



ASSESSMENT CRITERIA GUIDE



DECLARING AGENT GOVERNANCE FRAMEWORK



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PREFACE

Annually, declaring agents and declarants in Singapore submit more than 9 million trade declarations to cover the importation, exportation or transshipment of goods.

Declaring agents and declarants act as the critical intermediary between Singapore Customs and the trading community. They are also responsible for the accuracy, completeness and integrity of the trade declarations, and compliance with any conditions that are stipulated in the trade declarations.

Recognising the important role played, Singapore Customs has implemented the Declaring Agent Governance Framework to help raise the overall proficiency and professionalism of the declaring agents and declarants.

This framework aims to help declaring agents and declarants remain professional and competent in their knowledge of customs procedures and documentation. It also allows expedited processing and clearance of legitimate trade goods by government agencies through more efficient and effective risk profiling arising from reliable and correct trade data.

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Updates and Amendments

S/N	Date of Amendment	Amendments Made
1	1 Jul 2013	Added new Para 2.6, 2.10, 2.15, 2.16, 2.17 Revised Para 4.C.5

1 **About This Guide**

1.1 What is this guide about?

This guide provides information on:

- a. Overview of the Declaring Agent Governance Framework (Section 2);
- b. Overview of the Assessment Criteria under the Declaring Agent Governance Framework (Section 3);
- c. Explanatory Notes on the Assessment Criteria under the Declaring Agent Governance Framework (Section 4); and
- d. Other Information (Section 5)

2

Overview of the Declaring Agent Governance Framework

2.1 What is a declaring agent?

A declaring agent refers to an entity making (through a declarant) an application under the Customs Act, Regulation of Imports and Exports Act or any regulations made thereunder to the Director-General for a permit, certificate, licence or any other document or form of approval on behalf of a declaring entity (including where the declaring entity is concurrently registered as that declaring agent).

2.2 What is a declarant?

A declarant refers to an individual who is authorised by a declaring agent to do any act or thing for the purposes of the Customs Act, Regulation of Imports and Exports Act or any regulations made thereunder on behalf of the declaring agent (including where the declaring entity is concurrently registered as that declaring agent).

2.3 What is a declaring entity?

A declaring entity refers to any importer, exporter, shipping agent, air cargo agent, freight forwarder, common carrier or other person who desires to obtain a permit, certificate, licence or any other document or form of approval for any purposes of the Customs Act, Regulation of Imports and Exports Act or any regulations made thereunder, the application for which involves a declaration being made.

2.4 What is a declaring agent industry?

A declaring agent industry refers to both declaring agents and declarants as a whole.

2.5 Who is a key personnel of a company?

A key personnel refers to an individual whose particulars are registered with:

- a. the Accounting and Corporate Regulatory Authority (ACRA) for the purposes of a registration of a business entity; or
- b. the relevant Issuance Agency of the Unique Entity Number (UEN) for the purposes of an application for a unique entity number.

2.6 Who is an authorised personnel of a company?

An authorised personnel refers to an individual authorised by a company's key personnel with certain rights to help them manage the company's (i) Customs Activation Account; or (ii) Declaring Agent Account including declarant details; or (iii) both the aforementioned accounts.

2.7 What is the Declaring Agent Governance Framework about?

The Declaring Agent Governance Framework seeks to raise the level of proficiency and professionalism of the declaring agent industry, and to incentivise declaring agents with good internal control procedures and processes and good compliance records.

2.8 Who will come under the Declaring Agent Governance Framework?

All declaring agents and declarants will come under the Declaring Agent Governance Framework.

2.9 When will the Declaring Agent Governance Framework be implemented?

The Declaring Agent Governance Framework will be implemented on **7 Jan 2013**. The requirements under the framework will commence with effect from **7 Jan 2013** for **new declaring agents** for the **initial registration** process and from **1 Jul 2013** for **existing declaring agents** for the **renewal** process.

2.10 Why is there a need to implement the Declaring Agent Governance Framework?

Singapore is an international trading hub and trade is a key component of Singapore's economy. Annually, declaring agents and declarants in Singapore submit more than 9 million trade declarations to cover the importation, exportation or transshipment of goods.

Declaring agents and declarants act as the critical intermediary between Singapore Customs and the trading community. They are also responsible for the accuracy, completeness and integrity of the trade declarations, and compliance with any conditions that are stipulated in the trade declarations.

