



SINGAPORE CUSTOMS MEDIA RELEASE

ALL EXPORTS TO BE DECLARED IN ADVANCE COME 2013

With effect from 1 April 2013, Singapore Customs will require declarations for the export of all goods to be submitted prior to the goods leaving Singapore. This initiative, known as Advance Export Declaration (AED), aims to strengthen Singapore's supply chain security and align its export declaration practices with international norms.

AED is crucial to securing the supply chain as advance cargo information allows Singapore Customs to conduct timely risk assessment before high-risk consignments are exported.

In particular, AED will be beneficial for Singapore's collaboration on supply chain security with overseas authorities, including the implementation of Mutual Recognition Arrangements (MRAs) to strengthen supply chain security between the two countries and facilitate trade flows.

"Singapore is a key node in the international supply chain. With strong international emphasis on supply chain security, Singapore Customs needs to have timely information on all goods being exported, to position Singapore as a trusted and secure global trade hub and be more effective in trade facilitation," said Mr Fong Yong Kian, Director-General, Singapore Customs.

Currently, Singapore Customs requires advance declarations only for exports of controlled items or exports by land. Declarations for exports of non-controlled items by sea and air are allowed to be made within three days of the goods leaving Singapore under an existing exemption.

More than half of Singapore's current exports are already declared in advance. For example, in the first half of 2011, 56 per cent of Singapore's exports were declared prior to the goods leaving Singapore.

Many countries, including the United States, Japan, China and Australia, as well as the European Union, have AED in place.

Strengthening the country's supply chain security is crucial not only to Singapore's position as a secure and trusted global transportation and logistics hub, it also serves to promote international trade – a key component of Singapore's economy.

Extensive Industry Consultations

An inter-agency task force comprising the Ministry of Trade and Industry, the Ministry of Transport, the Economic Development Board and Singapore Customs was formed to look into the implementation of AED with minimal impact to the industry.

The task force conducted extensive consultations with key supply chain stakeholders including trade and business associations from April to December 2010. To further reach out to the trading community, a public consultation on AED was held in March 2011.

Given today's security climate, companies generally understood the rationale and need for AED, and expressed confidence that they would be able to comply with the AED requirement, given sufficient lead time to make the necessary preparations and adjustments to their operations.

"The AED will definitely provide additional protection to the aviation industry from the security perspective. It will enhance the status of Singapore as a free port in terms of higher security and safety, which will promote more cargo flows via Singapore as a regional hub," said Mr Steven Lee, Chairman of the Singapore Air Cargo Agents Association.

The task force received many useful comments and suggestions, which were taken into consideration when Singapore Customs formulated the implementation details for AED. To mitigate the impact on companies, a slew of measures will be put in place. These include providing the industry with one year's advance notice prior to the implementation of AED so that companies can make the necessary work process changes, allowing for an adjustment period, providing exemptions, and allowing amendments to most of the declared information within three days of the goods leaving Singapore.

After the implementation of AED on 1 April 2013, there will be an 18-month adjustment period. Companies will have till 1 October 2014 to further fine-tune their processes, systems and information flow in order to comply fully with the AED requirement, without facing penalties for non-compliance.

“In the process of consulting the industry, we gained a good appreciation of the adjustments they need to make to comply with AED. We are therefore providing an adjustment period of 18 months, during which no penalties will be imposed, for companies to make the transition to comply with AED. During the adjustment period, we will continue to engage and listen to companies on any concerns they have about the AED, and help to smoothen the implementation process for them,” said Mr Lim Teck Leong, Senior Assistant Director-General (Trade), Singapore Customs.

Chief Executive Officer of the Singapore Business Federation, Mr Ho Meng Kit, said: “We are glad that Singapore Customs has listened to the feedback of the trading community and has built in an 18-month transition period for companies to adjust their operations.”

“With the availability of accurate and timely information through the supply chain, AED will help Singapore maintain its reputation as a secure and trusted logistics hub for companies to develop their business,” said Mr Ho.

To encourage greater automation to boost productivity and streamlining of business processes, Singapore Customs is currently working out the details of a possible assistance scheme to support companies, especially small and medium enterprises, implement AED. Details of the scheme will be provided later in the year.

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DATE: 12 January 2012