

# Compliance Across the Supply Chain

Best Practices for  
Shipping Goods via  
Freight Forwarders  
and Agents



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CUSTOMS**

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# Content

- Introduction:
  - Common Non-Compliance Areas
- Compliance Best Practices
  - The Dos and Don'ts
  - Self-Compliance
  - Resources available



# Common Causes for Non-Compliance



# Common Causes for Non-Compliance

- **Lack of awareness** that products are strategic goods
- **Miscommunication/poor information flow** between related parties
- **Misconception** that originating country's license exemptions are also applicable to Singapore's regulatory requirements
- **Deliberate intention** to flout Singapore's laws



# Common Types of Permit Applications Issues

- **Apply** for individual strategic goods permits **less than 5 working days** in ahead of shipment
- **Use wrong version** of control list
- **Vague descriptions** in permit application
- **Ignored** permit conditions



# Risks Faced for Non-Compliance

**Shipment delays** without proper documentation approved at export/transshipment/transit ports

**Reputational damage** for non-fulfilment of sales contract

**Negative publicity** to be associated with any strategic trade control related offences

Pay **hefty penalties** for non-compliance and possible **ban** for future shipments

If convicted, entity would be listed in various **denial lists**





# Best Practices





# Compliance Best Practices

- **Conduct due-diligence** checks on your **customers & end-users**
  - ✓ E.g. check if they are sanctioned by the United Nations Security Council or if they raise any red flags to suggest an illegal transaction
- **Read through documents** carefully to identify possible controlled items
  - ✓ Guide on determination of strategic goods: [www.customs.gov.sg](http://www.customs.gov.sg)  
-> Businesses -> Strategic Goods Control -> Strategic Goods Control List -> **Determination of Strategic Goods**
  - ✓ If you are unsure of the product classification, you may approach Customs for assistance:  
**customs\_classification@customs.gov.sg**







# Compliance Best Practices

- **Know the contents** you are exporting/bringing in transit/transshipping/ brokering/ engaging in ITT for each consignment **by clarifying with the relevant parties**
- **Promptly inform Singapore Customs** if there is any **change in your company's particulars**, to ensure timely updates on any changes in regulatory procedures
- **Comply** with licensing / registration **conditions**
  - ✓ E.g. submission of half-yearly report on brokering activities
- **Retain documents** for a period of **at least 5 years**





# Compliance Best Practices (Declaring Agents)

- **Read through documents** carefully to identify possible controlled items
  - ✓ E.g. Invoice indicate a SGCO product code or ECCN
  - ✓ E.g. Item description indicates that it may be controlled such as integrated circuits
- **Ensure** that you have **all documents** for permit declaration
  - ✓ E.g. invoice, packing list, air way bill/ bill of lading draft, End-User Statement and export license (if applicable)
- **Check with the relevant parties** if you are unsure of the **permit details** or have detected discrepancies
- **Implement clear working procedures** for notifying Customs upon discovery of a possible error in declaration
  - ✓ For changes in non-amendable permit fields, to self-disclose to Customs





# Compliance Best Practices (Freight Forwarders)

- **To ensure compliance** with Customs legislation when acting as a customer-appointed freight forwarder in ex-works shipments
- **Comply** with clearance requirement
  - ✓ E.g. present the permit and goods for endorsement at the checkpoint if required



# What Should You Do?

## Check

- Check transport routes and ascertain if your goods require **export, transit or transshipment authorizations**.

## Label

- Visibly label **all strategic goods traded internationally** with export control classification numbers in trade documents – invoices, packing list, bills of lading.

## Inform

- Inform your freight forwarder that **permits may be required** when such goods **export, transship or transit** through various ports.

## Provide

- Provide your freight forwarders with the corresponding **export control classification numbers** or **technical specifications**, if necessary.