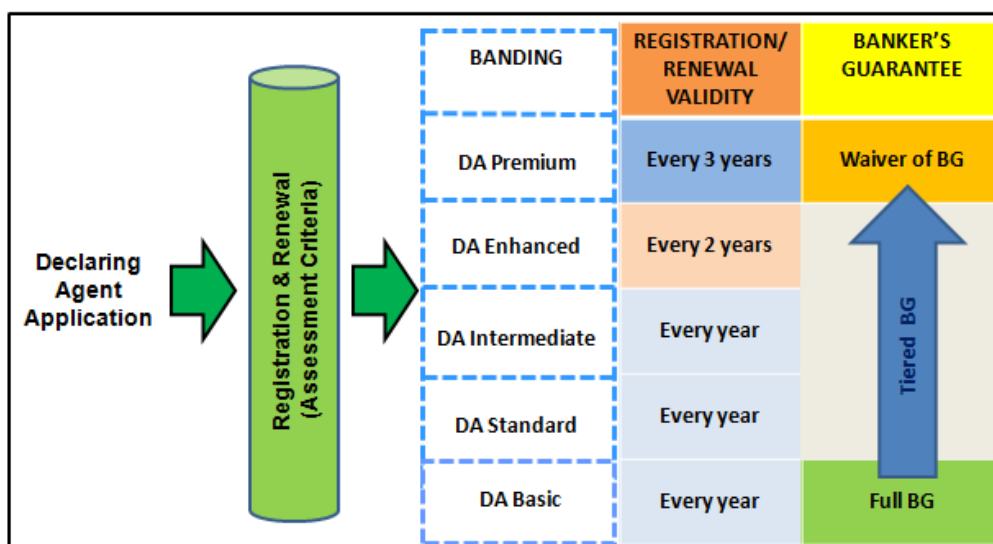
Recognising the important role played, Singapore Customs has implemented the Declaring Agent Governance Framework to help raise the overall proficiency and professionalism of the declaring agents and declarants.

This framework aims to help declaring agents and declarants remain professional and competent in their knowledge of customs procedures and documentation. It also allows expedited processing and clearance of legitimate trade goods through more efficient and effective risk profiling arising from reliable and correct trade data.

2.11 How does the Declaring Agent Governance Framework work?

The 3 key components of the Declaring Agent Governance Framework are as follows:

- a. Enhanced Registration Process: To raise the level of professionalism in the declaring agent industry, a set of assessment criteria will be used to appraise the declaring agents during their initial registration and renewal period. This set of assessment criteria broadly comprises elements of their internal control procedures and processes and compliance records with Singapore Customs. The final assessment score will translate into one of the 5 bandings, namely “DA Basic, DA Standard, DA Intermediate, DA Enhanced and DA Premium” with different validity / renewal period and tiered security (i.e. Banker’s Guarantee / Insurance Bond) requirements. In general, the validity / renewal period can range from 1 year to 3 years, and the security requirements can range from a 100% requirement to a waiver of the security requirement.



- b. Proficiency Capacity Building: To ensure that the declaring agent industry demonstrates a competent level of proficiency in customs documentation and procedures, new declarants

must sit for and pass a competency test. Generally, the declarants will be tested on customs procedures such as import and export procedures, trade declarations, valuation and classification. The intent is to ensure that the new declarants possess adequate knowledge on customs documentation and procedures so that they can better advise and service their clients.

- c. Incentive and Compliance Mechanism: Declaring agents who practise good internal control procedures and processes and have good compliance records can enjoy a longer validity / renewal period and lower / waiver of security (e.g. Banker's Guarantee / Insurance Bond) requirements. Declaring agents and declarants who are non-compliant or recalcitrant will risk having their account / status suspended or revoked.

2.12 What are the benefits of the Declaring Agent Governance Framework?

With the implementation of the Declaring Agent Governance Framework, declaring agents who exercise due diligence, implement robust internal control procedures and processes and have good compliance history with Singapore Customs can look forward to reap the following benefits:

- a. Lower operating cost: Declaring agents who exercise due diligence and implement robust internal control procedures and processes can look forward to lower or even waiver of security requirements.
- b. Recognition as a compliant company: Declaring agents who are compliant can look forward to a longer registration validity period.
- c. Improved compliance: The set of assessment criteria is provided upfront and allows declaring agents to self assess

their internal control procedures and processes, and improve on their weaker areas. Declaring agents can hence attain a higher level of compliance which will translate into lower compliance costs.

- d. Improved productivity: This could be achieved by increasing the proficiency and professionalism of the whole industry.

2.13 Is there any registration or renewal fee applicable under the Declaring Agent Governance Framework?

No, there is no registration or renewal fee applicable under the Declaring Agent Governance Framework. However, a fee is chargeable for new declarants who sit for the mandatory competency test. You may refer to *Section 5 of the Frequently Asked Questions* document for more information.

2.14 How does the Declaring Agent Governance Framework affect a company which is already assessed under TradeFIRST?

TradeFIRST is a one-stop assessment framework that makes trade easy, fair and secure. TradeFIRST supports Singapore Customs' trade facilitation and compliance efforts by enabling a company to be assessed holistically, based on a single set of assessment criteria applied across all schemes (e.g. Secure Trade Partnership, Strategic Trade Scheme and Licensed Warehouse Scheme).

Under the Declaring Agent Governance Framework, we recognise that not all the TradeFIRST criteria are applicable for the declaring agent industry, and hence, a subset is used. In general, the assessment criteria will cover only areas relevant to the business of declaring agents and they are as follows:

- Personnel Management Procedures
- Training on Customs Procedures

- Company's Procedures & Processes
- Company's Standard Operating Procedures (SOPs) Documentation
- Company's Information Management & Controls
- Compliance History

New and existing companies that are assessed under TradeFIRST are not required to be assessed under the Declaring Agent Governance Framework. Companies will get to enjoy the benefits based on their TradeFIRST assessed banding. However, they are still required to apply for a declaring agent account if they wish to submit trade declarations via TradeNet® to Singapore Customs. Whenever there are any changes to the particulars of the entity or the declarants, the key personnel of the entity has to update their records online with Singapore Customs via https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct.

