

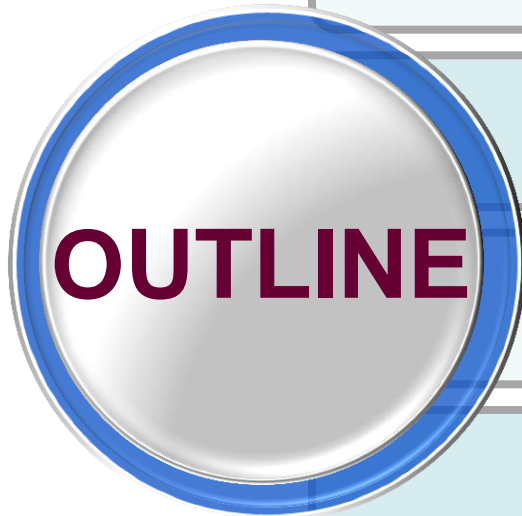


FREE TRADE AGREEMENTS / RULES OF ORIGIN

*Presented by
Rules of Origin Section
Tariffs & Trade Services Branch*

Singapore Customs

We Make Trade Easy, Fair and Secure



Free Trade Agreement

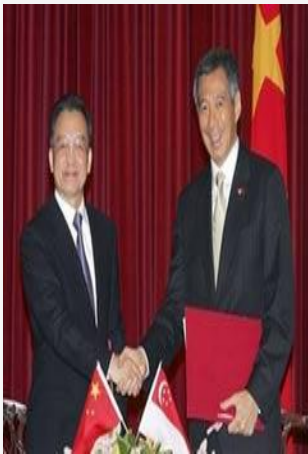
Rules of Origin

Certificate of Origin

Compliance



Free Trade Agreement



Legal binding agreement between two or more countries to reduce / eliminate barriers to trade in & facilitate cross border movement of goods/services.



Singapore's FTA Network

18 FTAs In Force



ASEAN
(AFTA)



ASEAN-China
(ACFTA)



ASEAN-Japan
(AJCEP)



ASEAN-Korea
(AKFTA)



ASEAN-Australia-NZ
(AANZFTA)



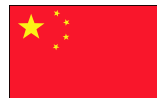
ASEAN-India
(AIFTA)



Jordan
(JSFTA)



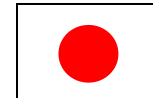
Australia
(SAFTA)



China
(CSFTA)



India
(CECA)



Japan
(JSEPA)



Peru
(PEsFTA)



EFTA - Iceland,
Liechtenstein, Norway
Switzerland



Korea
(KSFTA)



New Zealand
(ANZCEP)



Panama
(PSFTA)



USA
(USSFTA)



Chile-NZ-Brunei
(TRANS PAC-SEP)

Upcoming FTAs (e.g.)



Ukraine



EU



Costa Rica

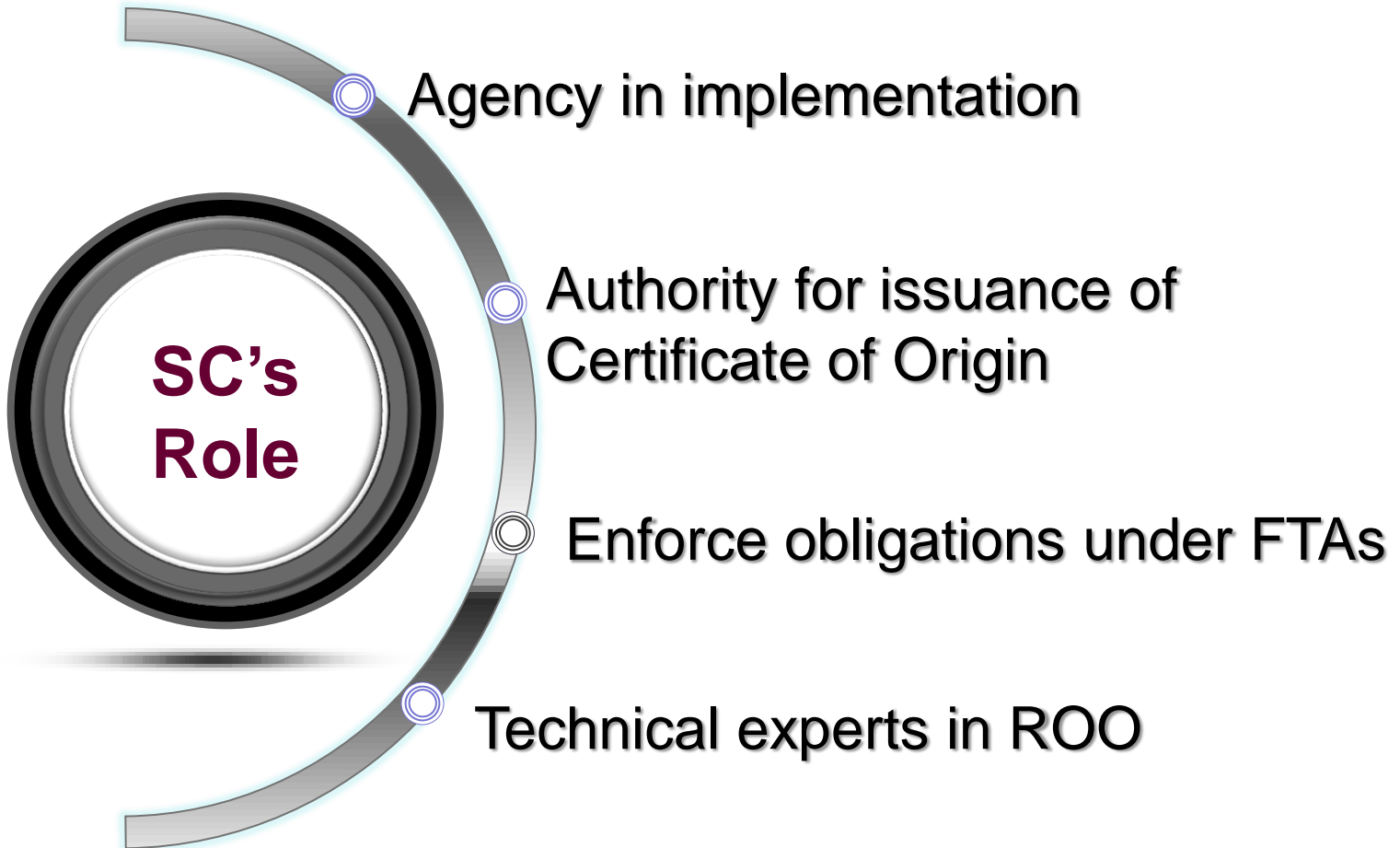
Trans Pacific
Partnership (TPP)