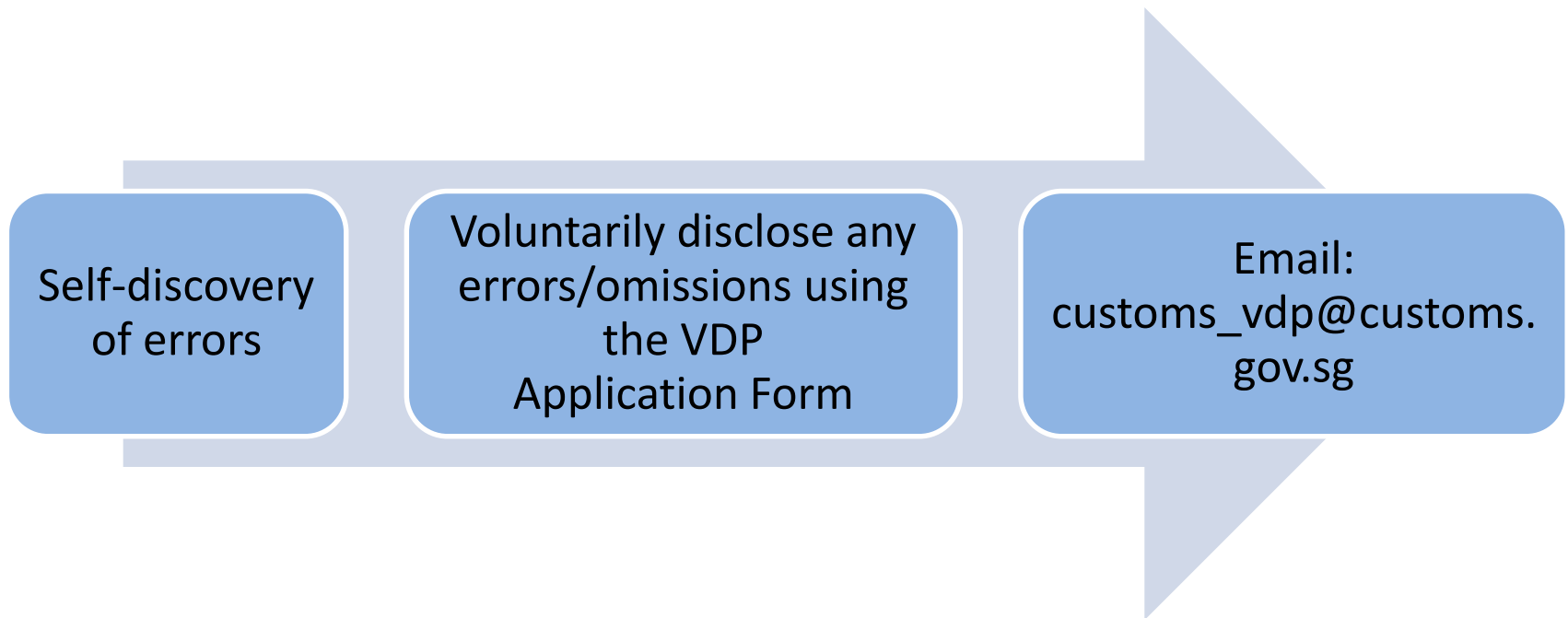
## Cooperate

- Be cooperative and transparent in supplying **end-use information**.



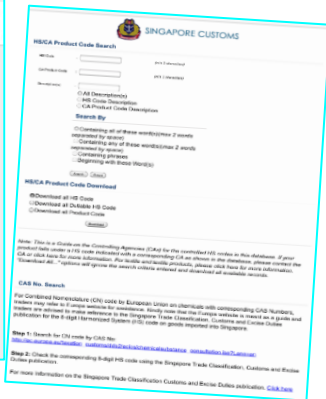
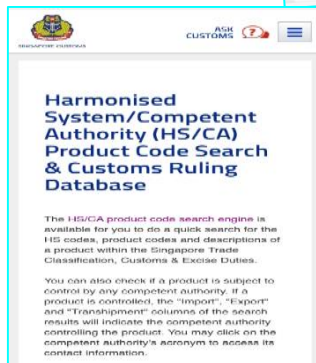
# Voluntary Disclosure To Customs

- VDP is for individuals or companies to voluntarily disclose errors/omissions committed by them under the laws and regulations administered and enforced by Singapore Customs



# REFERENCES (Regulatory Requirements)

- <https://www.customs.gov.sg/about-us/acts-and-subsidary-legislation>
- <https://www.customs.gov.sg/businesses/exporting-goods/quick-guide-for-exporters>
- <https://www.customs.gov.sg/businesses/exporting-goods/controlled-and-prohibited-goods-for-export>
- <https://www.customs.gov.sg/businesses/importing-goods/quick-guide-for-importers>
- <https://www.customs.gov.sg/businesses/importing-goods/controlled-and-prohibited-goods-for-import#controlled>
- <https://www.customs.gov.sg/businesses/harmonize-d-system-hs-classification-of-goods/resources/harmonized-system-competent-authority-product-code-search>
- <https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/tradefirst>