2.15 My company is a SME (Small Medium Enterprise). Will the implementation of the Declaring Agent Governance Framework create an unlevel playing field and penalise me?

The implementation of the Declaring Agent Governance Framework seeks to raise the professionalism and proficiency of the declaring agent industry. As such, the assessment of a company is geared towards recognising the company's internal control procedures and processes, apart from their compliance records with Singapore Customs. This will encourage and incentivise companies to adopt good internal control procedures and processes and best practices.

SMEs will not be penalised by the implementation of the framework, as only basic criteria applicable to the declaring agent industry are selected. These basic criteria are good practices that companies should work towards adopting.

2.16 Are there any exemptions granted under the Declaring Agent Governance Framework?

The Declaring Agent Governance Framework is a platform for Singapore Customs to use a set of common assessment criteria to assess and band declaring agents into different groupings so that the appropriate measures / benefits could be accorded.

Singapore Customs recognises that business operations, sizes and risks vary across declaring agents. The requirements under the framework allows for flexibility and customisation of measures / benefits based on declaring agents' business models. Singapore Customs would consider the suggestion to exempt certain categories of declaring agent from the framework in our future review.

2.17 Will the results of the banding under the Declaring Agent Governance Framework be published on the Singapore Customs website?

For a start, Singapore Customs will not be publishing the bandings of all declaring agents in the website under the Declaring Agent Governance Framework. Singapore Customs would consider the suggestion to do so in our future review.

3

Overview of the Assessment Criteria under the Declaring Agent Governance Framework

3.1 What are the assessment criteria under the Declaring Agent Governance Framework?

The assessment criteria under the Declaring Agent Governance Framework comprise of 6 elements relating to a declaring agent's internal control procedures and processes and their compliance records with Singapore Customs:

- Personnel Management Procedures
- Training on Customs Procedures
- Company's Procedures & Processes
- Company's Standard Operating Procedures (SOPs) Documentation
- Company's Information Management & Controls
- Compliance History

For more information on the possible supporting documents that a declaring agent needs to maintain for the set of assessment criteria, you may refer to *Section 4 of this guide*.

3.2 How should a company self assess against the assessment criteria? What if one of the assessment criteria does not apply to my company?

Singapore Customs has developed this guide to help the declaring agent industry to better understand the 6 assessment criteria so as to assist the declaring agents in completing the registration / renewal process.

To answer each question under every assessment criteria, the declaring agent should read through this guide and self assess if their internal control procedures and processes fulfil the requirements stated in the explanatory notes. Declaring agent should answer "YES" if they are able to fulfil and demonstrate all the described qualities, processes and controls. Otherwise, if the declaring agent is not able to fulfil, or can only partially fulfil, they should answer "NO".

3.3 Can a company refuse to perform self assessment against the assessment criteria?

Any company that wishes to become a declaring agent is required to perform self assessment against the assessment criteria under the Declaring Agent Governance Framework. However, a TradeFIRST company who is also a declaring agent is not required to perform such self assessment again as they would have already been assessed under TradeFIRST.

3.4 Will the assessment criteria be applied equally to declaring agents of all sizes?

The set of assessment criteria allows for flexibility and the assessment will take into account the different business models of the declaring agents.

3.5 Are all the assessment criteria equally important?

Yes. All the assessment criteria are equally important as these are identified based on the basic attributes of what a competent declaring agent should possess. Some assessment criteria areas are highlighted in RED in *Section 4 of this guide* to reflect the basic qualities that a declaring agent **MUST** minimally possess. In this regard, the declaring agent must pay special attention to these areas and take proactive steps to ensure compliance, especially if

they have self assessed to be lacking in these areas. The rest of the assessment criteria areas are desirable qualities that a declaring agent should strive and aspire to achieve. See below for a diagrammatic representation.

Declaring Agent Governance Framework Assessment Criteria	
Personnel Management	<p>A.1 Does your company conduct pre-employment verification checks on prospective employees / declarants?</p> <p>A.2 Does your company have procedures to handle resignation and termination of your employees / declarants?</p>
Training on Customs Procedures	<p>B.1 Does your company provide in-house training on customs procedures for newly hired employees / declarants?</p> <p>B.2 Does your company send newly hired employees / declarants to attend external courses on customs procedures?</p> <p>B.3 Does your company send employees / declarants for trainings at regular intervals to keep them up-to-date on latest customs procedures?</p>
Company's Processes & Procedures	<p>C.1 Does your company have procedures to screen and select business partners and customers?</p> <p>C.2 Does your company have procedures to identify controlled or dutiable goods and comply with the relevant Singapore Customs' or Controlling Agencies' requirements?</p> <p>C.3 Does your company have procedures to check and verify the documents received for the purposes of submitting trade declarations?</p> <p>C.4 Does your company have procedures to ensure that information declared in the trade declaration is complete and correct?</p> <p>C.5 Does your company have procedures to report or flag out suspicious activities to the attention of supervisors or Singapore Customs, as appropriate?</p>
Company's SOP Documentation	<p>D.1 Does your company maintain Standard Operating Procedures (SOPs) for all procedures and processes identified under the Declaring Agent Governance Framework?</p> <p>D.2 Does your company disseminate and communicate the Standard Operating Procedures (SOPs) to employees / declarants?</p> <p>D.3 Are these Standard Operating Procedures (SOPs) reviewed on a regular basis?</p>
Company's Information Management & Controls	<p>E.1 Does your company have an information management policy to classify and store information?</p> <p>E.2 Does your company have procedures to control access to and protect information?</p> <p>E.3 Does your company have procedures to conduct regular audit checks to detect discrepancies (e.g. unauthorised access, tampering or alteration of business data)?</p> <p>E.4 Does your company have procedures to inform Singapore Customs whenever there are any changes in your company's or declarants' information?</p> <p>E.5 Does your company have procedures to ensure the confidentiality of the TradeNet® Account and ID issued to employees / declarants?</p> <p>E.6 Are your company's IT systems protected against unauthorised access?</p> <p>E.7 Does your company retain Customs permits and supporting documents for at least 5 years?</p> <p>E.8 Does your company have procedures to back up the information and data?</p>
Company's Compliance Records with Singapore Customs	
<p>Criteria in RED are basic qualities LEGEND Criteria in BLACK are desirable qualities</p>	

