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**SINGAPORE CUSTOMS**

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**REPUBLIC OF SINGAPORE**

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To: All Manufacturers registered with  
Classification and Statistics Audit Branch of  
Singapore Customs



CERT. No : 98-2-0877  
SS ISO 9001 : 2000



## **RULES OF ORIGIN UNDER THE ASEAN-CHINA FREE TRADE AGREEMENT (ACFTA) EARLY HARVEST PROGRAMME**

The ASEAN countries comprising Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam have signed a Free Trade Agreement with China. The Asean-China Free Trade Agreement (ACFTA) will be implemented in phases starting with the Early Harvest Programme from **1 Jan 2004**.

2. Except for Philippines, all the ASEAN countries will implement the Early Harvest Programme which covers products under the Harmonized System Chapters of 1 to 8. In addition, countries like Malaysia, Thailand, Brunei, Singapore and China have offered more product coverage for each other as part of the Early Harvest Programme.

### **Rules of Origin for Wholly Obtained or Produced Goods**

3. The rules of origin under ACFTA are similar to those imposed under the existing CEPT Scheme. The following products may be considered as wholly produced or obtained entirely in Singapore:

- a. Plant and plant products harvested, picked or gathered there;
- b. Live animals born and raised there;
- c. Products obtained from live animals referred to in paragraph (b) above;
- d. Products obtained from hunting, trapping, fishing, aquaculture, gathering or capturing conducted there;
- e. Minerals and other naturally occurring substances, not included in paragraphs (a) to (d), extracted or taken from its soil, waters, seabed or beneath their seabed;
- f. Products taken from the waters, seabed or beneath the seabed outside the territorial waters of Singapore provided that Singapore has the rights to exploit such waters, seabed and beneath the seabed in accordance with international law;
- g. Products of sea fishing and other marine products taken from the high seas by vessels registered with Singapore or entitled to fly the flag of Singapore;

- h. Products processed and/or made on board factory ships registered with Singapore or entitled to fly the flag of Singapore, exclusively from products referred to in paragraph (g) above;
- i. Articles collected there which can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for disposal or recovery of parts of raw materials, or for recycling purposes; and
- j. Goods obtained or produced in Singapore solely from products referred to in paragraphs (a) to (i) above.

### **Rules of Origin for Manufactured or Processed Products**

4. To qualify for preferential tariff treatment, the ASEAN Content of a product must be at least 40 percent either under the "Single Country Content" or "ACFTA Cumulative Content" basis and the final process of the manufacture must be performed in Singapore. The documentary evidence is the Form E preferential Certificate of Origin (CO).

5. Where a product has at least 40 percent of its content represented solely by the total value of inputs originating in Singapore and the working or processing is carried out in Singapore, it is deemed to qualify with a "Single Country Content".

6. Where a product is manufactured locally with at least 40 percent of its content represented by the total value of inputs originating in Singapore, the other ASEAN countries and China, it is deemed to qualify with an "ACFTA Cumulative Content". To qualify under this Cumulative Rule of Origin, the origin of inputs from ASEAN or China used in production must be substantiated by a corresponding Form E preferential Certificate of Origin.

### **Documentation Procedures**

7. In order that your importer can claim preferential tariff, you must apply for a Form E preferential CO and Export Permit from Singapore Customs before you export the goods.

8. The documentation procedures to apply for a preferential Certificate of Origin are as follows:

a. Step One - Factory Registration

The product must be manufactured by a factory that is registered with the Classification and Statistics Audit (CSA) Branch of Singapore Customs. If you are not the manufacturer of the product and you wish to apply for a preferential CO for export to ASEAN or China, you should confirm that the manufacturer in Singapore has met this requirement.

To register, the manufacturer must complete the "Application for Registration" Form obtainable from the CSA Branch. A softcopy of this Form is also available for download at [http://www.tradenet.gov.sg/trdnet/uploadedfiles/ecu\\_reqn.doc](http://www.tradenet.gov.sg/trdnet/uploadedfiles/ecu_reqn.doc). The completed Form is to be submitted to the following address:

Singapore Customs  
Classification and Statistics Audit Branch  
55 Newton Road  
#10-01 Revenue House  
Singapore 307987

An officer from Singapore Customs will inspect the factory to ascertain that it has the machinery and manpower to manufacture the product and that it keeps proper books and records of its operations. If the application is successful, the manufacturer will receive a letter of approval from Singapore Customs together with a registration number.

