



Circular No: 06/2019
23 May 2019

All Manufacturers and Traders

Dear Sir/Madam

RULES OF ORIGIN UNDER THE ASEAN-HONG KONG, CHINA FREE TRADE AGREEMENT (AHKFTA)

The AHKFTA will be implemented on **11 Jun 2019**. This circular outlines the salient points of the Rules of Origin requirements and Operational Certification Procedures for exports of Singapore-originating goods claiming preferential tariff treatment in Hong Kong, China or an ASEAN Member State, who is a party to the Agreement (“AHKFTA Party”).

2 With effect from 11 Jun 2019, preferential tariff treatment for Singapore-originating goods can be claimed in the respective AHKFTA Party:

- a) Hong Kong, China;
- b) Lao PDR;
- c) Myanmar;
- d) Thailand; and
- e) Vietnam

3 Preferential tariff treatment for Singapore-originating goods cannot be claimed in the other ASEAN Member States under the AHKFTA as the agreement has yet to enter into force for these countries as of the date of this circular.

4 Under the Trade in Goods Chapter of the AHKFTA, each country has provided a list of goods that are subjected to tariff reductions at different time frames. Please refer to Annex 2-1 to Chapter 2 of the legal text of the AHKFTA to obtain the appropriate preferential tariff rate for the import of your good into a AHKFTA Party. The legal text of the AHKFTA is available via the Enterprise Singapore’s website at www.fta.gov.sg.

Rules of Origin for Originating Goods

5 Your goods may qualify for preferential tariff treatment for their importation into a AHKFTA Party if they fulfil the following Rules of Origin:

| Rules of Origin under AHKFTA | |
|--|--|
| <u>For Goods Wholly Obtained or Produced</u> | The goods are wholly obtained or produced in Singapore, as set out in Article 4 of the Rules of Origin Chapter under the AHKFTA |
| <u>For Goods Not Wholly Obtained or Produced</u> | The goods are manufactured in Singapore and meets the eligibility requirements under Article 5 of the Rules of Origin Chapter under the AHKFTA: <ul style="list-style-type: none"> - Goods which are specified in the list of Product Specific Rules shall qualify as originating if they meet the Product Specific Rules as specified in Annex 3-2 - Goods not covered in the list of Product Specific Rules shall qualify as originating if they meet a Regional Value Content (RVC) of not less than 40 per cent (The formula to be used for calculation of the RVC may be found in Article 6 of the Rules of Origin Chapter). |
| <u>For Goods Produced Exclusively from Originating Materials</u> | The goods are manufactured in Singapore and all materials are originating from one or more of the Parties under the AHKFTA |

Accumulation

6 Hong Kong, China and ASEAN Member States including Singapore are treated as a single production area. This means that any good or material that originated from Hong Kong, China or the ASEAN Member States will be deemed to have originated from Singapore and vice versa, provided the good or material satisfies the origin requirements under the AHKFTA.

Application Procedures for Form AHK for Singapore-originating Goods

7 To enable your importer in a AHKFTA Party to claim preferential tariff treatment under the agreement, the Singapore exporter shall apply for a Preferential Certificate of Origin issued under the AHKFTA (Form AHK) as shown in Annex A and Export Permit from Singapore Customs when exporting the goods. The application procedures for a Form AHK for Singapore-originating goods are as follows:

- a) Registration of Manufacturing Premises with Singapore Customs;
- b) Submission of the Manufacturing Cost Statement (MCS);
- c) Application of Form AHK via TradeNet (Certificate Type “31”);
- d) Collection of Form AHK

8 For more information on the procedures stated in Paragraph 7, you may wish to refer to www.customs.gov.sg > Businesses > Exporting Goods > Certificates of Origin.

Back-to-Back Form AHK Preferential Certificate of Origin

9 AHKFTA allows for the application of back-to-back Form AHK (also known as Movement Confirmation) under Rule 10 of the Operational Certification Procedures. This is applicable for the re-export of originating goods under the AHKFTA through Singapore. The goods in question shall fulfil all the eligibility requirements stipulated under the legal text of the AHKFTA.

Application Procedures for Back-to-Back Form AHK Preferential Certificate of Origin

10 The application for a back-to-back Form AHK is to be made via TradeNet. During the application via TradeNet, you are required to select Certificate Type “32”, Back-to-Back Form AHK. The usual documentary requirements for back-to-back Preferential Certificate of Origin will apply.

Retention of Documents

11 For post-verification checks, documents relating to the production and export shipments accompanied by a Form AHK should be kept for no less than 3 years from the date on which the Form AHK was issued.

Preferential Tariff Treatment for Imports under the AHKFTA

12 Another circular, No. 07/2019 dated 23 May 2019, relating to the claiming of preferential tariff treatment for imports into Singapore under the AHKFTA is separately issued. Both circulars can be downloaded at www.customs.gov.sg > News & Media > Circulars.

Clarifications

13 A list of Frequently Asked Questions (FAQ) is attached in Annex B. For further clarifications on the contents of this circular, you may write in to customs_roo@customs.gov.sg.

