

Questions & Answers from SCIC-SC Dialogue Session on 31st October 2011

Questions pertaining to AED

Q1) It was mentioned that with the implementation of AED, Singapore would be able to target high-risk items going out which might pose a danger to the supply chain downstream. How do we define “high-risk” items?

Q1: With AED, SC would be able to make use of the information for risk assessment of the consignment. Higher risk cargo can be described as those that match risk profiles for cargo that may potentially contravene Customs laws and regulations. Risk profiles may be revised to remain relevant to the fast changing global threat landscape.

Q2) With AED, companies would need to declare permits before export. However, some of the fields on the permits can only be confirmed after the export. Such fields include the value for bulk shipments, outward BL number and the weight of certain goods. Does SC accept pro forma values?

Q2: Yes, SC recognizes that, as per current practice, some fields are only available after export. Therefore, companies would not be penalised if you provide estimated data in the AED, e.g. from the pro forma invoice, and make amendments within 3 days of export. However, information of the initial declaration should be as accurate as possible. This is to allow a proper, accurate risk assessment to be conducted, preventing the cargo from being subjected to unnecessary checks and delays.

Questions pertaining to TradeNet® Version 4.1 and permit declarations

Q3) Since TradeNet 4.1 allows the cancellation of a payment permit, will traders be refunded immediately?

A3: If an application for cancellation of a payment permit is submitted by the end of the day the original payment permit was approved, there is no need for trader to apply for a refund as the amount will not be deducted from the traders' bank account.

Questions pertaining to FTA

Q4) Are there any courses/outreach sessions on FTAs? If we have officers who are new to FTAs, can we send them to such events?

A4: There are currently courses for newly registered manufacturers but for companies who are not registered manufactures with SC, they are encouraged to attend the module (SC103 – Rules of Origin / Free Trade Agreements) organised by Competency Development Branch to gain a basic understanding into FTAs. More details can be found at:

<http://www.customs.gov.sg/topNav/new/Courses+Resources+and+Events+for+Businesses/SC+103.htm>

Questions pertaining to HS Codes pertaining to Mixtures

Q5) How do we classify acrylic polymer in liquid form? Are they considered as dispersions?

A5: Acrylic polymers in liquid form can consist of dispersions and solutions. Hence, it is necessary to determine if the polymers meet the meaning of dispersion e.g. the polymer are suspended in any medium. If the acrylic polymer does not contain any medium but in liquid form, it would also not be considered as dispersions.

Q6) Are there any penalties for the wrong HS codes declared?

A6: There are penalties for the incorrect declaration of HS codes and the penalties would depend on the severity of the incorrect declaration such as whether any duty or controlled product is being involved.

Q7) Would it be possible for SC to insert the CAS number next to the HS code for easy reference?

A7: Currently, SC has already included the CAS numbers for chemicals in the alphabetical index (AI), which can be found on the SC website: <http://www.customs.gov.sg/topNav/res/>. The AI is a list of products including chemicals which SC has classified and traders can make use of either the description or the CAS of the chemicals to find the HS code of the chemicals in this list.

Questions pertaining to NA(CWC)

Q8) When we apply for the NA(CWC) license, we need to forecast the projected production at the beginning of the year. However, we have difficulties doing so. Are we allowed to make amendments or update the figures after the license application?

A8: Licensees may submit amendment applications to the NA(CWC), should they wish to amend their license for any of the following:

- (a) Addition of chemical;
- (b) Addition of product;
- (c) Addition of activity;
- (d) Increase maximum licensed aggregate.

Q9) Can SC inform the companies earlier on any inspections?

A9: Licensed companies are subjected to two types of inspections, namely the inspections conducted by the Organisation for the Prohibition of Chemical Weapons (OPCW) and National inspections conducted by the National Authority.

The OPCW inspections are conducted on plant sites involved in the production / consumption / processing activities related to the relevant Schedules of chemicals. The OPCW inspections are conducted with the general purpose to verify that the site's activities are consistent with the annual declarations and Scheduled chemicals are not directed for non-authorized purposes. The inspections are non-intrusive and the normal operations of the company should proceed unimpeded. The OPCW notifies the State Party generally 1 week before the arrival of the inspectors. The Convention also

spells out the guidelines to which how many hours in advanced will the notification to State Party be issued.

Guidelines under the CWC on the notification for inspections to State Parties:

- For Schedule 2 facilities, no less than 48 hours.
- For Schedule 3 facilities, no less than 120 hours.
- For Other Chemical Production Facilities (Production of Unscheduled Discrete Organic Chemicals), no less than 120 hours.

Upon the receipt of the notification, the National Authority notifies the selected company with immediate action. Prior to the notification from the OPCW, the National Authority has no knowledge of which company is selected and the period of inspection. In this regard, SC is unable to inform companies earlier for such inspections.

For National Inspections, all licensed companies are subjected to verification (i.e. all activities controlled under the NA(CWC)). National inspections are for the National Authority to verify that the company adheres to the licence requirements, ensure consistency in the site's activities with the annual declarations and non-diversion of Scheduled chemicals. For National Inspections, the National Authority notifies the selected companies 2-3 weeks before the inspection.