Compliance Across the Supply Chain

Best Practices for
Shipping Goods via
Freight Forwarders
and Agents

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- Introduction:

  o Common Non-Compliance Areas

- Compliance Best Practices

  o The Dos and Don'ts

  o Self-Compliance

  o Resources available

Common Causes for Non-Compliance

Common Causes for Non-Compliance

- **Lack of awareness** that products are strategic goods

- **Miscommunication/poor information flow** between related parties

- **Misconception** that originating country's license exemptions are also applicable to Singapore's regulatory requirements

- **Deliberate intention** to flout Singapore's laws

Common Types of Permit Applications Issues

- **Apply** for individual strategic goods permits **less than 5 working days** in ahead of shipment

- **Use wrong version** of control list

- **Vague descriptions** in permit application

- **Ignored** permit conditions

Risks Faced for Non-Compliance

Shipment delays without proper documentation approved at export/transshipment/transit ports

Reputational damage for non-fulfilment of sales contract

Negative publicity to be associated with any strategic trade control related offences

Pay **hefty penalties** for non-compliance and possible **ban** for future shipments

If convicted, entity would be listed in various **denial lists**

Best Practices

Compliance Best Practices

➢ **Conduct due-diligence** checks on your **customers & end-users**

- ✓ E.g. check if they are sanctioned by the United Nations Security Council or if they raise any red flags to suggest an illegal transaction

➢ **Read through documents** carefully to identify possible controlled items

- ✓ Guide on determination of strategic goods: www.customs.gov.sg -> Businesses -> Strategic Goods Control -> Strategic Goods Control List -> **Determination of Strategic Goods**
- ✓ If you are unsure of the product classification, you may approach Customs for assistance: **customs_classification@customs.gov.sg**

Compliance Best Practices

➢ **Know the contents** you are exporting/bringing in transit/ transhipping/ brokering/ engaging in ITT for each consignment **by clarifying with the relevant parties**

➢ **Promptly inform Singapore Customs** if there is any **change in your company's particulars**, to ensure timely updates on any changes in regulatory procedures

➢ **Comply** with licensing / registration **conditions**
  - ✓E.g. submission of half-yearly report on brokering activities

➢ **Retain documents** for a period of **at least 5 years**

Compliance Best Practices (Declaring Agents)

➢ **Read through documents** carefully to identify possible controlled items

- ✓ E.g. Invoice indicate a SGCO product code or ECCN
- ✓ E.g. Item description indicates that it may be controlled such as integrated circuits

➢ **Ensure** that you have **all documents** for permit declaration

- ✓ E.g. invoice, packing list, air way bill/ bill of lading draft, End-User Statement and export license (if applicable)

➢ **Check with the relevant parties** if you are unsure of the **permit details** or have detected discrepancies

➢ **Implement clear working procedures** for notifying Customs upon discovery of a possible error in declaration

- ✓ For changes in non-amendable permit fields, to self-disclose to Customs

Compliance Best Practices (Freight Forwarders)

➤ **To ensure compliance** with Customs legislation when acting as a customer-appointed freight forwarder in ex-works shipments

➤ **Comply** with clearance requirement
  - ✓ E.g. present the permit and goods for endorsement at the checkpoint if required

What Should You Do?

Check
- **Check** transport routes and ascertain if your goods require **export, transit or transhipment authorizations**.

Label
- Visibly **label** **all strategic goods traded internationally** with export control classification numbers in trade documents – invoices, packing list, bills of lading.

Inform
- **Inform** your freight forwarder that **permits may be required** when such goods **export, transship or transit** through various ports.

Provide
- **Provide** your freight forwarders with the corresponding **export control classification numbers** or **technical specifications**, if necessary.

Cooperate
- Be **cooperative** and transparent in supplying **end-use information**.

Voluntary Disclosure To Customs

- VDP is for individuals or companies to voluntarily disclose errors/omissions committed by them under the laws and regulations administered and enforced by Singapore Customs

Self-discovery of errors

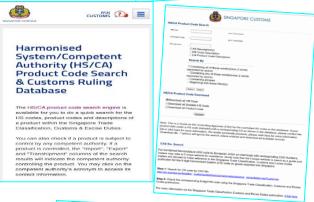Voluntarily disclose any errors/omissions using the VDP Application Form
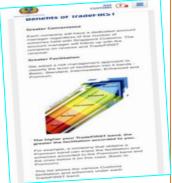
Email: customs_vdp@customs.gov.sg

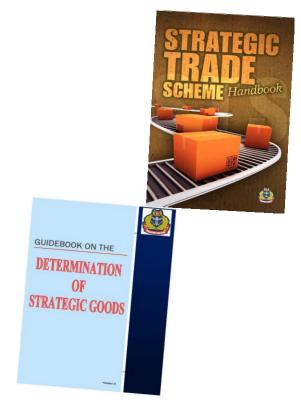# REFERENCES
(Regulatory Requirements)

