



Circular No: 13/2018  
12 Dec 2018

All Manufacturers and Traders

Dear Sir/Madam

**RULES OF ORIGIN UNDER THE COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)**

The CPTPP is a Free Trade Agreement between 11 countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The CPTPP provides comprehensive market access and fosters greater regional integration in the Asia-Pacific region.

2 The Agreement will enter in force on **30 Dec 2018**. This circular outlines the salient points of the Rules of Origin requirements and operational procedures for exports of Singapore-originating goods claiming preferential tariff treatment in countries who are a party to the CPTPP ("CPTPP country"). With effect from the following dates, preferential tariff treatment for Singapore-originating goods can be claimed in the respective CPTPP country:

- a) **30 Dec 2018** for **Australia, Canada, Japan, Mexico** and **New Zealand**; and
- b) **14 Jan 2019** for **Vietnam**.

3 Preferential tariff treatment for Singapore-originating goods cannot be claimed in Brunei Darussalam, Chile, Malaysia and Peru under the CPTPP as the agreement has yet to enter into force for these countries as of the date of this circular.

4 The CPTPP does not have a common list of products which are subjected to a common tariff reduction. Instead, each country has a list of products that are subjected to tariff reductions at different rates. Manufacturers and Traders are advised to refer to Annex 2-D of Chapter 2 (National Treatment and Market Access for Goods) in the agreement to obtain the appropriate preferential tariff rate for the import of your goods into a CPTPP country. The legal text of the CPTPP is available via the Enterprise Singapore website at [www.fta.gov.sg](http://www.fta.gov.sg).

**CPTPP Rules of Origin criteria for determination of CPTPP Originating Goods**

5 Your goods may qualify for preferential tariff treatment for importation into CPTPP country if they fulfill the following Rules of Origin:

<b>Rules of Origin under the CPTPP</b>	
Goods Wholly Obtained or Produced	Goods Wholly Obtained and Produced in Singapore as specified in Article 3.3 of Chapter 3 of the CPTPP
Goods Produced Exclusively from Originating Materials	Goods are last manufactured in Singapore entirely from materials which are considered originating under the CPTPP
Goods Produced Using Non-Originating Materials	Goods are last manufactured in Singapore and satisfies the requirement under Annex 3-D of Chapter 3 of the CPTPP (Product Specific Rules)

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

6 Goods will be considered originating in Singapore if they meet the Product Specific Rules (PSR) in the CPTPP. The PSR can be found in **Annex 3-D** of Chapter 3 of the CPTPP. Generally, the PSR requires the final product to be substantially transformed in Singapore. Companies are encouraged to do their own due diligence to cross check the PSR and ensure that only products that meet the rules of origin in CPTPP are self-certified as originating goods. The following are examples of substantial transformation:

- a) A Change in Tariff Classification (CTC) between non-originating materials and the end good must have occurred in Singapore. The CTC is based on the Harmonised System (HS) of Classification and requires the good to have a different 2-digit HS Chapter, 4-digit HS Heading, or 6-digit HS subheading from the non-originating materials used in its production;
- b) Processing conducted in Singapore as defined by the Chapter or Section Notes in the PSR. This rule is mainly applicable to chemical products between HS chapters 27 – 39; and
- c) Meeting the specified Regional Value Content (RVC) percentage for each good under the CPTPP. There are 4 different methods of RVC Calculation as follows:
  - i) Focused Value Method: Based on the Value of Specified Non-Originating Materials

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

- ii) Build-down Method: Based on the Value of Non-Originating Materials

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

- iii) Build-up Method: Based on the Value of Originating Materials

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

- iv) Net Cost Method (for Automotive Goods Only)

$$RVC = \frac{NC - VNM}{NC} \times 100$$

Where:

**RVC** is the regional value content of a good, expressed as a percentage;

**VNM** is the value of non-originating materials, including materials of undetermined origin, used in the production of the good;

**NC** is the net cost of the good determined in accordance with Article 3.9 (Net Cost);

**FVNM** is the value of non-originating materials, including materials of undetermined origin, specified in the applicable product-specific-rule (PSR) in Annex 3-D (Product-Specific Rules of Origin) and used in the production of the good. For greater certainty, non-originating materials that are not specified in the applicable PSR in Annex 3-D (Product-Specific Rules of Origin) are not taken into account for the purpose of determining FVNM; and

**VOM** is the value of originating materials used in the production of the good in the territory of one or more of the Parties.

### **Accumulation**

7 The CPTPP countries are treated as a single production area. This means that any good or material that originated from a CPTPP country will be deemed to have originated from Singapore, and vice versa, provided the good or material satisfies the Rules of Origin under the CPTPP and is supported by a certification of origin. Additionally, production undertaken on a non-originating material in Singapore or a CPTPP country may contribute towards the originating content of a good for the purpose of determining the originating status of the good, regardless of whether production was sufficient to confer originating status to the material itself. Accumulation can only be from CPTPP countries for whom the agreement has entered into force.

### **Documentation Procedures**

8 The CPTPP will operate on a self-certification basis except for CPTPP parties that elect to start with authorised certificates of origin or certificates issued by approved exporters as set out in Annex 3-A. Singapore has not made such an election.

