



Circular No: 16/2017
24 Nov 2017

To All Manufacturers and Traders Registered with Singapore Customs

Dear Sir/Madam

IMPLEMENTATION OF THE REVISED RULES OF ORIGIN (ROO) AND ORIGIN PROCEDURES UNDER THE SINGAPORE-AUSTRALIA FREE TRADE AGREEMENT (SAFTA)

This circular outlines the changes and new requirements in the revised SAFTA ROO and Origin Procedures, which is scheduled to take effect from 1 Dec 2017.

2 The full text of the revised SAFTA ROO and Origin Procedures may be downloaded at IE Singapore's FTA website at <http://www.iesingapore.gov.sg/Trade-From-Singapore/International-Agreements/free-trade-agreements/SAFTA>. The new requirements are summarised in the following paragraphs.

Removal of General Rule and Consolidation of all HS Line Items into the Product-Specific Rules (PSR)

3 Under the revised SAFTA, a locally manufactured good must satisfy the PSR specified in the updated Annex 2 to the ROO Chapter to be considered as an originating good, to be eligible for preferential tariff treatment when imported into Australia. Please refer to the revised SAFTA text for the PSR.

Revised Formula for the Calculation of Regional Value Content (RVC)

4 Under the revised SAFTA ROO, the RVC requirement to determine whether a good is originating is calculated as follows:

- a) Build-down Method: Based on Value of Non-Originating Materials (VNM)

$$RVC = \frac{\text{Value of the Good} - VNM}{\text{Value of the Good}} \times 100$$

or

- b) Build-up Method: Based on Value of Originating Materials (VOM)

$$RVC = \frac{VOM}{\text{Value of the Good}} \times 100$$

Please refer to the PSR specified in the updated Annex 2 to the ROO Chapter of the revised SAFTA for the applicable origin criteria.

Transition Period for Rules of Origin (ROO)

5 There is a 3-year transition period whereby a good that qualifies as an originating good under the current SAFTA's ROO will still qualify as an originating good during the 3-year period after the entry into force of the revised SAFTA. After the 3-year transition period, only the revised Rules of Origin will apply.

6 There is no transition period for the Origin Procedures unlike the Rules of Origin. The revised Origin Procedures will apply once the revised SAFTA enter into force. The type of documentation to prove origin for claiming preferential tariff treatment under the revised SAFTA is covered in the following paragraphs.

Change in Type of Documentation to Prove Origin for Claiming Preferential Tariff Treatment under the Revised SAFTA

7 Singapore Customs will cease the issuance of the Preferential Certificate of origin (PCO) under SAFTA upon entry into force of the revised SAFTA. An importer in Australia who wishes to claim preferential tariff treatment under the revised SAFTA can only do so using a Certification of Origin completed by the exporter, producer or importer. The Certification of Origin shall contain a set of minimum data requirements as set out in Annex 3-A to the ROO Chapter of the revised SAFTA which is also set out in **Annex A** of this circular.

8 Singapore exporters and producers who are issuing the Certification of Origin under the revised SAFTA should be well acquainted with the qualifying origin criterion(a) of the goods. We encourage you to familiarise yourself with the Rules of Origin and other requirements in the revised SAFTA to take advantage of the benefits of the agreement when you export to Australia.

Procedures for Claiming Preferential Tariff Treatment for Imports into Singapore under the Revised SAFTA

9 With effect from the implementation date of the revised SAFTA, an importer in Singapore who wishes to claim preferential tariff treatment under the revised SAFTA for their import can only do so using a Certification of Origin make out by the exporter, producer, or by their authorised representative. Alternatively, Singapore Customs may also accept an importer's Certification of Origin. The text and details contained in the Certification of Origin shall follow that set out in **Annex A**. Other than the changes to the type of documentation for claiming preferential tariff treatment, there are no other changes to the import procedures for goods wishing to claim preferential tariff treatment under the revised SAFTA.

Summary of Changes

10 The following table summarises some of the changes brought about by the implementation of the revised SAFTA ROO and Origin Procedures.

	Changes	Affected Parties	Remarks
a	Removal of general rule	Manufacturers/ Producers	Please refer to the PSR for the applicable origin criterion(a) to apply for the good.
b	Revised formula for the calculation of RVC		If RVC is an applicable origin criterion for the good, please calculate the RVC based on the revised formula.
c	Transition period for ROO		Please note that the transition period is only applicable to the Rules of Origin (Section A of Chapter 3 ROO) of the revised SAFTA. For exports under SAFTA after the entry into force of the revised SAFTA, the revised Certification of Origin in accordance to Annex A of this circular will apply.
d	Change in type of documentation to prove origin for claiming preferential tariff treatment under the revised SAFTA	Manufacturers and Traders	Once the revised SAFTA enter into force, Singapore Customs will cease the issuance of PCO under SAFTA. The Certification of Origin shall be completed in accordance to the revised Origin Procedures of the SAFTA.
e	Procedures for claiming preferential tariff treatment for imports into Singapore under the revised SAFTA	Importers	Please note the new Certification of Origin requirement as set out in Annex A of this circular.

Enquiries

11 A list of frequently asked questions (FAQ) is attached in **Annex B**. For further clarifications on the contents of this circular, you may write to customs_roo@customs.gov.sg.