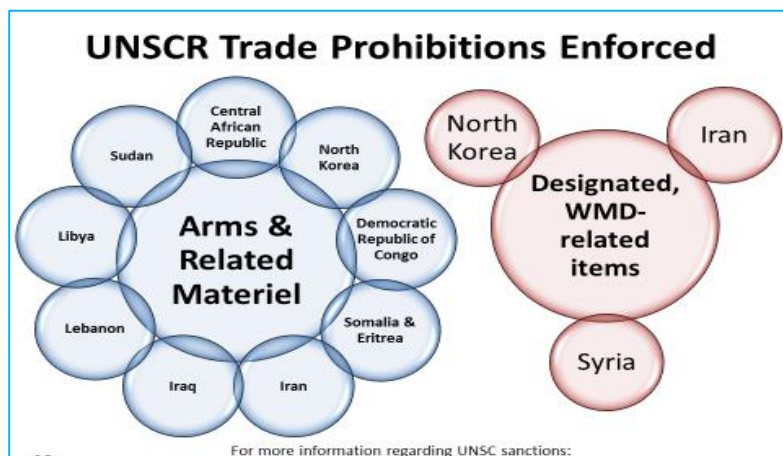
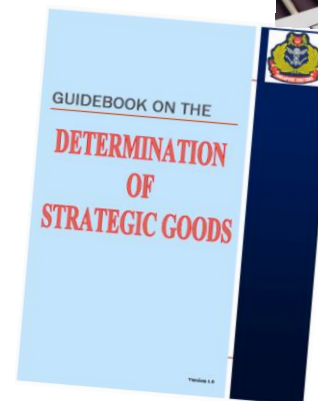
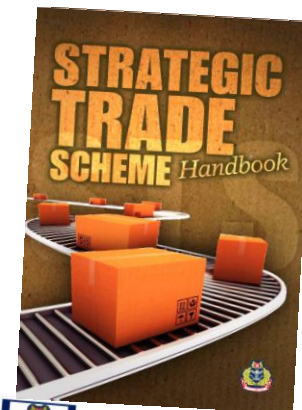


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# REFERENCES

## (Regulatory Requirements – cont'd)

- <https://www.customs.gov.sg/about-us/national-single-window/tradenet/competent-authorities-requirements-for-controlled-items/strategic-goods-control>
- <https://www.customs.gov.sg/businesses/strategic-goods-control/permit-and-registration-requirements/individual-permit-export-transshipment-and-transit>
- <https://www.customs.gov.sg/businesses/strategic-goods-control/published-guidebooks>



[www.customs.gov.sg/businesses/united-nations-security-council-sanctions](https://www.customs.gov.sg/businesses/united-nations-security-council-sanctions)



# REFERENCES (Red Flags)

<https://www.customs.gov.sg/businesses/strategic-goods-control/sanctioned-lists-and-red-flags>



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## Sanctioned Lists and Red Flags

### United Nations Security Council (UNSC) Sanctions

As a member of the United Nations, Singapore implements the **Resolutions** passed by the United Nations Security Council (UNSC) through our domestic laws. These include arms embargoes and sanctions on missiles or nuclear related goods. Activities which contravene the decisions of the United Nations Security Council (UNSC) in their Resolutions are prohibited.

Please refer to the **United Nations Security Sanctions** page for more information.

You are also advised to look out for **red flags** to ensure your trading activities comply with Singapore's domestic laws and the UNSC Resolutions. Please note Singapore does not enforce **unilateral sanctions** imposed by other countries.




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## Red Flags

Every member in the trading community plays an important role in ensuring that their goods are not used for the proliferation of weapons of mass destruction.

It is important to know your customer and the end-use application of your product or the strategic goods you are dealing with to ensure your business activities comply with Singapore's laws and the UNSC Resolutions and do not pose a threat to global security.

Below is a checklist to help you identify potential warning signs to avoid engaging in illegal strategic goods or UNSC prohibited transactions.



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## Things to Look Out For

### What You Need To Know About Nuclear Materials

Nuclear materials are highly toxic and hazardous. Below is a list of things you should know before you trade or ship nuclear materials.

## Things to Look Out For

### Unilateral Sanctioned Lists

In addition to **United Nations Security Council (UNSC) sanctions**, certain countries also impose unilateral sanctions.

While Singapore does not enforce the laws of other countries, parties in Singapore may be affected by unilateral sanctions imposed by other countries as they may have extraterritorial implications.





# REFERENCES (News, Courses & Events)

## CIRCULARS / MEDIA RELEASES

- <https://www.customs.gov.sg/news-and-media/circulars>



- <https://www.customs.gov.sg/news-and-media/media-releases>



## COURSES & EVENTS

- <https://www.customs.gov.sg/businesses/resources/courses-and-events>

**Courses for Businesses**

Title	Description	Related Link
SC 101 - 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.	Web Link
SC 102 - Classification and the Harmonized System	This module seeks to give all participants a better understanding on the classification of goods and the Harmonized System.	Web Link
SC 103 - Rules of Origin/Free	This module seeks to give all	Web Link

**TradeNet declaration.**

**SC 201 - Basics of Strategic Goods Control Seminar**

This module seeks to enhance the industry's awareness and understanding of Singapore's strategic goods control system, the Strategic Goods (Control) Act (SGCA) and its regulations, as well as the registration procedures and permit requirements for strategic goods transactions.

