



Circular No: 15/2020
31 Dec 2020

All Manufacturers, Traders and Declaring Agents

Dear Sir/Madam

CLAIMING PREFERENTIAL TARIFF BENEFITS FOR GOODS EXPORTED FROM SINGAPORE TO THE UNITED KINGDOM UNDER THE UNITED KINGDOM-SINGAPORE FREE TRADE AGREEMENT (UKSFTA)

The UKSFTA will take effect from 1 Jan 2021, 7.00am Singapore Standard Time (SST)¹ via provisional application². The EU-Singapore Free Trade Agreement (EUSFTA) will then cease to apply to UK-Singapore Trade. The UKSFTA continues to allow Singapore and UK companies to enjoy the same EUSFTA benefits when trading between the two countries, which includes preferential tariff treatment for exports of Singapore-originating goods to the UK as well as for imports of UK-originating goods entering into Singapore.

2 This circular outlines the method by which companies in Singapore (primarily manufacturers) seeking to export their products to the UK can benefit from this preferential treatment. The key to this is having an understanding of the conditions under which the goods would qualify for such preferential treatment, which includes the Rules of Origin requirements and operational procedures for exports of Singapore-originating goods claiming preferential tariff treatment in UK.

3 The full details of such conditions are set out in the **Protocol in the Appendix to the Annex of the UKSFTA** (hereinafter referred to as “**UKSFTA Protocol**”). This circular merely sets out the salient points. Companies are urged to read the full text of this Protocol which can be found at www.fta.gov.sg. You can access the full text of the UKSFTA by scanning the QR code on the right.



4 The UKSFTA is a short form agreement that replicates the EUSFTA with limited modifications. Manufacturers and Traders are also advised to refer to Annex 2-A of Chapter 2 (National Treatment and Market Access for Goods) in EUSFTA and the Annex of the UKSFTA’s legal text titled “Modifications to the EUSFTA” to obtain

¹ This corresponds to when the Brexit Transition period ends at 11.00pm on 31 Dec 2020, Greenwich Mean Time (GMT)

² Provisional application enables countries to apply treaty commitments on a provisional basis, while they complete their necessary domestic procedures and relevant international treaty formalities for entry into force.

the appropriate preferential tariff rate for the import of Singapore originating goods into the UK.

UKSFTA Rules of Origin criteria for determination of Origin of Goods.

5 Your goods may qualify for preferential tariff treatment for importation into the UK under the UKSFTA if they fulfil the following Rules of Origin:

Rules of Origin under the UKSFTA	
Goods Wholly Obtained or Produced	Goods are wholly obtained or produced in Singapore, as specified in Article 4 of the UKSFTA Protocol
For Goods Not Wholly Obtained or Produced excluding Asian Food Products specified in Annex B(A) of the UKSFTA Protocol	Goods are manufactured in Singapore and satisfy both Article 5 ³ as well as the Product Specific Rules specified in Annex B of the UKSFTA Protocol
For Asian Food Products Not Wholly Obtained or Produced specified in Annex B(A) of the UKSFTA Protocol within the allocated quota ⁴	Goods are manufactured in Singapore and satisfy both Article 5 as well as the Product Specific Rules specified in Annex B(A) of the UKSFTA Protocol

Rules of Origin for Originating Goods which are not wholly obtained or produced

6 For goods which are not wholly obtained or produced, they will be considered Singapore-originating if they had undergone sufficient working or processing⁵ and meet the Product Specific Rules (PSR) in the UKSFTA. The PSR can be found in **Annex B and B(A) of the UKSFTA Protocol**. 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 self-certification is made out for only products that meet the Rules of Origin in UKSFTA. 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 end good to have a different 4-digit HS Heading, or 6-digit HS sub-heading from the non-originating materials used in its production;

³ Article 5 set out products which are not wholly obtained are considered as originating goods if they are sufficiently worked or processed and met the conditions laid down in Annex B or B(A) to the UKSFTA Protocol.

⁴ The Asian Food Quota has a special Rules of Origin as set out in Annex B(A) of the UKSFTA Protocol and this quota will be managed by the UK. Singapore companies thus need to ensure that their UK importer qualifies for the quota arrangement.

⁵ Article 6 sets out the list of insufficient working or processing and such operations or processes undertaken by themselves or in combination with each other shall not be taken into account when determining the originating status of a good.

- b) For chemical products in HS Chapter 27, do note what it means by “Processing” as defined by the Introductory Notes in Annex A;
- c) Meeting the specified percentage of originating value content based on ex-works price for each good under the UKSFTA; and
- d) Combination of both CTC and meeting the specified percentage of originating value.

Accumulation

7 The UK and Singapore are treated as a single production area. This means that any good or material that originated from the UK will be deemed to have originated from Singapore, and vice versa, provided that the good or material satisfies the origin requirements under the UKSFTA and is supported by an origin declaration by the supplier. In addition, any materials that originated from the EU and exported to the UK or Singapore to be used in further working or processing there will be deemed to have originated from the 2 countries, provided that the product being manufactured had undergone sufficient working or processing, meet the PSR in the UKSFTA and is supported by an origin declaration by the supplier. This means that in line with the current arrangement under the EUSFTA, UK and Singapore companies can continue to use materials and parts sourced from the EU-27 in their exports to each other's markets.