Yours faithfully

Chua Yock Chin
Head Tariffs and Trade Services
for Director-General of Customs
Singapore Customs

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

We hope that this circular has been written in a way that is clear to you. If not, please let us have suggestions on how to improve this circular at customs_roo@customs.gov.sg.

MINIMUM DATA REQUIREMENTS

A certification of origin that is the basis for a claim for preferential tariff treatment under this Agreement shall include the following elements:

1. Importer, Exporter or Producer Certification of Origin

Indicate whether the certifier is the exporter, producer or importer in accordance with Article 18 (Claims for Preferential Treatment).

2. Certifier

Provide the certifier's name, address (including country), telephone number and e-mail address.

3. Exporter

Provide the exporter's name, address (including country), e-mail address and telephone number if different from the certifier. This information is not required if the producer is completing the certification of origin and does not know the identity of the exporter.

4. Producer

Provide the producer's name, address (including country), e-mail address and telephone number, if different from the certifier or exporter or, if there are multiple producers, state "Various" or provide a list of producers. A person that wishes for this information to remain confidential may state "Available upon request by the importing authorities".

5. Importer

Provide, if known, the importer's name, address, e-mail address and telephone number.

6. Description and HS Tariff Classification of the Good

- (a) Provide a description of the good and the HS tariff classification of the good to the 6-digit level. The description should be sufficient to relate it to the good covered by the certification; and
- (b) If the certification of origin covers a single shipment of a good, indicate, if known, the invoice number related to the exportation.

7. Origin Criterion

Specify the rule of origin under which the good qualifies.

8. Blanket Period

Include the period if the certification covers multiple shipments of identical goods for a specified period of up to 12 months as set out in Article 18.4 (Claims for Preferential Treatment).

9. Authorised Signature and Date:

The certification must be signed and dated by the certifier and accompanied by the following statement:

I certify that the goods described in this document qualify as originating and the information contained in this document is true and accurate. I assume responsibility for proving such representations and agree to maintain and present upon request or to make available during a verification visit, documentation necessary to support this certification.

FAQ

1. After the entry into force of the revised SAFTA, the Manufacturing Cost Statement (MCS) for the export of my product under SAFTA is still valid. With the new requirements under the revised ROO, am I required to submit a fresh MCS for Singapore Customs' verification before I can proceed with the Preferential Certificate of Origin (PCO) application for my export to Australia?

Under the revised SAFTA, the Certification of Origin is to be completed by the exporter, producer or importer. Singapore Customs will cease issuance of the PCO under SAFTA once the revised SAFTA enter into force. As such, you are not required to submit any MCS to Singapore Customs for the purpose of obtaining the PCO under SAFTA from Singapore Customs once the revised SAFTA enter into force.

To enable your importer in Australia to claim preferential tariff treatment under SAFTA with its importing customs authority, please follow the procedures set out in paragraph 7 and 8 of this circular. In the corresponding TradeNet[®] declaration for your export permit, please ensure that "PRI" is checked under the "Preferential Indicator" field. This is an indication that the importer intends to claim preferential tariff treatment when the goods are imported into Australia. Please check with your TradeNet[®] software vendor if you are unable to locate the "Preferential Indicator" field.

2. Is there a particular form or format that I have to follow when completing the Certification of Origin under the revised SAFTA?

There is no prescribed format for the Certification of Origin under the revised SAFTA. The Certification of Origin may be in writing, including electronic format, specifies that the good is both originating and meets the requirements of the Rules of Origin chapter of the SAFTA and contain a set of minimum data requirements as set out in **Annex A**.

3. Can I still qualify my goods using the origin criterion under the ROO chapter which was in force prior to the entry into force of the revised SAFTA?

For a period of 3 years upon entry into force of the revised SAFTA, you may qualify your goods as originating if they can meet the rules of origin under Section A of Chapter 3 of the SAFTA which was in force prior to the entry into force of the revised SAFTA.

4. If I qualify my goods using the ROO under the SAFTA which was in force prior to the entry into force of the revised SAFTA, can I still get Singapore Customs to issue the preferential CO?

Upon entry into force of the revised SAFTA, Singapore Customs will cease issuance of the preferential CO under SAFTA. To enable your importer in Australia

to claim preferential tariff treatment with its importing customs authority, please follow the procedures set out in paragraph 7 and 8 of this circular.

5. After entry into force of the revised SAFTA, the MCS for the export of my product under SAFTA is still valid. Can Singapore Customs still issue the preferential CO under SAFTA for my export to Australia?

Upon entry into force of the revised SAFTA, Singapore Customs will cease issuance of the preferential CO under SAFTA. To enable your importer in Australia to claim preferential tariff treatment with its importing customs authority, please follow the procedures set out in paragraph 7 and 8 of this circular.

6. After entry into force of the revised SAFTA, are there any changes to the types of product which are able to enjoy preferential tariff treatment for imports into Singapore under SAFTA?

There are no changes. Customs duty for the import of stout/porter, beer including ale, medicated samsu and other samsu (under the HS codes 22030010, 22030090, 22089010, 22089020, 22089030 and 22089040) originating from Australia under the SAFTA will be zero-rated. However, excise duty on these items will still be applicable at their respective rates.