Gulf Cooperation Council (GCC)
Bahrain, Kuwait, Oman, Qatar,
Saudi Arabia, United Arab Emirates



Free Trade Agreement

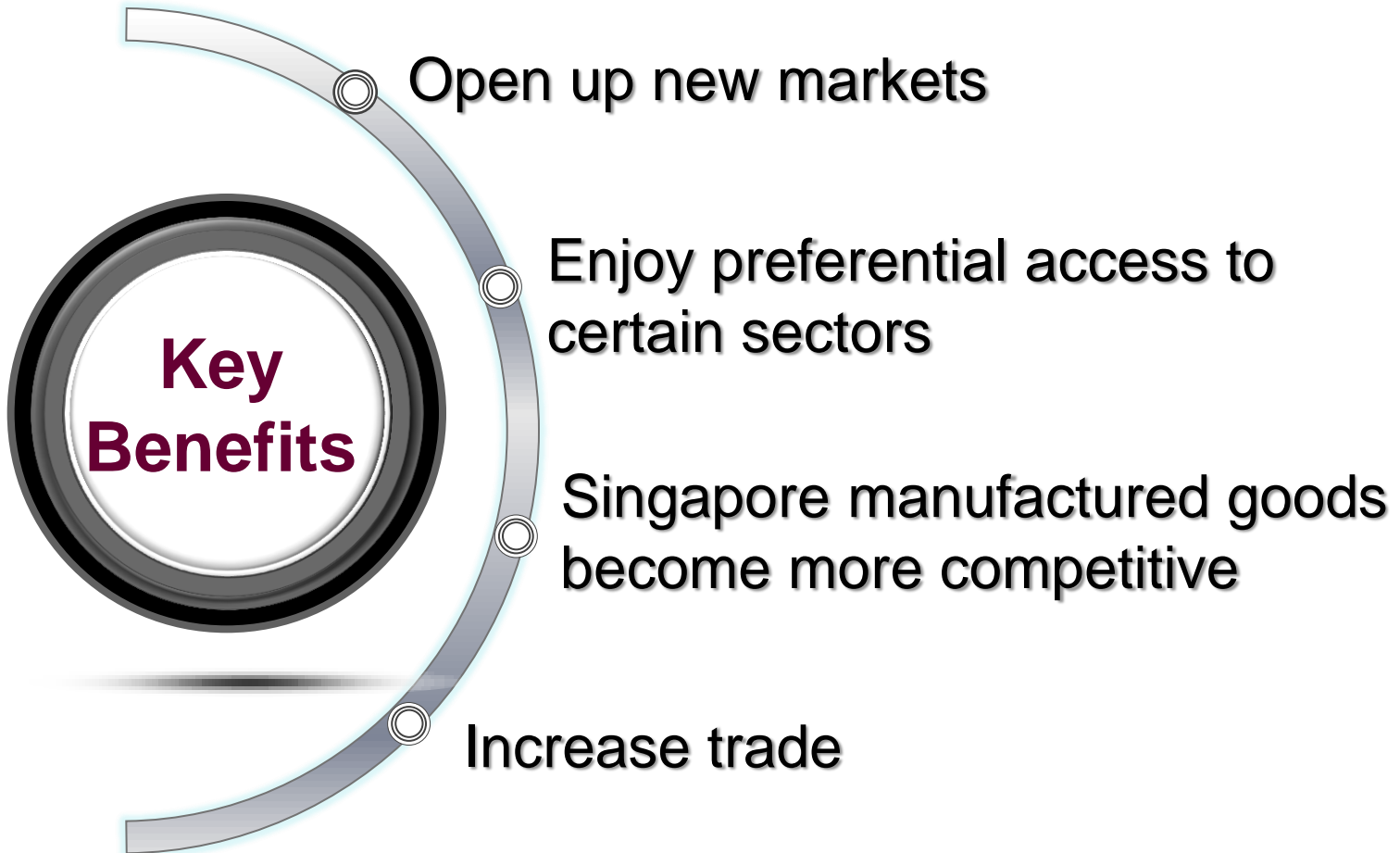


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Free Trade Agreement





Free Trade Agreement

By tapping on one of Singapore's Free Trade Agreements (FTAs), KT Resources Pte Ltd, a local company, successfully completed its first export order and netted its customer valuable tariff savings. Now, KT Resources aims to break into more overseas markets.

The company, established in 1993, is a small-and-medium enterprise which manufactures plastic and rubber compounds for the cable and wire industries. Helmed by Managing Director Mr Lee Kee Teck, KT Resources' business had, till 2008, been derived solely from the local market.