8 For a limited number of products as set out in Annex D of the UKSFTA Protocol, ASEAN cumulation would be permitted. The EUSFTA provision on ASEAN cumulation would remain.

Documentation Procedures

9 The UKSFTA will operate on a self-certification basis. Exporters in Singapore can submit a declaration that their products are Singapore originating. This means that to enable importers in the UK to claim preferential tariff treatment under the UKSFTA on Singapore originating goods, the Singapore exporter

- a) has to have a Unique Entity Number (UEN) (i.e. not individuals) before the exporter can make out an origin declaration;
- b) must submit a declaration on the invoice, or any other commercial documents that certifies that the goods qualify as originating goods for their import into the UK (hereinafter referred to as “origin declaration”);
- c) the origin declaration must contain, in English, the text and details set out in **Annex A** of this circular; and
- d) the origin declaration 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.

10 For further clarity on the HS classification when importing into the UK, you may seek the advice of the relevant authority in the UK.

11 In addition, in the corresponding TradeNet declaration for your export permit, you must ensure that “PRI” is selected under the “Preferential Indicator” field. It is mandatory to select “PRI” if the importer intends to 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 the UK. With this, Singapore Customs can better assist companies if they face any denial of claims or request for verification of claims by the UK authorities. Please check with your TradeNet software vendor if you are unable to locate the “Preferential Indicator” field.

12 Singapore exporters who issue the Origin Declaration under the UKSFTA and producers of the goods should be well acquainted with the qualifying origin criteria of their goods. There are many PSR included in the UKSFTA. We encourage you to familiarise yourself with the Rules of Origin and other requirements in the UKSFTA to take advantage of the benefits of the Agreement when you export to the UK. Please share the contents of this circular with other colleagues in your organisation (especially trade compliance team within your organisation) and business partners if relevant.

Retention of Documents

13 For post-verification checks under Article 28 (Verification of Origin Declarations) of the UKSFTA Protocol, documents relating to the production and export shipments accompanied by the origin declaration should be kept for **at least 3 years** from the date on which the origin declaration was signed. 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 UKSFTA

14 Another circular, No. 16/2020 dated 31 Dec 2020, relating to the claiming of preferential tariff treatment for imports into Singapore under the UKSFTA is separately issued. Both circulars can be downloaded from <https://www.customs.gov.sg/news-and-media/circulars/>.

Clarification

15 Please refer to the Frequently Asked Questions (FAQ) on the Rules of Origin under the UKSFTA in **Annex B** for more details or you may send your enquiries to customs_roo@customs.gov.sg for further clarifications on the contents of this circular. For other clarifications on the UKSFTA, you may email Enterprise Singapore at enquiry@enterprisesg.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.

ORIGIN DECLARATION TEXT

The exporter of the products covered by this document (*Unique Entity Number of your company*) declares that, except where otherwise clearly indicated, these products are of Singapore preferential origin.

.....
(Place and date)

.....
(Signature of the exporter, in addition the name of the person signing the declaration has to be indicated in clear script)

FREQUENTLY ASKED QUESTIONS

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

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

Q2: 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 UKSFTA?

A2: 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 UKSFTA. You should ensure that your product meets the qualifying criteria as set out in the UKSFTA Protocol and its annexes and self-certify this as an originating good under the UKSFTA to be considered for preferential tariff treatment when imported into the UK.

Q3: I have exported some goods originating from Singapore to the UK before the date of implementation of the UKSFTA. Can I request for tariff concession to be granted for these shipments upon the entry into force of the Agreement?

A3: The import may be eligible for preferential tariff treatment only if it enters the UK on or after the day when UKSFTA is implemented and the import fulfils the relevant conditions set out in the UKSFTA. Prior to 1 Jan 2021, UK remains a party to the EUSFTA and imports entering the UK may be eligible for preferential tariff treatment if it fulfils the conditions set out in the EUSFTA. For further clarity, you may wish to advise your importer to contact their customs authority directly.

Q4: How can I apply for a Preferential Certificate of Origin (PCO) with Singapore Customs for my exports to UKSFTA country under the UKSFTA?

A4: Singapore Customs will not be issuing PCOs under the UKSFTA. To enable your importer in UKSFTA country to claim preferential tariff treatment, please follow the procedures set out in paragraph 9 of this circular.

Q5: What product details should I include in my commercial invoice with the origin declaration to enable the good's identification by the importing customs authority?

A5: The document on which the Origin Declaration is inserted should provide a product description that is generic enough for the good to be identified by the authority, while also including product information such as the model, brand and trademark (if any). Such information should also tally with that provided in the other trade/shipping

documents submitted. Please contact the importing customs authority directly for further clarification on the exact details that may be required in the document.

Q6: What is the recordkeeping requirement for documents relating to my exports to UK under the UKSFTA?

A6: You are required to keep the relevant documents (which include, but are not limited to, a copy of the origin declaration, shipping documents such as the commercial invoice, and production records) for a period of at least 3 years from the date on which the Origin Declaration was made out.