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To: All Manufacturers and Traders
registered with Singapore Customs

UPDATES TO THE ORIGIN CRITERION FOR THE ISSUANCE OF NON-PREFERENTIAL (ORDINARY) CERTIFICATE OF ORIGIN (CO)

This Circular outlines the changes to the existing set of origin criterion for the issuance of a non-preferential (Ordinary) CO for Singapore manufactured goods to ensure that it remains current and useful to traders. These changes will take effect from **1 Jan 2011**.

Brief Information on Existing Origin Criteria

2 A non-preferential CO is a document that can be used to satisfy your overseas buyers that the goods exported are of Singapore origin based on any of the following criteria:

- i) The goods are wholly obtained in Singapore, ie, wholly grown or produced in Singapore without any imported materials.
- ii) For a locally manufactured good that uses imported materials, it must have a minimum local content of 25% based on its ex-factory price.

3 Besides meeting the above origin criterion in para 2(ii), the manufacturing process for the good must also not be considered a minimal operation. Please refer to **Annex A** for the list of minimal operations.

4 Other than the Singapore Customs (SC), there are six other Authorised Organisations that are authorised by SC to issue a non-preferential CO¹. The revised rules will be used by both SC and the Authorised Organisations to determine the country of origin of manufactured goods.

¹ The Authorised Organisations for the issuance of Ordinary CO are Singapore Commodity Exchange Limited (for rubber products only), Singapore Chinese Chamber of Commerce & Industry, Singapore International Chamber of Commerce, Singapore Indian Chamber of Commerce & Industry, Singapore Malay Chamber of Commerce & Industry and Singapore Manufacturers Federation.

Alternative Qualifying Criteria

Change in Tariff Classification Rule

5 For goods that qualify under this criterion, all foreign or undetermined raw materials used in production must undergo a Change in Tariff Classification at Sub-Heading level (CTSH) of the Harmonized System Tariff Nomenclature (HS).

6 The De Minimis Rule (not exceeding 10% of ex-factory price) may be applied to those foreign or undetermined raw materials that do not meet the required CTSH rule.

Chemical Reaction Rule

7 For goods under HS Chapters 27-40 (mainly the Mineral Fuels, Chemical, Plastics and Rubber products), the Chemical Reaction² rule may alternatively be applied to any good classified in these Chapters.

Changes and Impacts to Existing Manufacturers and Traders

8 The following are the changes brought about by the implementation of the alternative qualifying criteria for locally manufactured goods using imported materials and the corresponding impact:

	Changes Made	Impact
i	Manufacturers whose goods currently qualify for non-preferential CO.	No impact as they can continue to use the local content rule.
ii	Manufacturers whose goods cannot qualify based on current Local Content Criterion.	Can apply the alternative rule (CTSH) to qualify.
iii	Manufacturers whose goods (under HS Chapters 27-40) cannot qualify based on current local content or new CTSH rule.	Can apply the Chemical Reaction rule to qualify.
iv	New Manufacturers looking to apply non-preferential CO for their goods.	Have flexibility to choose the most suitable rule for its own goods : (i) Local Content rule; or (ii) CTSH rule; or (iii) Chemical reaction rule for goods in HS Chapters 27 to 40.

² A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

Enquiries

9 For enquiries, you may email to “customs_roo@customs.gov.sg”.



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LIST OF SIMPLE / MINIMAL OPERATIONS

Products which have only undergone the following 'minimal operations' would not qualify as of Singapore origin:

1. Operations to ensure the preservation of products in good condition during transport and storage (ventilation, spreading out, drying, chilling, placing in salt, sulphur dioxide or other aqueous solutions, removal of damaged parts, and like operations);
2. Simple operations consisting of removal of dust, sifting or screening, sorting, classifying, matching (including the making up of sets of articles), washing, painting, cutting up;
3. (i) Changes of packing and breaking up and assembly of consignments;
(ii) Simple placing in bottles, flasks, bags, cases, boxes, fixing on cards or boards, and all other simple packing operations;
4. The affixing of marks, labels or other like distinguishing signs on products or their packaging;
5. Simple mixing of products, whether or not of different kinds;
6. Simple assembly of parts of products to constitute a complete product;
7. A combination of two or more operations specified in (1) to (6);
8. Slaughter of animals.