However, boosted by this positive experience in doing business overseas under the FTA, Mr Lee forecasts the value of the company's exports to reach US\$250,000, or 30% of its production in 2010, and up to 50% by 2011. So far, the company has obtained Preferential Certificate of Origin (PCO) approvals for its exports to Australia.



Extracted from inSYNC, Issue 7 Yr 2010

Singapore Customs

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Free Trade Agreement

Relevant Chapters

(1)

Trade-in-Goods

(2)

Rules of Origin

(3)

Customs Procedures



Free Trade Agreement

Welcome to Singapore FTA Network www.fta.gov.sg

- ▶ India (CECA)
- ▶ Japan (JSEPA)
- ▶ Korea (KSFTA)
- ▶ New Zealand (ANZSCEP)
- ▶ Panama (PSFTA)
- ▶ Peru (PeSFTA)
- ▶ Switzerland, Liechtenstein, Norway and Iceland (ESFTA)
- ▶ Trans-Pacific SEP (Brunei, New Zealand, Chile, Singapore)
- ▶ United States (USSFTA)

- ▶ Benefits to Exporters to China
- ▶ Trade in Goods
- ▶ Rules of Origin
- ▶ Customs Documentation
- ▶ Mutual Recognition Goods
- ▶ Trade in Services
- ▶ Investment
- ▶ Movement of Business Persons
- ▶ Government Procurement
- ▶ Dispute Settlement
- ▶ Intellectual Property
- ▶ Legal Text

2	General Definitions	
3	Trade in Goods	Annex 1A: China Tariff Elimination Schedule Annex 1B: Singapore Tariff Elimination Schedule
4	Rules of Origin	Annex 2: Product Specific Rules
5	<u>Custom Procedures</u>	Annex 3: Formats of Certificate of Origins
6	Trade Remedies	
7	Technical Barriers to Trade, Sanitary and Phytosanitary	Annex 4: Contact Points for TBT and SPS

Relevant Chapters –

iadvisory
We welcome Singapore based companies to submit their queries here

FTA Tariff Calculator
4 Simple Steps to find out the tariff savings or Rule of Origin for your export



Free Trade Agreement

Why FTA is important to Singapore?

Economy -
High
Dependence on
Trade

Increase
Competitive-
ness – Attract
Investors

Create Job
Opportunities



Rules of Origin



A set of guidelines derived during FTA negotiations to determine product origin.



Rules of Origin



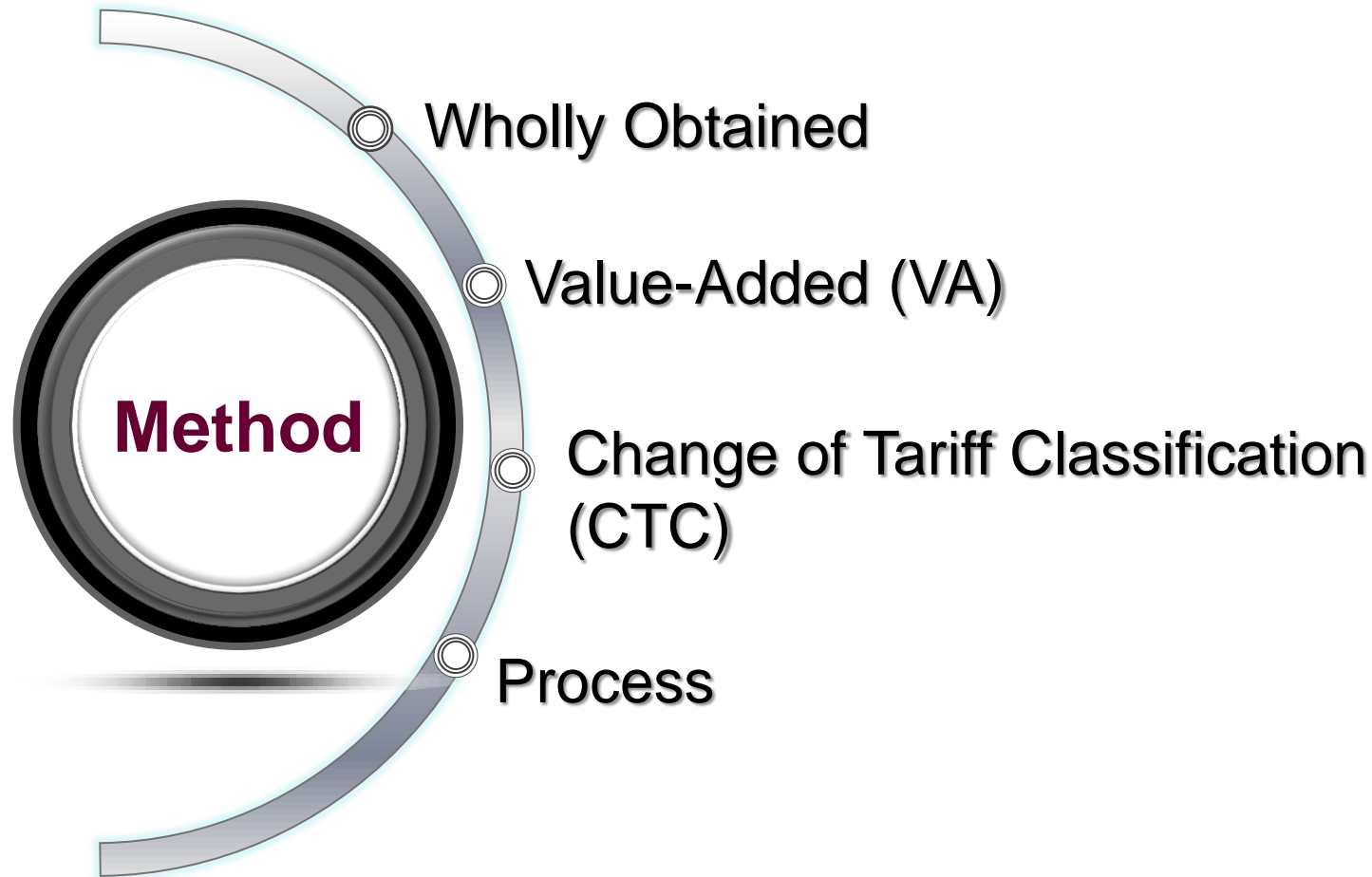
Nationality determined

Benefit preferential tariff

Eliminate minimal operations
(e.g. packaging, simple assembling,
preservation)