3.6 Can Singapore Customs provide more details of the assessment criteria proposed under the Declaring Agent Governance Framework such that it would be easier for the declaring agents to understand and comply with?

The assessment criteria are not prescriptive and allow declaring agents the flexibility to implement the framework according to their operations and circumstances. To help the declaring agent industry to better understand the 6 assessment criteria, please refer to *Section 4 of this guide*.

3.7 Does a company need to engage a consultant to assist in the conduct of the company's assessment process?

It is not a requirement under the Declaring Agent Governance Framework for a company to engage a consultant to assist in the company's assessment of the criteria.

3.8 When and how would a company know that it is required to conduct self assessment under the Declaring Agent Governance Framework?

Declaring agents will need to conduct the required assessment process by answering a set of questionnaire (i.e. conduct self assessment) relating to its internal control procedures and processes at the time of first registration or renewal, via https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct. Renewal notice will be sent at least 1 month prior to the expiry date with reminders to inform the key personnel of the declaring agents to renew the status.

3.9 Generally, the tendency to make mistakes will increase with the volume of permits declared. Does Singapore Customs take this into consideration when assessing the compliance level of a declaring agent?

Singapore Customs will take into consideration the volume of the permits applied, the nature as well as the severity of the offence committed when assessing the compliance levels of the declaring agents.

3.10 What are the evidences / supporting documents that a company is expected to maintain under each of the assessment criteria?

Depending on the complexity of a company's business operations, a declaring agent can maintain evidences or supporting documents such as policies, Standard Operating Procedures, instructions, guidelines, flowcharts in any form that is suitable for its operational needs. For more information on the possible supporting documents that a company needs to maintain for the set of assessment criteria, you may refer to *Section 4 of this guide*.

3.11 Does a company need to submit write-ups, evidences and supporting documents at the point of registration / renewal application?

Declaring agents may be requested to provide additional information / documentation such as internal control procedures and processes, to demonstrate sufficient capability to conduct their business in a responsible manner in accordance to the assessment criteria. This information does not have to be submitted with the registration / renewal application, but may be requested at any time during the application processing process or post-application process by Singapore Customs. The declaring agent shall furnish the information / documentation, in such form at

the specified customs office or station or other place, as determined by Singapore Customs.

3.12 Will Singapore Customs conduct validation checks at a company's site?

Singapore Customs will conduct selective validation checks at a declaring agent's premises. Singapore Customs may also request for the submission of the company's internal control procedures and processes when necessary. The declaring agent must extend the fullest cooperation to Singapore Customs when requested to produce such records / documents. Punitive and / or revocation actions may be taken against any declaring agent who provides false information.

3.13 How and when will the results of the assessment process be communicated to the company by Singapore Customs?

Singapore Customs will issue a letter via email or fax to inform the key personnel of the company of the approval or rejection of its declaring agent account registration / renewal application. The letter will contain information on the declaring agent's banding and its registration validity period. To ensure that the declaring agent receives timely alerts, the declaring agent is encouraged to update its contact details regularly.

3.14 What are the consequences for a company who fares badly in the assessment under the Declaring Agent Governance Framework?

Under the framework, no declaring agent will fail the assessment. A declaring agent who does not fare well will be placed under the "DA Basic" band.

4

Explanatory Notes on the Assessment Criteria under the Declaring Agent Governance Framework

A Personnel Management

- A.1 Does your company conduct pre-employment verification checks on prospective employees / declarants?

Explanatory Notes

This is a process to conduct verification checks prior to employment to validate the accuracy of the information submitted by their prospective employees. Examples of such checks include reference checks, checks with previous employers and credit bureau screening. Such checks should be conducted as appropriate and to the extent allowed under the national law. Periodic checks and verifications should also be performed on current employees based on cause and / or the sensitivity of employees' positions.

Examples of Supporting Documents

- *Human resource policy positions / Standard Operating Procedures / guidelines / checklists which state how a company conducts verification checks and processes prior to any personnel employment.*
- *Written notice or evidence that can substantiate that background checks are conducted.*

Guiding Questions

- *What job application information is required by the company prior to employment?*
- *Does the company verify the job application information prior to employment?*
- *Who is responsible for verifying the job application information?*
- *How is the verification process conducted?*
- *Does the company conduct background checks on prospective employees (e.g. reference checks, checks with previous employer, credit bureau screening, criminal and bankruptcy declarations)?*

A.2 Does your company have procedures to handle resignation and termination of your employees / declarants?