Accordingly, for exports from Singapore seeking CPTPP preferential tariff treatment, to enable the importer in a CPTPP country to claim such preferential tariff treatment under the CPTPP, the exporter, the producer or the importer shall complete a certification of origin as set out in Article 3.20. While the certification of origin does not need to follow a specific format, it does have to contain a set of minimum data requirements as set out in Annex 3-B of Chapter 3 of the CPTPP (replicated at Annex A of this circular) and must describe the goods in sufficient detail to enable its identification by the importing customs authority. It is also important to ensure that the correct HS classification is used for the goods. For further clarity on the HS classification when importing into a CPTPP country, you may seek the advice of the relevant authority in the importing CPTPP country.

9 In the corresponding TradeNet declaration for your export permit, please ensure that “PRI” is selected under the “Preferential Indicator” field. It is mandatory to select “PRI” if the importer intends claim preferential tariff treatment under FTAs with self-certification regimes. This is an indication that the importer intends to claim preferential tariff treatment when the goods are imported into any CPTPP country. Please check with your TradeNet software vendor if you are unable to locate the “Preferential Indicator” field.

10 Singapore exporters who issue the certification of origin under the CPTPP and producers of the goods should be well-acquainted with the qualifying origin criteria of their goods. There are many PSRs included in CPTPP such as extensive process rules for the petrochemical sector and specific RVC calculations for the automotive sector. We thus encourage you to familiarise yourself with the origin criteria set out in the ROO text and PSR annex so that you will be able to take advantage of the benefits of the agreement when you export to a CPTPP country. Please share the contents of this circular with other colleagues in your organisation and business partners if relevant.

### **Retention of Documents**

11 For post-verification checks under Article 3.27 (Verification of Origin), documents relating to the production and export shipments accompanied by the certification of origin should be kept for at least 5 years from the date on which the certification of origin was issued. The retention period of other records required under Singapore legislations remains. The importing party authorities may conduct a verification of any claim of preferential tariff treatment by a written request for information from the exporter or producer of the good. If there is unsupported representations or insufficient information received relevant to a claim that the good is originating, the importing party may deny the claim for preferential tariff treatment.

### **Preferential Tariff Treatment for Imports under the CPTPP**

12 Another circular, No. 14/2018 dated 12 Dec 2018, relating to the claiming of preferential tariff treatment for imports into Singapore under the CPTPP is separately issued. Both circulars can be downloaded from [www.customs.gov.sg](http://www.customs.gov.sg).

## **Clarification**

13 Please refer to the Frequently Asked Questions (FAQ) on the Rules of Origin under the CPTPP in **Annex B** for more details or you may send your enquiries to [customs\\_roo@customs.gov.sg](mailto:customs_roo@customs.gov.sg) for further clarifications on the contents of this circular.

14 For other clarifications on the CPTPP, you may email Enterprise Singapore at [enquiry@enterprisesg.gov.sg](mailto:enquiry@enterprisesg.gov.sg).

Yours faithfully

Chua Yock Chin  
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for Director-General of Customs  
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*(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](mailto: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 3.20 (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. The address of the exporter shall be the place of export of the good in a CPTPP country.

### **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". The address of a producer shall be the place of production of the good in a CPTPP country.

### **5. Importer**

Provide, if known, the importer's name, address, e-mail address and telephone number. The address of the importer shall be in a CPTPP country.

### **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 3.20.4 (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.

**Q1: Is my good eligible for preferential tariff treatment under the CPTPP?**

**A1:** You may refer to Annex 2-D to Chapter 2 (National treatment and Market Access for Goods) of the CPTPP's legal text via the URL provided in the circular for the relevant details. Alternatively, you may use the Tariff Finder Tool available [here](#).

**Q2: I wish to export goods to Brunei, Chile, Malaysia and Peru under the CPTPP. Will my good be eligible for preferential tariff treatment under the CPTPP?**

**A2:** Brunei, Chile, Malaysia and Peru have yet to deposit their instruments of ratification under the CPTPP. As such, imports to these countries currently will not enjoy preferential tariff treatment under CPTPP. This circular will be updated accordingly to advise when the CPTPP will apply to these remaining CPTPP countries.

**Q3: I am a registered manufacturer with Singapore Customs and have exported products under other Free Trade Agreements. Can my product be automatically considered as an originating good under the CPTPP?**

**A3:** Each FTA has its own unique origin qualifying criteria. Your registration with Singapore Customs as a manufacturer does not automatically qualify your good as originating under the CPTPP. You would need to do your own due diligence to ensure that your product meets the qualifying criteria as set out in Chapter 3 and its annexes and self-certify this as an originating good under the CPTPP to be considered for preferential tariff treatment when imported into a CPTPP country.

**Q4: I have exported some goods originating from Singapore to CPTPP country before 30 Dec 2018. Can I request for tariff concession to be granted for these shipments upon the entry into force of the Agreement?**

**A4:** The import may be eligible for preferential tariff treatment only if it enters the CPTPP country on or after 30 Dec 2018 and fulfills the relevant conditions set out in the CPTPP. For further clarity, you may wish to advise your importer to contact their customs authority directly.

**Q5: How can I apply for a Preferential Certificate of Origin (PCO) with Singapore Customs for my exports to CPTPP country under the CPTPP?**

**A5:** Singapore Customs will not be issuing PCOs under the CPTPP. To enable your importer in CPTPP country to claim preferential tariff treatment, please follow the procedures set out in paragraph 7 of this circular.

**Q6: What is the recordkeeping requirement for documents relating to my exports to CPTPP country under the CPTPP?**

**A6:** You are required to keep the relevant documents (which include, but are not limited to, a copy of the certification of origin, shipping documents such as the commercial invoice, and production records) for a period of at least 5 years from the date on which the certification of origin was issued.