Rules of Origin



Singapore Customs

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Rules of Origin

Japan-Singapore Economic Partnership Agreement (JSEPA)

34.01

CTC

A change to heading 34.01 from any other heading;

RVC

No required change in tariff classification to heading 34.01, provided that there is a qualifying value content of not less than 40 per cent; or

PR

No required change in tariff classification to heading 34.01, provided that non-originating materials used undergo a chemical reaction, purification, isomer separation or biotechnological processes in a party.



HS Code: 3401.11



Rules of Origin

Change in Tariff Classification –

- ⇒ Chapter: **34** (1st 2 digits)
- ⇒ Heading: **01** (3rd & 4th digit)
- ⇒ Sub-Heading: **11** (5th & 6th digit) – for toilet use
- ⇒ National Code: **20** (7th & 8th digit) – bath soap



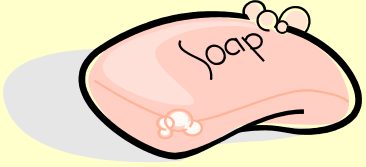
HS CODE: 3401.11.20



Rules of Origin

Change in Tariff Classification – eg.

Origin Criterion: Change to 3401 from other Heading


Raw Materials (foreign origin)	HS Heading	Finished Product	Singapore Origin?
Lye (sodium hydroxide) Tallow (rendered beef fat) Olive oil Soap wrapper	2815 1502 1509 4811	 HS 3401.11	



Rules of Origin

Regional Value Content– eg.

Origin Criterion: QVC of not less than 40%


Raw Materials (foreign) Other Cost / Profit	Value \$ (CIF)	Finished Product	Singapore Origin?
Lye (sodium hydroxide)	0.10	 HS 3401.11 \$1.00 (FOB)	
Tallow(rendered beef fat)	0.10		
Olive oil	0.10		
Soap wrapper	0.10		
Direct Labour	0.20		
Direct Overhead	0.20		
Profit	0.20		



Rules of Origin

Process Rule– eg.

Origin Criterion: Chemical reaction, purification, etc

Raw Materials (foreign origin)	Process	Finished Product	Singapore Origin?
Lye (sodium hydroxide) Tallow (rendered beef fat) Olive oil Soap wrapper	Saponification	 HS 3401.11	



Certificate of Origin



A trade document that

- certifies origin of goods**
- certifies & claim preferential treatment**



Certificate of Origin

Types of Issuing Authority-



Ordinary CO (AOs & SC)



Preferential CO (SC)



Self-Certification



Certificate of Origin

Authorised Organisations

Singapore International Chamber of Commerce

Singapore Chinese Chamber of Commerce and Industry

Singapore Indian Chamber of Commerce and Industry

Singapore Malay Chamber of Commerce and Industry

Singapore Manufacturing Federation



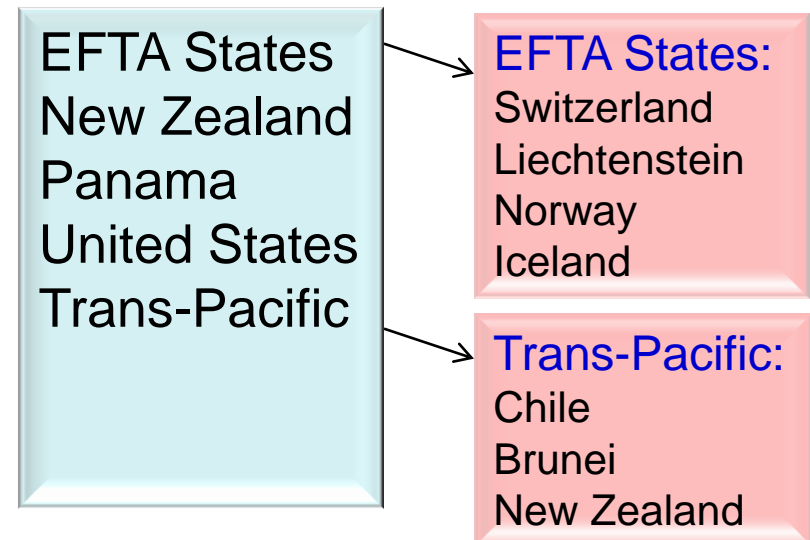
Certificate of Origin

Method of Claim –

Authorised CO



Self-Certification





Certificate of Origin

Authorised CO –

ORIGINAL

1. Products consigned from (Exporter's business name, address, country)		Reference No. ASEAN-CHINA FREE TRADE AREA PREFERENTIAL TARIFF CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM E Issued in Singapore See Overleaf Notes			
2. Products consigned to (Consignee's name, address, country)					
3. Means of transport and route (as far as known) Departure Date Vessel's name/Aircraft etc. Port of Discharge		4. For Official Use <input type="checkbox"/> Preferential Treatment Given <input type="checkbox"/> Preferential Treatment Not Given (Please state reason/s) Signature of Authorised Signatory of the Importing Party			
5. Item number	6. Marks and numbers on packages	7. Number and type of packages, description of products (including quantity where appropriate and HS number of the importing Party)	8. Origin criteria (see Overleaf Notes)	9. Gross weight or other quantity and value (FOB)	10. Number and date of invoices
11. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the products were produced in _____ (Country) and that they comply with the origin requirements specified for these products in the Rules of Origin for the ACFTA, for the products exported to _____ (Importing Country) Place and date, signature of authorised signatory		12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. Place and date, signature and stamp of certifying authority			
13. <input type="checkbox"/> Issued Retroactively <input type="checkbox"/> Movement Certificate <input type="checkbox"/> Exhibition <input type="checkbox"/> Third Party Invoicing					