- https://www.customs.gov.sg/about-us/acts-and-subsidiary-legislation

- https://www.customs.gov.sg/businesses/exporting-goods/quick-guide-for-exporters

- https://www.customs.gov.sg/businesses/exporting-goods/controlled-and-prohibited-goods-for-export

- https://www.customs.gov.sg/businesses/importing-goods/quick-guide-for-importers

- https://www.customs.gov.sg/businesses/importing-goods/controlled-and-prohibited-goods-for-import#controlled

- https://www.customs.gov.sg/businesses/harmonized-system-hs-classification-of-goods/resources/harmonized-system-competent-authority-product-code-search

- https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/tradefirst

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REFERENCES
(Regulatory Requirements – cont'd)

- https://www.customs.gov.sg/about-us/national-single-window/tradenet/competent-authorities-requirements-for-controlled-items/strategic-goods-control

- https://www.customs.gov.sg/businesses/strategic-goods-control/permit-and-registration-requirements/individual-permit-export-transhipment-and-transit

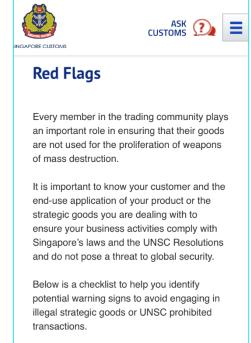- https://www.customs.gov.sg/businesses/strategic-goods-control/published-guidebooks

UNSCR Trade Prohibitions Enforced

Central African Republic

North Korea

Sudan

Arms & Related Materiel

Libya

Democratic Republic of Congo

North Korea

Iran

Designated, WMD-related items

Lebanon

Somalia & Eritrea

Iraq

Iran

Syria

For more information regarding UNSC sanctions:

www.customs.gov.sg/businesses/united-nations-security-council-sanctions
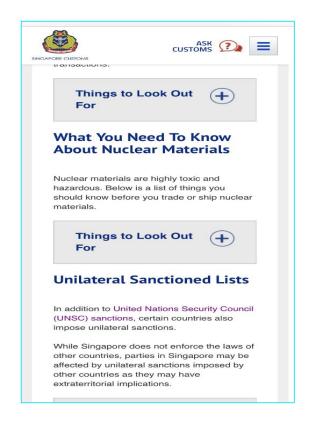
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REFERENCES
(Red Flags)

https://www.customs.gov.sg/businesses/strategic-goods-control/sanctioned-lists-and-red-flags

REFERENCES
(News, Courses & Events)

CIRCULARS / MEDIA RELEASES
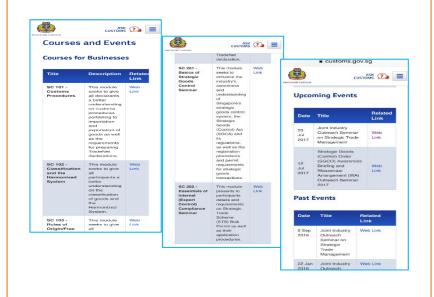
- https://www.customs.gov.sg/news-and-media/circulars

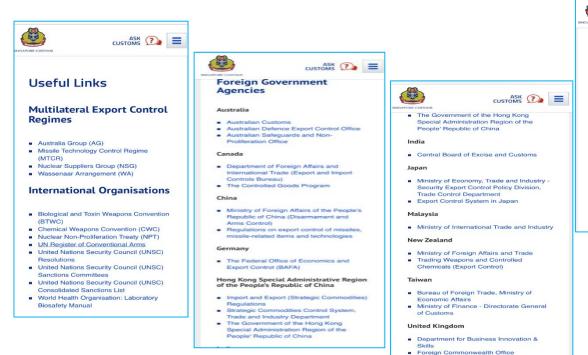- https://www.customs.gov.sg/news-and-media/media-releases

COURSES & EVENTS

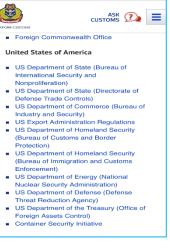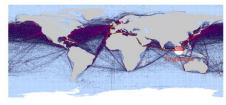- https://www.customs.gov.sg/businesses/resources/courses-and-events

REFERENCES
(Useful Links)

- https://www.customs.gov.sg/businesses/strategic-goods-control/useful-links

CONTACT US

Non-compliance for Strategic Goods related matters:

1800 233 0000

Any other enquiries for Strategic Goods related matters:

www.customs.gov.sg/businesses/strategic-goods-control/overview

or

CUSTOMS_STGC@customs.gov.sg

THANK YOU