**SC 202 - Essentials of Internal (Export Control) Compliance Seminar**

This module presents to participants details and requirements on Strategic Trade Scheme (STS) Bulk Permit as well as their application procedures.

**Upcoming Events**

Date	Title	Related Link
20 Jul 2017	Joint Industry Outreach Seminar on Strategic Trade Management	Web Link
12 Jul 2017	Strategic Goods (Control) Order (SGCO) Awareness Briefing and Wassenaar Arrangement (WA) Outreach Seminar 2017	Web Link

**Past Events**

Date	Title	Related Link
9 Sep 2016	Joint Industry Outreach Seminar on Strategic Trade Management	Web Link
22 Jan 2016	Joint Industry Outreach	Web Link



# REFERENCES (Useful Links)

- <https://www.customs.gov.sg/businesses/strategic-goods-control/useful-links>



**Useful Links**

**Multilateral Export Control Regimes**

- Australia Group (AG)
- Missile Technology Control Regime (MTCR)
- Nuclear Suppliers Group (NSG)
- Wassenaar Arrangement (WA)

**International Organisations**

- Biological and Toxin Weapons Convention (BTWC)
- Chemical Weapons Convention (CWC)
- Nuclear Non-Proliferation Treaty (NPT)
- UN Register of Conventional Arms
- United Nations Security Council (UNSC) Resolutions
- United Nations Security Council (UNSC) Sanctions Committees
- United Nations Security Council (UNSC) Consolidated Sanctions List
- World Health Organisation: Laboratory Biosafety Manual



**Foreign Government Agencies**

**Australia**

- Australian Customs
- Australian Defence Export Control Office
- Australian Safeguards and Non-Proliferation Office

**Canada**

- Department of Foreign Affairs and International Trade (Export and Import Controls Bureau)
- The Controlled Goods Program

**China**

- Ministry of Foreign Affairs of the People's Republic of China (Disarmament and Arms Control)
- Regulations on export control of missiles, missile-related items and technologies

**Germany**

- The Federal Office of Economics and Export Control (BAFA)

**Hong Kong Special Administrative Region of the People's Republic of China**

- Import and Export (Strategic Commodities) Regulations
- Strategic Commodities Control System, Trade and Industry Department
- The Government of the Hong Kong Special Administration Region of the People's Republic of China



**India**

- The Government of the Hong Kong Special Administration Region of the People's Republic of China

**Japan**

- Central Board of Excise and Customs

**Malaysia**

- Ministry of International Trade and Industry

**New Zealand**

- Ministry of Foreign Affairs and Trade
- Trading Weapons and Controlled Chemicals (Export Control)

**Taiwan**

- Bureau of Foreign Trade, Ministry of Economic Affairs
- Ministry of Finance - Directorate General of Customs

**United Kingdom**

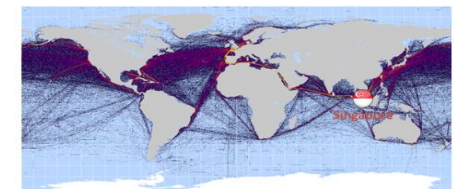
- Department for Business Innovation & Skills
- Foreign Commonwealth Office



**United States of America**

- US Department of State (Bureau of International Security and Nonproliferation)
- US Department of State (Directorate of Defense Trade Controls)
- US Department of Commerce (Bureau of Industry and Security)
- US Export Administration Regulations
- US Department of Homeland Security (Bureau of Customs and Border Protection)
- US Department of Homeland Security (Bureau of Immigration and Customs Enforcement)
- US Department of Energy (National Nuclear Security Administration)
- US Department of Defense (Defense Threat Reduction Agency)
- US Department of the Treasury (Office of Foreign Assets Control)
- Container Security Initiative

## Singapore: Global Hub Port



# CONTACT US

Non-compliance for Strategic Goods  
related matters:

1800 233 0000

Any other enquiries for Strategic Goods  
related matters:

[www.customs.gov.sg/businesses/strategic-goods-control/overview](http://www.customs.gov.sg/businesses/strategic-goods-control/overview)

or

[CUSTOMS\\_STGC@customs.gov.sg](mailto:CUSTOMS_STGC@customs.gov.sg)



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# THANK YOU