Explanatory Notes

This is a CRITICAL process to ensure that the company has proper procedures to retrieve previously issued items / assets (e.g. staff passes, keys) and remove IT access rights upon termination or resignation of employees. Companies should pro-actively notify their suppliers / business partners / clients / employees of the particulars of their terminated or resigned employees. In particular, for declarants who have resigned from the company, their TradeNet® User IDs MUST be de-registered with Singapore Customs.

Examples of Supporting Documents

- *Human resource policy positions / Standard Operating Procedures / guidelines / checklists which state the company's procedures to handle resignation & termination.*
- *Any other documentation detailing the termination of TradeNet® User ID and IT accounts and asset retrieval.*

Guiding Questions

- *Does the company keep track of employees who have been terminated or have resigned?*
- *Are the rest of the employees / relevant personnel notified of the termination / departure of the employee?*
- *Does the company remove access rights and information systems access (including de-registering the TradeNet® User ID) of employees who have been terminated or have resigned?*
- *Does the company inform its suppliers / business partners / clients of employees who have been terminated or have resigned?*
- *Who is responsible to oversee this task?*

B Training on Customs Procedures

B.1 Does your company provide in-house training on customs procedures for newly hired employees / declarants?

Explanatory Notes

This is a process to train new employees on customs documentation and procedural knowledge. Contents of such in-house trainings include customs procedures on controlled goods and dutiable goods, customs documentation and valuation. Such competency courses can be conducted by employees of the company.

Examples of Supporting Documents

- *Records of employees attending customs-related trainings.*
- *In-house training materials.*

Guiding Questions

- *Who is responsible to plan for and conduct such training courses?*
- *Are such training records (e.g. attendance records, training materials, quizzes / tests and passing / failure rate) being maintained properly?*

B.2 Does your company send newly hired employees / declarants to attend external courses on customs procedures?

Explanatory Notes

This is a process to train new employees on customs documentation and procedural knowledge. Contents of such external trainings include customs procedures on controlled goods and dutiable goods, customs documentation and valuation. Such competency courses can be conducted by Singapore Customs or private companies.

Examples of Supporting Documents

- *Records of employees attending customs-related trainings.*
- *Course training materials.*

Guiding Questions

- *Who is responsible to source for such training courses?*
- *What are the external training courses which your employees / declarants have attended?*
- *Are such training records (e.g. attendance records, training materials, quizzes / tests and passing / failure rate) being maintained properly?*

B.3 Does your company send employees / declarants for trainings at regular intervals to keep them up-to-date on latest customs procedures?

Explanatory Notes

This is a CRITICAL process to train employees on customs documentation and procedural knowledge on a regular basis. Contents of such trainings include customs procedures on controlled goods and dutiable goods, customs documentation and valuation. Such trainings can include sending employees to attend seminars / briefings pertaining to customs procedures / initiatives / launches or reviewing through website updates or attending refresher courses.

Examples of Supporting Documents

- *Records of employees attending customs-related trainings or briefings / seminars.*
- *Training materials.*
- *Reports / Emails / Records pertaining to briefings / seminars / website updates that were gathered and disseminated to the relevant employees in the company.*

Guiding Questions

- *Who is responsible to source or plan for such trainings / briefings / seminars?*
- *Are the employees / declarants kept up-to-date on latest customs procedures?*
- *How frequent are employees / declarants being sent for refresher trainings?*
- *Are such training records (e.g. attendance records, training materials, quizzes / tests and passing / failure rate) / reports / emails being maintained properly?*
- *Does the company attend briefings relating to updates on customs procedures given by Singapore Customs?*
- *Who is responsible to check for updates on customs website?*
- *How frequent does the specific personnel check for updates on customs website?*
- *Who is responsible for documenting circulars / notices / information issued by Singapore Customs and disseminating them to the relevant employees?*

C. Company's Processes & Procedures

C.1 Does your company have procedures to screen and select business partners and customers?

Explanatory Notes

This is a process to ensure that the company works closely with its business partners to improve compliance with Singapore Customs' requirements, both within the company and that of its business partners. Companies should have procedures to screen and select their business partners. Screening and selection criteria include financial solvency and stability, credibility, background and presence of robust internal control procedures and processes.

Business partners can refer to either customers or companies whom they have engaged or closely worked with to perform certain tasks or services (e.g. haulier).

Examples of Supporting Documents

- *A list of business partners, stating the functions they carry out for the company.*
- *Standard Operating Procedures / matrix / flowchart that shows procedures of screening business partners prior to selection / renewal.*
- *Standard Operating Procedures / matrix / flowchart that shows procedures of the outsourcing entity controlling and managing the outsourced entity.*
- *Records that show the screening / auditing outcomes of the business partners.*
- *Records that contain profile and particulars of customers who they are servicing.*

Guiding Questions

- *Does the company outsource or contract elements of its declaration activity?*
- *Has the company established a procedure to screen potential / current business partners prior to selection / renewal of contract? (Procedures*

may include conducting interviews, reference checks, audit checks and analysis of the information provided by the business partner(s))

- Does the company have procedures and instructions to request for information about the profile and particulars of the customers (including information on personal particulars such as identity documents and contact numbers when deemed necessary)?*

C.2 Does your company have procedures to identify controlled or dutiable goods and comply with the relevant Singapore Customs' or Controlling Agencies' requirements?

