



Singapore Customs Media Release

SINGAPORE CUSTOMS EASES EXPORT OF GOODS UNDER NEW ASEAN SELF-CERTIFICATION SCHEME FOR ORIGIN CERTIFICATION *850 exporters in Singapore expected to save over \$1 million annually*

Singapore Customs makes trade easier for exporters as Singapore, Brunei and Malaysia implement a new pilot ASEAN Self-Certification Scheme¹ from 1 November 2010. The new scheme enables certified Singapore exporters to self-certify the origin of their exports to enjoy preferential tariffs under the ASEAN Free Trade Area (AFTA).

New Self-Certification Scheme at a Glance

2. The new Self-Certification Scheme will be piloted among the three countries for a period of one year, before full implementation in all ASEAN member states by 2012. Singapore Customs administers the scheme for traders exporting from Singapore.

3. Previously, exporters have to apply for the Preferential Certificate of Origin, commonly known as Form D from Singapore Customs to enjoy preferential tariffs for their goods exported to the other ASEAN member states. Under the pilot self-certification scheme, a certified exporter need not apply for a Form D from Singapore Customs. Instead, exporters can now use commercial invoices to self declare the country of origin for their goods.

How Does Self Certification by Certified Exporters Work?

4. Singapore Customs and the Ministry of Trade and Industry jointly conducted two outreach sessions from September to October 2010 to qualify companies based on their trading patterns and compliance records to take part in the pilot project as certified exporters. As certified exporters, companies will be able to self-certify that the goods meet the requisite rules of origin criteria and enjoy the preferential treatment in the Participating Member State. There are currently 22 certified exporters under the pilot scheme. More companies are expected to come on board and they can apply to Singapore Customs to become certified exporters for self-certification.

5. Under this scheme, the responsibility of origin certification will now fall on traders such as manufacturers and exporters, including small and medium enterprises, participating in regional

¹ The ASEAN Secretariat had earlier made an announcement on 29 October 2010 about the pilot project. The statement can be found at the following weblink : "<http://www.asean.org/25505.htm>"

trade. The certified exporters are allowed to declare that their products have satisfied the ASEAN origin criteria by making a declaration of origin on a commercial invoice instead of applying for Form D. In the event that the invoice is not available at the time of export, the exporter can also make the declaration of origin on any other commercial document such as billing statements, delivery order, or packing list. Figure 1 gives a diagrammatic comparison of the procedure for origin certification before and after the scheme.

6. The latest adoption of self-certification scheme in ASEAN to facilitate exports is important for Singapore traders, given that the total Singapore-ASEAN trade totalled a significant US\$89.65 billion in 2009². Currently, Singapore exporters are able to perform self-certification for exports to Singapore's trade partners under the EFTA-Singapore Free Trade Agreement (ESFTA), Agreement between New Zealand and Singapore on a Closer Economic Partnership Agreement (ANZSCEP), Panama-Singapore Free Trade Agreement (PSFTA), Trans-Pacific Strategic Economic Partnership Agreement (Trans-Pacific SEP, with Brunei, Chile and New Zealand), and the United States-Singapore Free Trade Agreement (USSFTA).

Benefits

7. Self certification serves to encourage usage of the ASEAN rules of origin for preferential trade by reducing the upfront administrative burden and costs of applying for the conventional Form D. The benefits that a certified exporter can enjoy are:

- a. Greater convenience as there is no need to obtain Form D from issuing authorities;
- b. More cost savings enjoyed by exporter as a typical application for a Form D charged by a declaring agent to the exporter is about \$15 per application;
- c. Improved timeliness as weekend shipments are no longer held back by the issuing authorities as no Form D is now required; and
- d. Smoother clearance of goods at the port of importation as issues relating to verification of Form D such as the signatory in the form is done away with under the self-certification.

8. Singapore Customs issues about 6,000 Form D to our exporters monthly. With the full-fledged self certification expected to be implemented in 2012, some 850 exporters will potentially enjoy a total annual savings of about S\$1.08 million, otherwise incurred in applying for Form D. The scheme will help traders to be more competitive by reducing business costs through the simplification of the certification process. Moreover, self-certification can be conducted 24/7 to ensure that shipments of goods are not hindered by documentary application procedures.

Thumbs Up to the New Self-Certification Scheme

9. Commenting on the new scheme, Director-General of Customs, Mr Fong Yong Kian (方永健) said, "Singapore Customs has the mission of making trade easy, fair and secure. The Self-Certification Scheme is another step towards greater trade facilitation within the ASEAN region.

² Source: ASEAN website, <http://www.aseansec.org/stat/Table24.pdf>

With self-certification, businesses can save costs and get their goods to overseas customers in a faster and timelier manner.”

10. The trading community also gave thumbs up to the scheme. Mr Chan Huan Siong, Regional Logistics Manager of Singapore Cables Manufacturers Pte Ltd said, “We can see this project is a new breakthrough for custom documentation as it saves us not just the cost, most importantly the efficiency.” A spokesperson from another certified exporter said, “The process at the customs went pretty smoothly, we did not face any major problems on our export into Malaysia thus far and hope that more enterprises could participate and benefit from this initiative.”

Further Information

11. Traders who wish to find out more details of the new self certification scheme, and other matters relating to Rules of Origin under the respective free trade agreements and application procedures on Certificates of Origin, please email customs_roo@customs.gov.sg or call Singapore Customs at 6355 2172 and 6355 2174.

End

ISSUED BY: SINGAPORE CUSTOMS 新加坡关税局
KASTAM SINGAPURA சிங்கப்பூர் கங்கத்துறை

DATE: 18 NOVEMBER 2010

About AFTA and Rules of Origin

The AFTA is meant to promote intra-ASEAN trade by reducing or eliminating tariff duties for goods that are produced in the ASEAN Member State. In 2009, Intra-ASEAN trade stood at US\$376.2 billion³. The AFTA goes on to specify that only goods that meet the requisite Rules of Origin can qualify for preferential tariff treatment in the importing Member State. If goods fail to meet the Rules of Origin, it is an indication that the local origin content is insufficient and such goods will not be accorded preferential tariff concession under AFTA.

The origin certification method, whether it is conventional Form D or self certification is an important document as it gives evidence to the importer that the goods in question meet the Rules of Origin under AFTA and thus qualify for preferential tariff treatment in the importing Member State. The customs authorities of the importing Member State will base on the origin certification to accord preferential tariff treatment to the originating goods.

³ Source: ASEAN website, <http://www.aseansec.org/stat/Table18.pdf>

Figure 1: Comparison of Procedural Flow between the Current and New Certification of Origin Regime