ORIGINAL

1. Goods consigned from (Exporter's business name, address, country)		Reference No. ASEAN TRADE IN GOODS AGREEMENT / ASEAN INDUSTRIAL COOPERATION SCHEME CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM D Issued in Singapore See Overleaf Notes			
2. Goods consigned to (Consignee's name, address, country)					
3. Means of transport and route (as far as known) Departure Date Vessel's Name/Aircraft etc. Port of Discharge		4. For Official Use <input type="checkbox"/> Preferential Treatment Given Under ASEAN Trade in Goods Agreement <input type="checkbox"/> Preferential Treatment Given Under ASEAN Industrial Cooperation Scheme <input type="checkbox"/> Preferential Treatment Not Given (Please state reason/s) Signature of Authorised Signatory of the Importing Country			
5. Item number	6. Marks and numbers on packages	7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)	8. Origin Criterion (see Overleaf Notes)	9. Gross weight or other quantity and value (FOB)	10. Number and date of invoices
11. Declaration by the exporter The undersigned hereby declares that the above details and statement are correct; that all the goods were produced in _____ (Country) and that they comply with the origin requirements specified for these goods in the ASEAN Trade in Goods Agreement for the goods exported to _____ (Importing Country) Place and date, signature of authorised signatory		12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. Place and date, signature and stamp of certifying authority			
13. <input type="checkbox"/> Third-Country Invoicing <input type="checkbox"/> Accumulation <input type="checkbox"/> Back-to-Back CO <input type="checkbox"/> Partial Cumulation		<input type="checkbox"/> Exhibition <input type="checkbox"/> De Minimis <input type="checkbox"/> Issued Retroactively			



Certificate of Origin

Authorised CO –

1 Exporter (Name & Address)	REPUBLIC OF SINGAPORE	
2 Consignee (Name, Full Address & Country)	PREFERENTIAL CERTIFICATE OF ORIGIN	
	No.	
	NO UNAUTHORISED ADDITION/ALTERATION MAY BE MADE TO THIS CERTIFICATE	
3 Departure Date	8 DECLARATION BY THE EXPORTER	
4 Vessel's Name/Flight No.	We hereby declare that the details and statements provided in this Certificate are true and correct.	
5 Port of Discharge	Signature:	
6 Country of Final Destination	Name:	
7 Country of Origin of Goods	Designation: Stamp	
	Date:	
9 Marks & Numbers	10 No. & Kind of Packages Description of Goods (include brand names if necessary)	11 Quantity & Unit
12 CERTIFICATION BY THE COMPETENT AUTHORITY		
We hereby certify that evidence has been produced to satisfy us that the goods specified above originate in the country shown in box 7.		

Australia
China
Jordan
Korea
Peru
Japan



Certificate of Origin

Self Certification -



US – Art 3:13:.....

based on the Importer's knowledge or on information in the importer's possession that the good qualifies as an originating good.



Certificate of Origin

Steps to getting a CO

Step 1:

**Manufacturer
Registration**

- Complete Form
- Factory Visit
- Approval Letter

Step 2:

**Product
Cost
Statement**

- Sample Format
- Verification
- Approval Letter

Step 3:

**Certificate
of Origin**

- TradeNet®

The application can be made through the Manufacturer's Application Form ([DOC 475kb](#))

Step 1: Manufacturer Registration

- (1) This Form is to be typewritten and takes about 10 minutes to complete
- (2) You will need the following information to complete the transaction:
 - (a) UEN;
 - (b) Company's Details;
 - (c) Production Details; and
 - (d) Type of Certificate of Origin Required
- (3) Place a ✓ in the appropriate box
- (4) Use separate sheet if necessary
- (5) Attach Company and Products brochures

SECTION A: PURPOSE OF APPLICATION

- New Application
- New Product Line (s)
- Updating of Record

SECTION B: COMPANY / ORGANISATION DETAILS

(1) Company / Organisation Name:

█

(2) Unique Entity Number:

█

(3) Company / Organisation Address:

Office: █

Factory: █

(4) Contact No.:

█

(5) Company's Email:

█

(6) Fax No.:

█

(7) Factory Area (Sq M):

█



Certificate of Origin

Step 1: Manufacturer Registration

Factory Visit –

Manpower/ Machinery / Material

Production Process

Record Books



Certificate of Origin

Step 1: Manufacturer Registration

Approval Letter –

quoted in all your applications for Certificates of Origin (CO) as well as in any correspondence with the TTSB. Please note that your registration with the TTSB is valid for **two years** from the date of this letter. You are required to renew your Manufacturer Registration one month before the expiry date.

Registration Conditions

4 Please note that the registration of your company is subject to the following conditions:

a) Officers from Singapore Customs may inspect your factory and operations as and when necessary,

b) You are required to maintain accurate and up-to-date records of the following:



Certificates of Origin

Step 2: Product Cost Statement

Sample Format –

Upon successful factory registration, the manufacturer can proceed to submit the manufacturing cost statement of their product to Customs for verification that the goods in question meet the necessary [rule of origin](#). The submission should be made in the respective formats for the application of a CO under the various Schemes of Preference and Free Trade Agreements.