For most of you, this procedure may not apply as you are already registered with CSA Branch. However, for those who are producing new product lines, you are required to register your new product line with Singapore Customs.

b. Step Two - Submission of Manufacturing Cost Statement

Upon successful registration, the manufacturer will submit to CSA Branch the Manufacturing Cost Statement (MCS) for each product model that you or your exporter intends to export to ASEAN or China. A sample copy of the MCS is in **Annex A**.

CSA Branch will verify your MCS and inform you whether your product satisfies the origin criteria for the Form E preferential CO. With our approval letter for the MCS, you or your exporter may apply for the Form E preferential CO to ASEAN or China. Each approved MCS is valid for one year and must be updated annually or earlier when there are changes during the year.

c. Step Three - Applying for the Form E Preferential CO and Export Permit

You must apply for the Form E preferential CO and Export Permit electronically through TradeNet before exporting your goods.

d. Step Four - Submission of Form E Preferential CO via TradeNet

We will cater for a new Certificate Type in the next TradeNet upgrade. In the interim, we will leverage on the existing procedures for the applications of the CEPT Form D to declare for the Form E. You must declare the Certificate Type as "16" in your application via TradeNet. In addition, you must indicate "FTA" in the CA product code field at item level, its quantity and unit of measurement. Based on these combinations, the TradeNet System will acknowledge that you are applying for a Form E preferential CO. We will inform you of the permanent procedures prior to our next TradeNet upgrade. If you do not have the TradeNet software, you may engage your freight forwarder or a Service Centre to apply for it on your behalf.

## Usage of the Form E Preferential CO

9. A sample copy of the Form E preferential CO is attached in **Annex B** for your reference. The Form E preferential CO comprises one original copy and three carbonised copies of the following colours:

Original	-	Beige colour
Duplicate	-	Light green colour
Triplicate	-	Light green colour
Quadruplicate	-	Light green colour

10. Upon approval, Singapore Customs will retain the Duplicate copy of the Form E preferential CO and return the Original, Triplicate and Quadruplicate copies to the applicant. The exporter must sign all the copies of the Form E preferential CO, which is valid for 4 months, before despatching the Original and Triplicate copies to his importer in ASEAN or China. The exporter should retain the Quadruplicate copy for record keeping. This usage of the Form E preferential CO is similar to the CEPT Scheme.

## Retention of Documents

11. Documents relating to the production and shipment of exports accompanied by the Form E preferential CO should be kept for at least 2 years for post-verification checks by the Singapore Customs or the respective overseas importing Customs authorities.

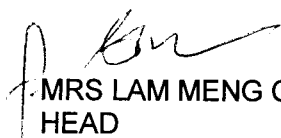
## Website for Downloading of Details of Agreement

12. The entire ACFTA, including the list of products under the Early Harvest Programme, is available for downloading at MTI's website: <http://www.mti.gov.sg>.

13. We encourage you to familiarise yourself with the Rules of Origin requirements and take advantage of the benefits of the ACFTA for exports of your products under the Early Harvest Programme to any of the ASEAN countries (except Philippines) and China. Please highlight the contents of this circular to other colleagues in your organisation and business partners if relevant.

## Enquiries

14 For further enquiries, you may call our Customs Call Centre at telephone number 6355-2000 followed by (\*) (0).



MRS LAM MENG CHOO  
HEAD

CLASSIFICATION AND STATISTICS AUDIT BRANCH  
for DIRECTOR-GENERAL OF CUSTOMS

**COST STATEMENT FOR THE EXPORT OF PRODUCT UNDER THE ACFTA**

Name of Manufacturer : \_\_\_\_\_ CR No : \_\_\_\_\_  
 Description of Product : \_\_\_\_\_ HS Code: \_\_\_\_\_  
 Model No : \_\_\_\_\_ Unit Price: : S\$ \_\_\_\_\_ (FOB)  
 Country exported to : \_\_\_\_\_