Explanatory Notes

This is a CRITICAL process for the company to be competent in identifying goods that are controlled and / or dutiable and know the respective resources to seek assistance from if needed. When dealing with such controlled and / or dutiable goods, proper documentation MUST be put in place. Controlled goods include strategic goods and goods controlled by other controlling agencies, such as the Arms and Explosives Branch of the Singapore Police Force, Agri-Food & Veterinary Authority of Singapore, Health Sciences Authority and the Singapore Civil Defence Force.

Examples of Supporting Documents

- Product checklist on the controlled and / or dutiable goods.*
- Standard Operating Procedures that show how the company identifies controlled and / or dutiable goods.*

Guiding Questions

- Is the company aware of all the dutiable goods and their corresponding duty / excise tax rates in Singapore?*
- Is the company aware of the Strategic Goods Control Act administered by Singapore Customs?*
- Does the company have procedures for declarants to check whether or not the goods are controlled?*
- Does the company have procedures for declarants to find out the relevant agency that controls the goods?*

- *Does the company ensure that declarants comply with the requirements and procedures for handling controlled / dutiable goods?*
- *Does the company have procedures to check if their declarants understand the procedures and follow-up actions to be carried out for controlled items?*

C.3 Does your company have procedures to check and verify the documents received for the purposes of submitting trade declarations?

Explanatory Notes

This is a CRITICAL process to ensure verification checks are conducted before the submission of trade declarations. Declarants MUST conduct further checks with their customers when they are doubtful or unclear of the request or document(s) provided. This is to ensure the permit type applied for and the information provided in the permit is correct.

Examples of Supporting Documents

- *Written procedures or instructions to employees.*
- *Checklist for supporting documents (i.e. Bills of Lading, Air Waybills, invoices, Delivery Note, Packing List, End-User Certificates and authorisation letters / instructions) to request from customers.*

Guiding Questions

- *Does the company have procedures for declarants to exercise due diligence to make necessary clarifications with its customers to ensure the accuracy, integrity and completeness of the trade declarations?*
- *Does the company have procedures for declarants to check with the customers the purpose of the shipment, the origin of the goods, the details of the goods, intended recipient and intended destination of the goods?*
- *Does the company have established procedures to seek clarifications from their customers in writing?*
- *Does the company maintain / retain such records of clarifications for traceability?*
- *Who maintains / retains such records of clarifications for traceability (i.e. is there accountability for such record maintenance)?*

C.4 Does your company have procedures to ensure that information declared in the trade declaration is complete and correct?

Explanatory Notes

This is a CRITICAL process for declarants or other employees of the company to conduct verification checks on the approved trade declaration to ensure that all information submitted are complete and correct. Should there be any errors identified, rectification measures in the form of amendments / cancellations are to be performed.

Examples of Supporting Documents

- *Written procedures, checklists or instructions to employees for performing amendments / cancellations.*

Guiding Questions

- *Does the declarant obtain the customers' confirmation note or e-mail correspondences on the request for submitting the trade declaration?*
- *Does the declarant attach the customer's original request note to the trade declaration being submitted?*
- *Does the company assign a specific personnel to check on the documentation submitted?*
- *Does the declarant's supervisor check or acknowledge the documentation being processed by the declarant?*
- *Do the company's internal procedures and processes include the tracking of changes / amendments made by the respective declarants?*

C.5 Does your company have procedures to report or flag out suspicious activities to the attention of supervisors or Singapore Customs, as appropriate?

Explanatory Notes

This is a CRITICAL process to guide employees / declarants to flag out and report incidents (i.e. irregularities, illegal activities or

security breaches) to their supervisors or government authorities. Examples of such irregularities include suspicious behaviour of clients requesting for the company to submit trade declarations, appearing nervous, defensive or evasive, attempting to conceal their identities, preferring to settle accounts early or insisting on making cash payments only, etc. Such incidents should also be investigated and analysed with the objectives of determining the cause of the incident and implementing the necessary improvements to prevent the recurrence of such an incident. When the company suspects that its customers are performing illicit activities, the company **SHOULD** inform the relevant government authorities, where appropriate.

Examples of Supporting Documents

- *Written procedures on how employees should report and investigate cargo-related incidents.*
- *Past incident reports with corrective / preventive actions adopted.*

Guiding Questions

- *Does the company have a reporting mechanism / procedure to report any minor or major incidents?*
- *Are employees informed of the procedures to report incidents of any nature?*
- *Is there an incident register for employees to lodge and file incident reports? (Can be either hardcopies or electronic copies)*
- *Is there a procedure for carrying out an investigation?*
- *Who conducts the investigation?*
- *How are the reported incidents escalated to the attention of supervisors?*
- *Are there different levels of escalation depending on the nature of cases?*
- *Who is responsible for recording incident reports and ensuring that the next action party follows up with the investigation?*
- *Does the company have corrective and preventive measures to rectify such incidents?*
- *Are the findings of detected incidents shared with the rest of the relevant employees in the organisation?*

D. Company's Standard Operating Procedures (SOPs) Documentation

D.1 Does your company maintain Standard Operating Procedures (SOPs) for all procedures and processes identified under the Declaring Agent Governance Framework?