- AFTA - Asean Trade in Goods Agreement Form D ([DOC 71kb](#))
- Commonwealth Preference (CPC) Scheme of Mauritius ([DOC 72kb](#))
- Commonwealth Preference Scheme (Other than Mauritius) ([DOC 74kb](#))
- Free Trade Agreement (FTA) with Australia (SAFTA) ([DOC 54kb](#))
- FTA with ASEAN-Australia New Zealand (AANZFTA) ([DOC 82kb](#))
- FTA with ASEAN-China (ACFTA) ([DOC 80kb](#))
- FTA with ASEAN-India (AIFTA) ([DOC 80kb](#))
- FTA with ASEAN-Japan (AJCEP) ([DOC 80kb](#))
- FTA with ASEAN-Korea (AKFTA) ([DOC 76kb](#))
- FTA with China (CSFTA) ([DOC 76kb](#))
- FTA with India (CECA) ([DOC 79kb](#))
- FTA with Japan (JSEPA) ([DOC 94kb](#))
- FTA with Jordan ([DOC 96kb](#))
- FTA with Peru ([DOC 96kb](#))
- FTA with South Korea ([DOC 96kb](#))
- FTA with US - Garment Exports under TPL ([DOC 59kb](#))
- FTA with US - Garment Exports for Originating Goods ([DOC 61kb](#))
- Generalized System of Preferences (GSP) Scheme of Canada ([DOC 78kb](#))
- GSP Scheme of EU ([DOC 83kb](#))
- GSP Scheme of EU (Substantial Transformation Statement) ([DOC 59kb](#))
- GSP Scheme of Russia ([DOC 77kb](#))
- Global Systems of Trade Preferences (GSTP) ([DOC 78kb](#))
- Ordinary (Non-preferential) Certificate of Origin Scheme ([DOC 77kb](#))

Step 3: Application for CO through TradeNet® System
Upon successful verification of the Manufacturing Cost Statement by Customs, the statement is valid for one year. The manufacturer is authorized to apply for a CO for his export under the

Done

Internet | Protected Mode: On 100%



Certificates of Origin

Step 2: Product Cost Statement

	HS Code *	Country of Origin	Supplier's Name (if Locally Manufactured)	Unit Cost (CIF)			
				Local	Foreign	ASEAN	Total
1. Raw Materials, Parts & Components (Please give detailed break down)							
a) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
b) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
c) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
d) <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2. Direct Labour Cost: Wages Other benefits (CPF, medical benefits etc) (Please give detailed break down)				<input type="text"/>			<input type="text"/>
3. Direct Overhead Cost: (eg Factory rent, Depreciation costs, Maintenance) (Please give detailed break down)				<input type="text"/>			<input type="text"/>

Singapore Customs

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Certificates of Origin

Step 2: Product Cost Statement

Approval Letter–

We refer to your Cost Statement(s) dated 15 Jun 2010 for the export of the following product(s):

1. Product: SELF ADHESIVE PVC TAPE/SHEET/FILM
HS Code: 391910
Model :
Country: ASEAN (RVC=67%)
2. Product: SELF ADHESIVE PVC TAPE/SHEET/FILM
HS Code: 391990
Model :
Country: ASEAN (RVC=66%)
3. Product: NON ADHESIVE PVC TAPE/SHEET/FILM
HS Code: 392043
Model :
Country: ASEAN (RVC=55%)

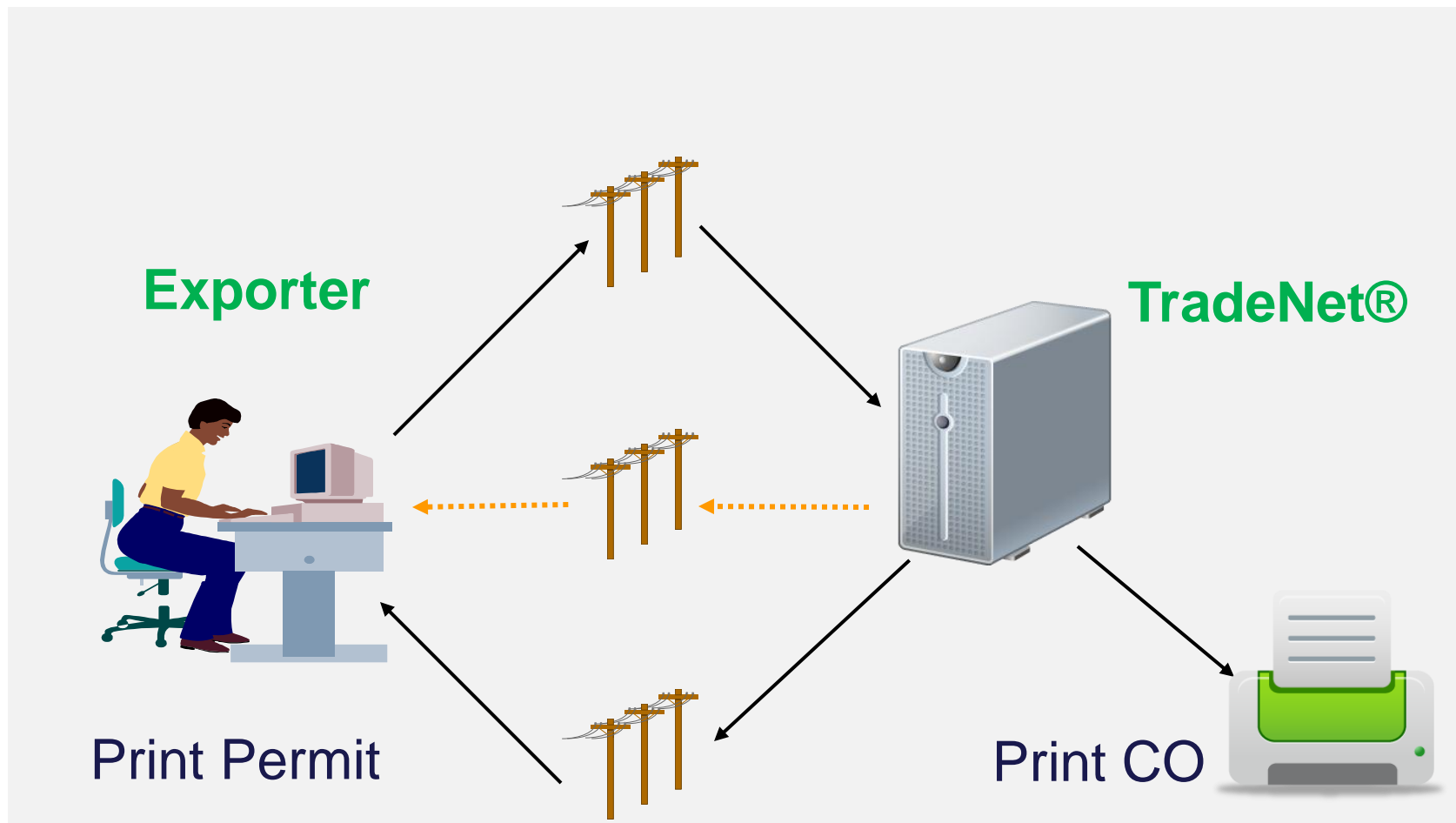
You may now apply for Asean FTA - ATIGA Form D Certificate for the export of the product(s) to the above country(s).

