



Circular No: 04/2014
26 Feb 2014

To Traders and Declaring Agents

Dear Sir/Madam

IMPLEMENTATION OF THE ENHANCED STRATEGIC TRADE SCHEME

This circular seeks to inform you on the implementation of the enhanced Strategic Trade Scheme (STS).

2 With the changing security landscape and increasing focus on diversion risks, Singapore needs to ensure that its administration of strategic trade control remains robust and provides adequate information for risk assessment, while at the same time facilitating the flow of legitimate trade. In line with Singapore's commitment to regulate the trade in or transfer of strategic goods and related technology, and prevent the proliferation of weapons of mass destruction, Singapore Customs reviewed the STS to ensure it remains relevant.

3 These changes were shared during our dialogue sessions with traders in August 2013 and during the Export Control and Related Border Security (EXBS) Industry Outreach Seminar on Strategic Trade Management in November 2013. Singapore Customs studied the feedback obtained and made changes to address some of the concerns raised by traders. The enhancements to the STS regime are as follows:

(A) Permit Structure and Scope of Approval

4 Currently, traders may apply for one of the following permits under the STS:

Permit Type	Scope of Approval
Tier 3 Permit	(Pre-approved) Multiple products to Multiple destination countries
Tier 2 Permit	(Pre-approved) Same product to Multiple end users, or Multiple products to Same end user
Tier 1 Permit	Approved on a per transaction basis

5 With effect from **1 April 2014**, traders will no longer have to apply for a Tier 2 or a Tier 3 Permit. Instead, they will submit an application for a *Bulk Permit* and Singapore Customs will issue them either:

- a The “*Approval by Countries of Destination*” Bulk Permit, or
- b the “*Approval by Specific Entities*” Bulk Permit

This will be determined by Singapore Customs, based on the nature of the transaction. This will allow Singapore Customs to accord greater levels of facilitation to companies (e.g. companies which are given the “*Approval by Specific Entities*” Bulk Permit will now be able to cover multiple products and multiple end users within a single permit, instead of maintaining multiple ones).

6 The Tier 1 Permit will consequently be renamed as the *Individual Permit*. The revised permit structure will be as follows:

Permit Type	Scope of Approval
Bulk Permit	<u>Approval by Countries of Destination</u> (Pre-approved) Multiple products to Multiple destination countries
	<u>Approval by Specific Entities</u> (Pre-approved) Multiple products to Multiple end users
Individual Permit	Approved on a per transaction basis

(B) Internal Compliance Programme (ICP) Requirements

7 Currently, companies will need to meet the following 4 ICP elements if they are applying for Tier 2 Permits and all 7 ICP elements if they are applying for Tier 3 Permits:

ICP Element	Tier 2 Permit	Tier 3 Permit
1) End User Screening/Order Screening	√	√
2) Product Classification	√	√
3) Internal audit of the company’s ICP	√	√
4) Record keeping of all compliance and commercial documents related to the export of strategic goods	√	√
5) Appointment of a Strategic Goods Control Officer		√
6) Issuance of a statement of commitment to ensuring compliance to export control requirements from the senior management of the company		√

7) The implementation of a training program on export control for the company's employees		√
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8 With effect from **1 April 2014**, all companies applying for any *Bulk Permits* under the revised STS regime will be required to fulfil all 7 elements of the ICP.

(C) Declaration Requirements

9 In line with the restructuring, please note the following declaration procedures for the TradeNet® permits for exports/transshipment covered by either two types of STS *Bulk Permits*:

	Approval by Countries of Destination	Approval by Specific Entities
Customs Procedure Code (CPC)	STS	STS
Processing Code 1 (PC1)	STS3	STS2
Processing Code 2 (PC2)	T3UXXXXXXXX	T2UXXXXXXXX

10 Currently, the following fields are optional to be filled for the submission of a TradeNet® outward permit under the Tier 2 or Tier 3 Permit. With effect from **1 April 2014**, the following fields will be required to be filled for the submission of a TradeNet® permit under the *Bulk Permit*:

- i Consignee Name
- ii Consignee Address
- iii Consignee Country Code
- iv End User Name
- v End User Address
- vi End User Country Code

11 In shipments where there are more than 1 Consignee and/or End-User to be declared, you are required to declare 1 Consignee and/or End-User name and Address, including the Country Code in the 'Consignee Name', 'Consignee Address' and 'Consignee Country Code' fields and 'End User Name' 'End User Address' and 'End User Country Code' fields in the TradeNet® declaration and the names of the other Consignee (s) and /or End-User (s) in the 'Trader's Remarks' field.



12 In order to facilitate the fine tuning of operations and processes to comply with the new declaration requirements, there will be a 6 months adjustment period starting from **1 April 2014 and ending on 30 September 2014**. This means that companies who do not comply with the new declaration requirements during this period will generally not be penalized. This adjustment period does not cover any other Customs permit or licence conditions, requirements or offences.

13 For more information, you may email us at customs_schemes@customs.gov.sg.

Yours faithfully

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(This is a computer-generated circular. No signature is required.)