Explanatory Notes

This is a CRITICAL process to ensure that SOPs are documented and practiced by the employees for purposes of operational efficiency and knowledge retention (e.g. a set of business process instructions relating to trade declaration).

Examples of Supporting Documents

- *SOPs in the form of flowcharts, checklists or written step-by-step instructions.*

Guiding Questions

- *Does the company have a set of SOPs to document the procedures for all its business processes to ensure consistency in approach and knowledge retention?*
- *Does the company have a set of SOPs for employees to follow with regard to daily operations?*

D.2 Does your company disseminate and communicate the Standard Operating Procedures (SOPs) to employees / declarants?

Explanatory Notes

This is a CRITICAL process to ensure that SOPs are communicated to all employees / declarants and complied with. Communication can be in the form of memos, in-house trainings or emails.

Examples of Supporting Documents

- *Training materials / policy statements / emails / memos.*

Guiding Questions

- *Does the company disseminate SOPs documenting the procedures for all its business processes to its employees / declarants?*
- *How are such SOPs disseminated to the employees / declarants?*
- *Does the company update its employees / declarants of any change in SOPs regularly?*

D.3 Are these Standard Operating Procedures (SOPs) reviewed on a regular basis?

Explanatory Notes

This is a CRITICAL process to ensure that SOPs are maintained and reviewed regularly so that all employees / declarants follow the correct and updated procedures.

Examples of Supporting Documents

- *Emails / memos / correspondences relating to the review process.*

Guiding Questions

- *Does the company regularly maintain / review the SOPs to document the procedures for all (if not key) business processes to ensure consistency in knowledge retention?*
- *Who is responsible for reviewing the SOPs?*
- *How frequent are the SOPs reviewed?*

E. Company's Information Management & Controls

E.1 Does your company have an information management policy to classify and store information?

Explanatory Notes

This is a CRITICAL set of rules that enable administrators to classify and store information, including records of customers' information (i.e. assessments, particulars and correspondences). This would enable traceability and accountability when audits or investigations arise. Administrators SHOULD know how long to retain these information. There should be policies and procedures to keep records of all goods transactions, internal documents recording the assessments of customers / end-users, internal procedures and processes, instructions given, audit reports and internal training records.

Examples of Supporting Documents

- *Document detailing IT policy and processes which relate to storage and classification requirements.*
- *Examples of retained records of customers.*
- *Written instructions to employees for retention of such documents.*

Guiding Questions

- *Does the company have procedures for proper classification of information?*
- *Does the company maintain / retain records of customers' profile and particulars for traceability?*
- *Who maintains / retains records of customers' profile and particulars for traceability (i.e. is there accountability for such record maintenance)?*

E.2 Does your company have procedures to control access to and protect information?

Explanatory Notes

This is a CRITICAL set of rules that enable administrators to control and evaluate who can have access to the different classification of company information, and introduce adequate security control measures relating to information security.

Examples of Supporting Documents

- *Document detailing IT policy and processes which relate to access rights and security controls.*
- *List of authorised personnel for different categories of information.*

Guiding Questions

- *Does the company have procedures to enable effective information access control (i.e. certain types of information privy only for certain level of staff)?*
- *Does the company review such information access control on a regular basis?*
- *Does the company have control measures to detect unauthorised access into the various systems?*
- *Does the company conduct regular review and maintenance of such control measures?*

E.3 Does your company have procedures to conduct regular audit checks to detect discrepancies (e.g. unauthorised access, tampering or alteration of business data)?

Explanatory Notes

This is a set of rules to guide the company in conducting audit checks on a regular basis. Audit checks can be done either by a third party or another department in the company. Records of audit checks must be made in writing, so as to facilitate investigation trails, where applicable. Companies SHOULD also implement

corrective and preventive measures to address the identified discrepancies, if any.

Examples of Supporting Documents

- *Document detailing audit checks and reports, corrective and preventive actions taken.*

Guiding Questions

- *Does the company have procedures to conduct regular checks on its internal procedures and processes?*
- *Does the company assign a third party or a specific department in the company to be the auditor?*
- *How frequent are audit checks conducted?*
- *Does the company monitor and ensure correction and prevention of identified discrepancies, if any?*

E.4 Does your company have procedures to inform Singapore Customs whenever there are any changes in your company's or declarants' information?

Explanatory Notes

This is a CRITICAL set of rules to ensure that the registration information (i.e. company's and declarants' particulars) with Singapore Customs is updated at all times, so as to facilitate the acquisition of latest information on customs' procedures.

Examples of Supporting Documents

- *Documents detailing instructions or policies to update authorities of any change in particulars (examples include change in ownership, address and contact details, termination of business, declarant employment or appointment of declarant).*

Guiding Questions

- *Does the company have procedures to update Singapore Customs*

upon any change to its company's profile / particulars or declarants' profile / particulars?

- Does the company know where / how to carry out such updates to Singapore Customs?*
- Who is responsible to carry out the updates?*

E.5 Does your company have procedures to ensure the confidentiality of the TradeNet® Account and ID issued to employees / declarants?