The Cost Statement(s) is/are valid for one year from the date of your costing.



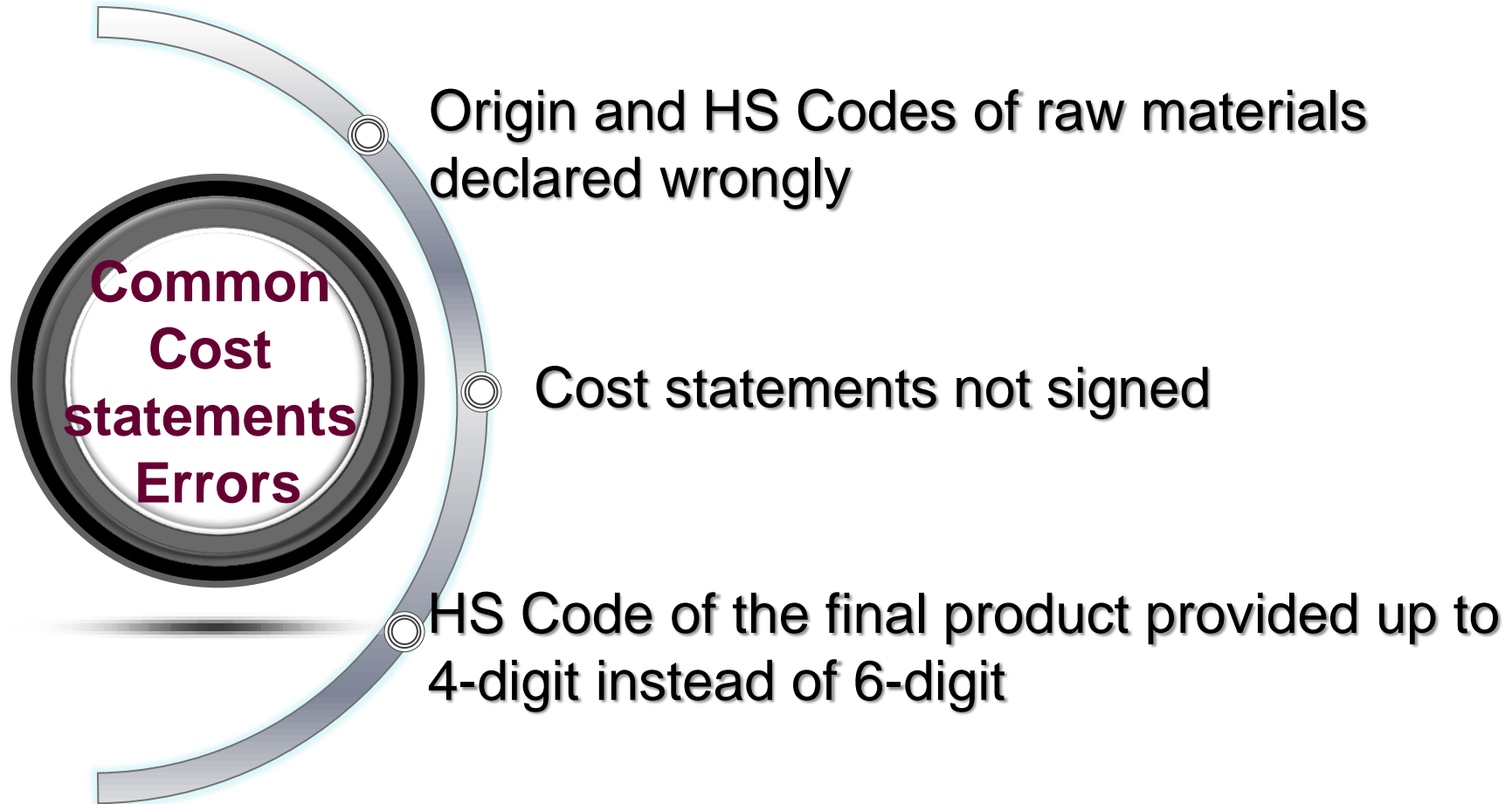
Certificates of Origin

Step 3: Application of CO through TradeNet®





Compliance





Compliance

Common Compliance Errors

Failure to inform SC on the change in their manufacturing process

Did not maintain complete and up-to-date Information on production records



Compliance

Record Keeping Period e.g.,

JSEPA	3 yrs
SAFTA	5 yrs
ISCECA	2 yrs
KSFTA	5 yrs
AKFTA	3 yrs
USSFTA	5 yrs
ESFTA	3 yrs