This Cost Statement is for \_\_\_\_\_ Unit(s)

Date of Cost Statement : \_\_\_\_\_

	Country of Origin	Supplier's Name (if Locally Manufactured)	Unit Cost (CIF)			
			Local	Foreign	ASEAN or China	Total
1. Raw Materials, Parts & Components (Please give detailed breakdown)						
a)						
b)						
c)						
d)						
2. Direct Labour Cost : Wages Other benefits (CPF, medical benefits etc) (Please give detailed breakdown)						
3. Direct Overhead Cost : (eg Factory rent, Depreciation costs, Maintenance) (Please give detailed breakdown)						
4. Ex-Factory Cost (1+2+3)						
5. Profit						
6. Ex-Factory Price (4+5)						

**Calculations :**

$$1. \text{ Single Country Content} = \frac{\text{Local Material Cost} + \text{Direct Labour \& Direct Overheads} + \text{Profit}}{\text{FOB Price}} \times 100 = \underline{\hspace{2cm}} \%$$

OR

$$2. \text{ ACFTA Cumulative Content} = \frac{\text{Local, China \& ASEAN Material Cost} + \text{Direct Labour \& Direct Overheads} + \text{Profit}}{\text{FOB Price}} \times 100 = \underline{\hspace{2cm}} \%$$

(See Note 5 overleaf)

**Declaration** : I declare that the information provided by me is true and correct. I will permit, as and when required, inspection of our factory/goods by officers of the Singapore Customs and undertake to maintain up-to-date costing records.

\_\_\_\_\_  
Signature & Name of Managing Director\_\_\_\_\_  
Signature & Name of Accountant

This cost statement is prepared by : \_\_\_\_\_

Signature : \_\_\_\_\_

Tel : \_\_\_\_\_

(Please see Overleaf for Guidelines)

## SINGAPORE CUSTOMS

### CLASSIFICATION & STATISTICS AUDIT BRANCH

#### GUIDELINES ON THE PREPARATION OF THE MANUFACTURING COST STATEMENT

The following procedures will apply when submitting the Manufacturing Cost Statement for the Classification & Statistics Audit Branch's verification:

- 1) Check with the Classification & Statistics Audit Branch of the Singapore Customs on the origin criteria that your product must comply with to qualify for preferential treatment.
- 2) Prepare the Cost Statement for every product model to be exported. This must be prepared on your Company's letterhead according to the format prescribed by the Classification & Statistics Audit Branch.
- 3) Submit your Cost Statement for the product which must reach the Classification & Statistics Audit Branch at least 7 working days before the export of goods.
- 4) Give actual cost of materials used, labour and overhead costs in each Cost Statement. Projection of production costs is not allowed.
- 5) Submit supplier's invoice of every material used which is manufactured locally. If the material is of ASEAN or/and China origin and you want your product to qualify under the ACFTA Cumulative Content, please submit the Form E preferential CO issued by the ASEAN country or China concerned.
- 6) Update your costing yearly or earlier when there are variations in your prices, costs, sources of materials used, etc.
- 7) Ensure that the Cost Statement is declared to be true and correct by the Managing Director and the Accountant.
- 8) Contact the Classification & Statistics Audit Branch for advice when you need clarification in preparing the Cost Statement.

1. Goods consigned from (Exporter's business name, address, country)

Reference No.

**ANNEX B**

**ASEAN-CHINA FREE TRADE AREA  
PREFERENTIAL TARIFF  
CERTIFICATE OF ORIGIN  
(Combined Declaration and Certificate)  
FORM E**

Issued in Singapore

See Notes Overleaf

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

Preferential Treatment Given Under ASEAN-CHINA  
Free Trade Area Preferential Tariff

Preferential Treatment Not Given (Please state reason/s)

Signature of Authorised Signatory of the  
Importing Country

5. Item  
number6. Marks and numbers  
on packages7. Number and type of packages, description  
of goods (including quantity where  
appropriate and HS number of the importing  
country)8. Origin  
Criterion  
(see Notes  
overleaf)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 goods were produced in

\_\_\_\_\_  
(Country)

and that they comply with the origin requirements specified  
for these goods in the ASEAN-CHINA Free Trade Area  
Preferential Tariff 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