Explanatory Notes

This is a CRITICAL set of rules to ensure that there is no sharing of TradeNet® User IDs. Company MUST arrange for registration of all declarants so that individual TradeNet® User IDs would be issued to each declarant. The declaring agent shall ensure that the user account(s) assigned to their declarant(s) is personal to the declarant(s) and shall not be shared with others. Sharing of TradeNet® User IDs would constitute an offence involving a breach of the terms and conditions imposed by Singapore Customs, thus leading to suspension or termination of the declaring agent account or fine and / or jail term to be imposed on the declaring agent and / or declarant.

Examples of Supporting Documents

- Document detailing instructions or policies to keep TradeNet® User IDs personal to the declarant.*

Guiding Questions

- Does the company have procedures to ensure that the TradeNet® User IDs are personal to individual declarants and not being shared?*
- Does the company have procedures to apply for new TradeNet® User IDs upon employment of new declarants?*
- Does the company have procedures to terminate the TradeNet® User IDs and de-register declarants who have been terminated or have resigned?*

E.6 Are your company's IT systems protected against unauthorised access to your company's information?

Explanatory Notes

This is a process to ensure that the company has information security procedures and / or security-related controls to protect information systems from unauthorised access. Examples of such protection measures include the installation of firewall, anti-virus and encryption software.

Examples of Supporting Documents

- *Policies / procedures on information security.*
- *Security-related and anti-virus software.*

Guiding Questions

- *Does the company have an information security policy or procedure? (Information security policy may include the Do's and Don'ts of handling information and information systems)*
- *Does the procedure cover computer access controls such as issuing / resetting of passwords, regular changing of passwords, screensaver policy when PC / laptop is left unattended?*
- *Does the company protect its IT systems by using firewalls, anti-virus software and encryption software?*
- *Who is responsible to oversee, implement and review information security procedures?*

E.7 Does your company retain customs permits and supporting documents for at least 5 years?

Explanatory Notes

This is a CRITICAL set of rules to ensure that customs permits and all relevant trade documents relating to the trade declarations (e.g. invoices, books of accounts, bills of lading, packing lists, certificates of origin, certificates of analysis and certificates of

insurance) are properly retained. This would enable traceability and accountability when audits or investigations arise.

Examples of Supporting Documents

- *Examples of retained records of customs permits and relevant trade documents, as well as instructions to employees for retention of such documents.*

Guiding Questions

- *Does the company have procedures to ensure that customs' permits and supporting documents are retained for at least 5 years?*
- *Who monitors and ensures that the records are maintained for at least 5 years (i.e. is there accountability for such record maintenance)?*
- *Are the records properly categorised and maintained for future retrieval (if required)?*

E.8 Does your company have procedures to back up the information and data?

Explanatory Notes

This is a process to ensure that the company provides back-up for its essential business information regularly to prevent loss of information during disaster scenarios. Facilities for data storage and backup / recovery should be set up for easy retrieval of data, and a data recovery test should be performed to check if the backup data is able to be loaded back into the system, and in a usable state.

Examples of Supporting Documents

- *Policy / standard operating procedures for data backup & disaster recovery exercises.*
- *Test reports for recovery of data.*

Guiding Questions

- *Does the company have procedures for data backup and disaster recovery scenarios?*
- *How regular is the backup process?*
- *What is the retention period for back-up data?*
- *Is there any difference between critical and non-critical systems?*
- *Is data stored onsite or offsite?*
- *Is the data backup and server stored in a secured area?*
- *Is there restricted access to the data backup and server?*
- *Are tests conducted for recovery of data?*
- *How are the data recovery tests being conducted?*
- *Who conducts the data recovery tests?*
- *How often are the data recovery tests being conducted?*

F. Compliance History

As part of a holistic assessment of a declaring agent, past compliance records of the company, in addition to their internal control procedures and processes, will be taken into account for the final banding of the declaring agent account.

Singapore Customs will take into consideration the volume of the permits applied, the nature as well as the severity of the offence committed when assessing the compliance levels of the declaring agents.

5 Other Information

5.1 Is there an appeal process under the Declaring Agent Governance Framework?

A company can lodge an appeal against a decision of Singapore Customs with regard to the company's banding under the Declaring Agent Governance Framework. The company has to write in to lodge its appeal, providing explanations, to Singapore Customs within 14 calendar days from the date of receipt of the decision communicated. Please note that any decision after appeal by Singapore Customs will be final.

5.2 Will there be any penalties imposed on a company for non-compliance under the Declaring Agent Governance Framework?

Non-compliance to the registration requirements, substantial contravention of any provisions of the Customs Act, Regulation of Imports and Exports Act or any regulations made thereunder or material breach of any terms and conditions issued under the Declaring Agent Governance Framework constitutes as an offence. Penalties in the form of (i) suspension or revocation of a company's status, (ii) downgrading of banding and the associated benefits, (iii) fines and / or (iv) jail term may be imposed by Singapore Customs.

5.3 Contact Information

Should you need further information, clarifications or advice, please contact our Procedures & Systems Branch Officers via:

- a. email to customs_documentation@customs.gov.sg; or
- b. phone to our Call Centre at 6355 2000.