Compliance

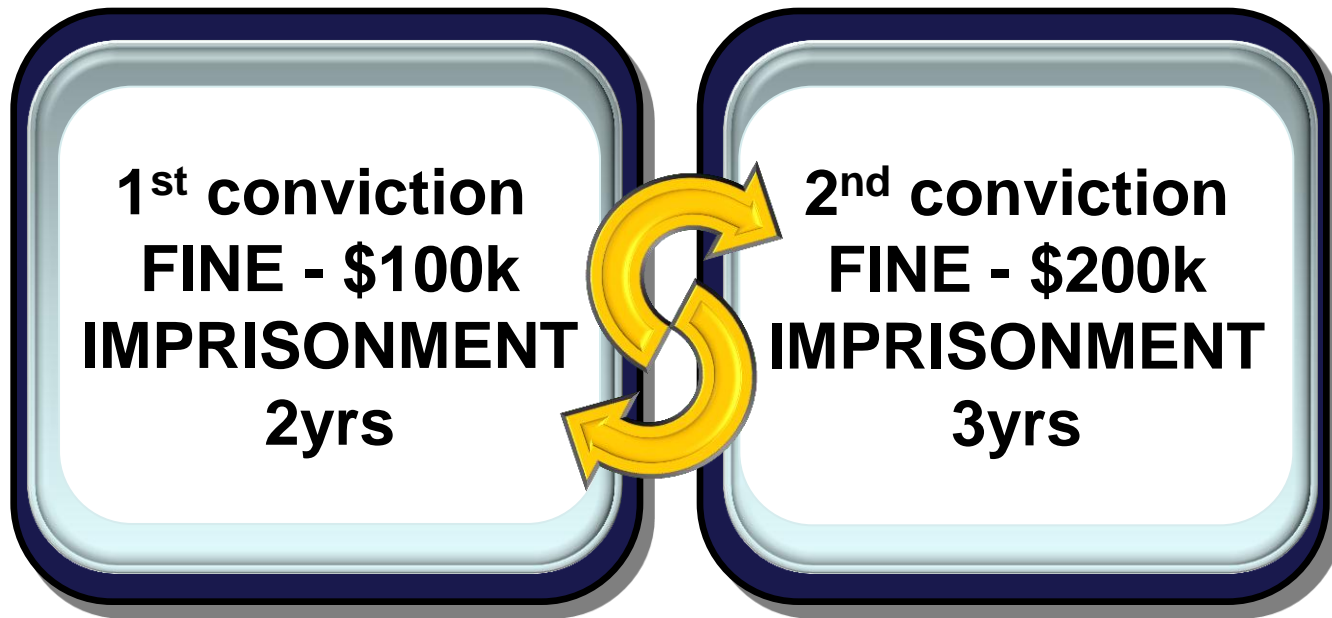
All information furnished to SC for the purpose of any verification or audit is confidential and will not be published or disclosed to 3rd parties.

Legitimate commercial interests are being protected.



Compliance

Penalties –





Summary

Step 1	What is the FTA partner country you are exporting your product to?
Step 2	Establish Tariff Classification of Product
Step 3	Check if your product falls within the schedules of concession
Step 4	Determine if your product qualifies for the Rules of Origin
Step 5	Check the consignment conditions specified
Step 6	Determine the documentation required



Quiz

Singapore Customs

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Q1. A good that qualifies as originating under one FTA, automatically qualifies as originating under other FTAs.

Ans: False

The FTAs are standalone agreements and may have different origin criteria for the same good. Hence, a good which qualifies as originating under one FTA may not necessarily qualify as originating under other FTAs. The exporter or manufacturer must ensure that his goods satisfy the relevant origin criteria specified under the FTAs .



Q2. We can apply Preferential Certificate of Origin six months after the shipment date.

Ans: True

Retroactive applications of Preferential Certificate of Origin are only applicable for consignments that are shipped within a year, subject to the acceptance of the importing country



Q3. Goods that are covered under the FTAs are eliminated from import tariffs.

Ans: False

Preferential tariff treatment refers to reduced or eliminated tariffs rates offered to imported goods originating from FTA partner countries.



Q4. I can still use the approval letter for my Manufacturing Cost Statement (MCS) to apply for Preferential Certificate of Origin even though there were changes in it.

Ans: **False**

Though administratively we allow MCS to valid for 1 year, companies should always update their costing whenever there are variations in prices, costs, sources of materials used, etc. during this validity period. However, it is up to the company's discretion if the changes in costings are minor and companies are confident that the product still meets the qualifying rule.

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Q5. The importing authorities cannot request for retroactive checks on the authenticity of the Preferential Certificate of Origin.

Ans: False

Importing FTA partner can request the exporting authority to conduct retroactive check at random and/or when it has reasonable doubt on the authenticity of the Preferential Certificate of Origin or as to the accuracy of the information on the Certificate of Origin.



Q6. Preferential Certificates of Origin issued under FTAs can be applied through Chamber of Commerce.

Ans: **False**

Under FTAs, the issuing authority is Singapore Customs.



Q7. Preferential Certificate of Origin is a mandatory document that I need to apply in order to export my product to the other FTA partner country.

Ans: False

Not required for shipments unless the product qualifies as an originating good under the FTA and the importer intends to claim preferential tariff treatment upon importation.



Q & A

customs_roo@customs.gov.sg