give ample notice of its implementation date.

16. Licensees have to update Customs whenever there is a change in operating procedures, inventory system and tank status. Please elaborate on what sort of changes Customs is referring to.

Answer: Licensees have to update Customs whenever there are changes to operations/procedures relating to Customs scheme/matter (e.g. when there is a change in operations involving the finished products, their storage and in/out movements). For changes involving the refining process and which have no impact to any Customs

scheme/matter, they are not required to be reported to Customs. As for tank status, licensees have to update Customs when changing the tank from a bonded to non-bonded status and vice versa.

17. Is the petroleum industry exempted from AED? Is export by road truck exempted from AED?

Answer: As per current practice, declaration for the export of bulk petroleum products and chemicals by sea through a petroleum licensee's berth, are to be made by the tenth working day after the date of departure of the vessel.

For other exports such as by means of truck via the land checkpoints, an export permit has to be presented at the checkpoint for clearance.

Topic: Compliance

18. How long does an investigation usually take?

Answer: This is dependent on the complexity of each case.