14 For other clarifications on the AHKFTA, you may email Enterprise Singapore at enquiry@enterprise.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.

Annex A

CERTIFICATE OF ORIGIN

ORIGINAL

| | | | | | |
|---|----------------------------------|---|--|--|--|
| 1. Goods Consigned from (Exporter's name, address and Country/ Party) | | Certificate No. | | Form AHK | |
| 2. Goods Consigned to (Consignee's name, address and Country/ Party) | | ASEAN-HONG KONG, CHINA FREE TRADE AGREEMENT CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) | | | |
| 3. Means of transport and route (as far as known) Shipment Date: Vessel's name/Aircraft etc.: Port of Discharge: | | 4. For Official Use | | | |
| | | <input type="checkbox"/> Preferential Treatment Given Under ASEAN - Hong Kong, China Free Trade Agreement | | | |
| | | <input type="checkbox"/> Preferential Treatment Not Given (Please state Reason(s)) | | | |
| Signature of Authorised Signatory of the Importing Country/Party | | | | | |
| 5. Item number | 6. Marks and numbers on packages | 7. Number and kind of packages; description of goods including HS Code (6 digits); and, if applicable, brand name. Names and country/party of the company issuing third party invoice, if applicable. | 8. Origin-Conferring Criterion (see Overleaf Notes) | 9. Quantity (Gross or Net weight or other measurement) and value (FOB) where RVC is applied (see Overleaf Notes) | 10. Invoice Number(s) and date of invoice(s) |
| | | | | | |
| 11. Declaration by the exporter | | | 12. Certification | | |
| The undersigned hereby declares that the above details and statements are correct; and that all the goods were produced in (Country/ Party of origin) | | | On the basis of control carried out, it is hereby certified that the information herein is correct and that the goods described herein comply with the origin requirements specified in the ASEAN-Hong Kong, China Free Trade Agreement. | | |
| and that they comply with the rules of origin, as provided in Chapter 3 (Rules of Origin) of the ASEAN-Hong Kong, China Free Trade Agreement for the goods exported to (Importing Country/ Party) | | | Place and date, signature and name, stamp of authorised issuing authority | | |
| Place and date, signature of authorised signatory | | | | | |
| 13. <input type="checkbox"/> Movement Confirmation <input type="checkbox"/> Third-party invoicing <input type="checkbox"/> Issued retroactively <input type="checkbox"/> De Minimis <input type="checkbox"/> Accumulation <input type="checkbox"/> Exhibitions | | | | | |



OVERLEAF NOTES

1. Countries/Parties which accept this form for the purpose of preferential treatment under the ASEAN-Hong Kong, China Free Trade Agreement (the Agreement):

| | | | | | |
|-------------------|----------|------------------|-----------|----------|----------|
| Brunei Darussalam | Cambodia | Hong Kong, China | Indonesia | Lao PDR | Viet Nam |
| Malaysia | Myanmar | Philippines | Singapore | Thailand | |

 (herein after individually referred to as a Country/Party)
2. **CONDITIONS:** To be eligible for the preferential treatment under the Agreement, goods must:
 - a. Fall within a description of products eligible for concessions in the importing Country/Party;
 - b. Comply with all relevant provisions of Chapter 3 (Rules of Origin) of the Agreement.
3. **EXPORTER AND CONSIGNEE:** Details of the exporter of the goods (including name, address, and Country/Party) and consignee (name, and address and Country/Party) must be provided in Box 1 and Box 2, respectively.
4. **DESCRIPTION OF GOODS:** The description of each good in Box 7 must include the Harmonized Commodity Description and Coding System (HS) subheading at the 6-digit level of the exported product, and if applicable, product number, product name and brand name. The description of products must be sufficiently detailed to enable the products to be identified by the Customs Officers examining them. Name of manufacturer and any trade mark shall also be specified.
5. **ORIGIN CRITERIA:** For the goods that meet the origin criteria, the exporter should indicate in Box 8 of this Form, the origin criteria met, in the manner shown in the following table:

| Circumstances of production or manufacture in the Country/ Party named in Box 11 of this form: | Insert in Box 8 |
|--|---|
| (a) Goods wholly obtained or produced in the Area of a Country/ Party | "WO" |
| (b) Goods produced in a Party exclusively from originating materials from one or more of the Countries/ Parties | "PE" |
| (c) Goods satisfying Article 5 (Not Wholly Obtained or Produced Goods) of Chapter 3 (Rules of Origin) of the Agreement <ul style="list-style-type: none"> • Regional Value Content • Change in Tariff Classification (CTC) • Specific Processes • Combination Criteria | Percentage of Regional Value Content, example "40%" The actual CTC rule, example "CC" or "CTH" or "CTSH" "SP" The actual combination criterion, example "CTSH + 35%" |

