

Questions and Answers raised during the STP dialogues held on 20 and 21 Sep 2012

Q1) Regarding clearance facilitation for STP and STP Plus companies, why can't SC recognise and accord the facilitation based on the specific UEN of the certified company that is declared in the permit, instead of having to declare another STP/AEO code.

The possibility of relying on the UEN of certified companies declared in the permit alone to accord the facilitation was considered by SC when we initially developed the operational procedures. However, UEN can be easily searched on public domains, such as the ACRA website. This may pose certain risks for abuse if someone gets hold on the UEN of an STP or STP-plus company and submits a false declaration. Hence, SC assigned a unique STP code to each STP/STP Plus company to act an additional layer of protection for STP and STP-Plus companies.

Q2) Do our MR partners do their part in communicating to their companies to declare our STP-Plus codes in their system to enjoy the facilitation?

Yes. Before every MRA is operationalised, both MR partners would have their own means of communicating the operational details to their respective companies, for example circulars or notices.. These circulars or notices would be vetted and approved by both countries to ensure consistency.

Q3) How do we (a STP/STP Plus company) input other companies' AEO codes in the permit if we already have our own code?

The TradeNET allows up to 5 occurrences under the CPC, PC1 and PC2 fields. Hence, your company can input both your STP code as well as your foreign business partner's AEO code in the permit.

Q4) If we (a STP/STP Plus company) use a freight forwarder who does the permit declaration for us, whose codes should my freight forwarder be declaring if my freight forwarder and my company both have an STP code?

If your company is the importer/exporter on records, your freight forwarder should declare your company's STP code in the permit. Your freight forwarder can also declare its STP code in the permit as the second occurrence under the CPC, PC1 and PC2 fields. Thus, both your company's and your freight forwarder's STP codes can be declared together in the permit.

Q5) If we are a STP freight forwarder, can I declare my STP code for my customers who are not STP or STP Plus certified?

No. You should not use your STP code for your customers if you are not the Importer or Exporter on records. However, if your customer is also an STP or STP Plus company and it is the Importer/Exporter on records, you can declare both your STP code and your customer's STP code in the permit.

Q6) For the MRA pilot implementation with China, can my shipments (from a STP Plus company) to other ports/airports in China be recognised and be facilitated as well?

No. Since the pilot implementation with China only involves 2 ports in Guangzhou i.e. Nansha seaport or Baiyun airport, your shipment to other ports or airports in China will not be recognised as AEO shipments. You can only enjoy the MR benefits in China after the full implementation which we target to achieve in January 2013.

Q7) Can SC quantify the benefits received from the MRAs that are signed?

SC noted that currently, not many companies have made use of the MRAs that SC has signed. For instance, companies have not been declaring its STP code or their foreign business partner's AEO code in their permits. If the codes are not declared in the permit, SC or our MR partners will not be able to identify such shipments as AEO/STP and these shipments will not be accorded with the appropriate facilitation by Customs.

Without the codes being declared in the permits, companies may not see any benefits from the MRA and thus, it will be difficult for SC and our MR partners to quantify these benefits. Therefore, companies are strongly encouraged to make use of the AEO/STP codes given and declare them in the permits to obtain the benefits.

In addition, SC is also working with the World Customs Organisation and our MR partners to study AEO and MR benefits.

Q8) Has SC downgraded or removed any company's STP or STP Plus status before? Can these companies re-apply for the STP programme?

Yes. SC takes a serious stand if our STP and STP Plus companies do not meet our minimum standards and compliance. There have been cases where SC downgraded or suspended companies that fail to meet the requirements during the site validations. Some companies have neglected on maintaining their security standards and compliance after getting their STP certification. If the STP/STP Plus company has serious non-compliance issues, SC will not hesitate suspend or remove the company from the programme.

If a company is removed from the programme due to serious non-compliance offence committed, the company will not be allowed to re-apply for the programme in the next 5 years. If the company is removed from the programme due to failing to meet the minimum security standards, the company can re-apply once it has shown its commitment and have made improvements to strengthen its operations and supply chain.