6. **EACH GOOD CLAIMING PREFERENTIAL TARIFF TREATMENT MUST QUALIFY IN ITS OWN RIGHT:** It should be noted that all the goods in a consignment must qualify separately in their own right. This is of particular relevance when similar articles of different sizes or spare parts are exported.
7. **FOB value:** In the cases where the Regional Value Content (RVC) criterion is applied, an exporter needs to indicate in Box 9 the FOB value of the goods, except if the goods are exported from an ASEAN Member State to Hong Kong, China.
8. **INVOICES:** Indicate the invoice number and date of invoice(s). The invoice should be the one issued for the importation of the good into the importing Country/Party.
9. **THIRD PARTY INVOICING:** In cases where invoices used for the importation are issued by a company located in a third party or by an exporter for the account of the said company, in accordance with Rule 22 (Third Party Invoicing) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Third party invoicing" box in Box 13 should be ticked (✓) and the name and country/party of the company issuing the invoice should be provided in Box 7, or if there is insufficient space, on a continuation sheet as appropriate. The number of the invoices issued by the manufacturers or the exporters and the number of the invoices issued by the trader (if known) for the importation of goods into the importing Country/Party should be indicated in Box 10.
10. **CERTIFIED TRUE COPY:** In case of a certified true copy, the words "CERTIFIED TRUE COPY" should be written or stamped on Box 12 of the Certificate with the date of issuance of the copy in accordance with Rule 11 (Loss of the Certificate of Origin (Form AHK)) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement.
11. **BOX 13:** The items in Box 13 should be ticked (✓), as appropriate, in those cases where such items are relevant to the goods covered by the Certificate.
12. **MOVEMENT CONFIRMATION:** In the case of a Movement Confirmation issued in accordance with Rule 10 (Movement Confirmation) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Movement Confirmation" box in Box 13 should be ticked (✓).
13. **ISSUED RETROACTIVELY:** In exceptional cases, due to involuntary errors or omissions or other valid causes, the Certificate of Origin (Form AHK) may be issued retroactively, in accordance with paragraph 2 of Rule 9 (Issuance of the Certification of Origin (Form AHK)) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Issued Retroactively" box in Box 13 should be ticked (✓).
14. **ACCUMULATION:** In cases where a good originating in a Party is used in another Party as material for a finished good, in accordance with Article 7 (Accumulation) of Chapter 3 (Rules of Origin) of the Agreement, the "Accumulation" box in Box 13 should be ticked (✓).
15. **DE MINIMIS:** If the value of all non-originating materials used in the production of a good that do not undergo the required change in tariff classification does not exceed ten percent (10%) of the FOB value of the good, in accordance with Article 10 (*De Minimis*) of Chapter 3 (Rules of Origin) of the Agreement, the "De Minimis" box in Box 13 should be ticked (✓).
16. **EXHIBITIONS:** In cases where goods are sent from the exporting Party for exhibition in another Party and sold during or after the exhibition for importation into a Party, in accordance with Rule 21 (Exhibition Goods) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Exhibitions" box in Box 13 should be ticked (✓) and the name and address of the exhibition indicated in Box 2.
17. **FOR OFFICIAL USE:** The customs authority of the Importing Country/Party must indicate (✓) in the relevant box in Box 4 whether or not preferential tariff treatment under this Agreement is accorded.



FREQUENTLY ASKED QUESTIONS

Q1: I wish to export goods to Brunei Darussalam, Cambodia, Indonesia, Malaysia and Philippines under the AHKFTA. Will my goods be eligible for preferential tariff treatment under the AHKFTA?

A1: As Brunei Darussalam, Cambodia, Indonesia, Malaysia and Philippines have yet to complete their ratification process under the AHKFTA, imports to these ASEAN Member States under the AHKFTA will not enjoy preferential tariff treatment. The information on the implementation of the AHKFTA by abovementioned ASEAN Member States will be updated accordingly on Singapore Customs' website.

Q2: I am a registered manufacturer with Singapore Customs and have exported goods under other Free Trade Agreements (FTAs). Can my goods be automatically considered as originating under the AHKFTA?

A2: Each FTA has its own prescribed rules of origin. Having exported goods under other FTAs does not automatically qualify your goods as originating under the AHKFTA. You are advised to ensure that your goods meet the applicable requirements of the Rule of Origin Chapter of the AHKFTA.

We encourage you to familiarise yourself with the Rules of Origin and Operational Certification Procedures in the AHKFTA to take advantage of the benefits of the agreement when you export to a AHKFTA Party.

Q3: I intend to submit a Manufacturing Cost Statement (MCS) under the AHKFTA to Singapore Customs, what are the supporting documents required for submission alongside the MCS?

A3: There is no change to the supporting documents required for submission of MCS under the AHKFTA. For materials and components listed as 'originating' in the MCS worksheet, you are required to attach the relevant supporting documents for our verification. You may refer to the "Instructions" tab in the MCS format for the required supporting documents.

Q4: I am interested in the application of a back-to-back Form AHK. What are the eligibility requirements my goods have to meet?

A4: You may refer to the legal text for the AHKFTA available via Enterprise Singapore's website at www.fta.gov.sg for information on the eligibility requirements for a back-to-back Form AHK. Specifically, you may wish to refer to Rule 10 of Annex 3-1 Operational Certification Procedures for the relevant information.