# SINCADORE CLISTONS NEWS/LETTER

SINGAPORE CUSTOMS NEWSLETTER APRIL – JUNE 2016



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National Trade Platform to Streamline Trade Processes

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New Singapore Customs Website

### **inSIGHT**

#### Enhancing the User Experience for Customers

A fresh IT-ecosystem is slated to replace existing trade systems TradeNet and TradeXchange come end-2017. The new National Trade Platform (NTP) will connect businesses, community systems and platforms, and government systems. Flip to page 02 to read about the benefits the NTP will bring traders and businesses.

Manufacturers also have a new tool to help them understand and make use of Free Trade Agreements (FTAs) for exports (page 08). The FTA Cost Statement Calculator is a step-by-step tool and guide that helps companies assess the gualifying value content and change in tariff classification status of their products. It is available for download on the Singapore Customs website.

The Singapore Customs website has undergone a revamp. With a clean and streamlined layout, it is more user-friendly and has new features such as a mega menu, improved search functions and Smart FAQs. Traders and travellers can now find the information they need more easily on both web and mobile platforms. See page 04 for more and check out the revamped website at www.customs.gov.sg

The biennial Singapore Airshow was staged this year, and Singapore Customs once again provided valuable support for the import of aircraft, vehicles and other exhibition items. Find out how the temporary import scheme and waiver of Banker's Guarantee helped smoothen the way for the appointed logistics company on page 06.

Neo Wen Tong Editor

Cover Photo: Experia Events

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## More Offenders Caught for Storing Contraband Cigarettes in HDB Flats

More offenders were caught in 2015 for storing contraband cigarettes in their HDB flats and selling these cigarettes in the neighbourhood.

ast year, 75 such offenders were arrested. This is up from 41 offenders caught in 2014.

In an operation in April 2015, Singapore Customs enforcement officers raided an HDB flat in Tampines Street 33. A total of 16,781 packets of duty-unpaid cigarettes were seized from the flat, and a Singaporean man Tan Kong Eng, 55, was arrested.

Investigations revealed that Tan had stored these duty-unpaid cigarettes in the flat and delivered them to buyers across Singapore. The amount of duty and Goods and Services Tax (GST) evaded exceeded \$157,000.

Tan was sentenced by the State Courts to 30 months' imprisonment and a fine of \$4.82 million or in default 36 months' imprisonment.

In another operation, in September 2015, Singapore Customs enforcement officers kept a close watch on an HDB flat in Ang Mo Kio Avenue 5. They saw a male Chinese national, Wang Xiaojiang, 37, leaving the flat to dispose of some pieces of foam mats. Shortly after Wang left the flat, another male Chinese national, Xu Haiwen, 27, was seen leaving the flat carrying a haversack.

Suspecting that there were duty-unpaid cigarettes in the flat and Xu's haversack, Singapore Customs officers raided the flat. A total of 1,548 packets of duty-unpaid cigarettes were recovered from the flat and Xu's haversack. The amount of duty and GST evaded exceeded \$13,150. Xu and Wang were sentenced by the State Courts to seven months' and four months' imprisonment respectively.

"We will continue to take tough enforcement action against offenders involved in contraband cigarette activities in HDB estates," said Mr Yeo Ban Meng, Head of Suppression and Community Engagement, Singapore Customs.

"To keep their neighbourhoods free from contraband cigarettes, the public can report to us any suspected illegal cigarette peddling activities spotted in their housing estates."



Duty-unpaid cigarettes hidden in foam mats were found in the HDB flat in Ang Mo Kio Avenue 5.



Some of the duty-unpaid cigarettes found in the rooms of the HDB flat in Tampines Street 33.

### National Trade Platform to Streamline Trade Processes

The National Trade Platform (NTP) will replace the existing trade systems TradeNet and TradeXchange by end-2017.

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Firms only have to provide trade information once and authorise its use by logistics providers as well as business partners. The information can also be used for Customs and other trade regulatory approvals. This will be especially helpful for SMEs (small and medium-sized enterprises), to cut costs and streamline processes.

– Mr Heng Swee Keat, Minister for Finance

The NTP is a trade and logistics ITecosystem connecting businesses, community systems and platforms, and government systems.

It aims to be a one-stop trade information management platform for the trade and logistics industry, as well as adjacent sectors such as the trade finance industry. Supporting efforts in digitisation, the NTP will enable businesses to share and re-use secure data and documents among their business partners and the government.

The NTP can also help businesses to streamline processes, reduce inefficiencies of manual trade document exchange, and tap on the potential of data analytics to draw insights from their trade data.

Minister for Finance Heng Swee Keat, said in the Budget Speech: "Firms only have to provide trade information once and authorise its use by logistics providers as well as business partners. The information can also be used for Customs and other trade regulatory approvals. This will be especially helpful for SMEs (small and medium-sized enterprises), to cut costs and streamline processes."

Other features of the NTP include tools to support digitisation and business needs, and open architecture with the capability to continually support innovative and valueadded services and applications.

At the Ministry of Finance Committee of Supply debate, Senior Minister of State for Culture, Community and Youth & Finance Sim Ann said: "The NTP will be designed as an open innovation platform which businesses can tap on to develop new applications that support evolving business needs. As we embark on this, we welcome industry and businesses to come forward with ideas and partner us to create solutions that are relevant for the industry."

The NTP is expected to cost more than \$100 million to develop, and has the potential to bring over \$600 million worth of man-hour savings each year for firms.

The Award Notice of the project tender was released on 31 March 2016. •



### New Singapore Customs Website

The Singapore Customs corporate website now offers a friendlier user experience with simpler navigation and improved features.

As part of continual efforts to improve engagement and touch points with the trading community and general public, the department embarked on a revamp of the corporate website in early 2015.

Singapore Customs sought the views of various key audiences for suggestions and feedback on their user experience. These inputs contributed to the new look and features of the new website.

The revamped website was launched in November 2015 and showcases several key features.

It has found favour with traders and travellers alike.

Mr Gimun Sulaiman, a Customs and Trade Compliance Specialist at Dow Chemical Pacific (Singapore), said: "The new Singapore Customs website provides a very user-friendly experience. I can find information more easily. The website revamp has shown the commitment from Singapore Customs to provide all information in an effective and efficient manner."

Traveller Mr Ernest Sim found the streamlined homepage a significant improvement from the previous design. "The website looks more attractive with good use of colours. The big menu is also very useful. It takes away many links from the homepage but I can still find what I want," he said.





## Customs Facilitation for Singapore Airshow 2016

The Singapore Airshow 2016 enthralled crowds with aerobatic flying displays and led to the sealing of trade deals worth more than \$16.8 billion. Another 40 deals were made with undisclosed values. Singapore Customs provided special facilitation for the temporary import of high-value aircraft and other exhibition items into Singapore, thus contributing to the event's success.

The Singapore Airshow is the premier platform for airlines, civil aviation bodies, government authorities, military agencies and trade visitors to network, develop partnerships and close deals.

Since 2008, the biennial event has grown into one of the most important aerospace and defence exhibitions in the world. Singapore Airshow 2016 was held from 16 to 21 February 2016 and attracted more than 130,000 visitors. The event also played host to high-level conferences such as the Singapore Airshow Aviation Leadership Summit, A\*STAR Aerospace Technology Leadership Forum, and the Singapore Aerospace Technology and Engineering Conference.

One of the event highlights included the display of an impressive range of state-of-the-art fighter jets, luxury planes and naval helicopters. Singapore Customs' facilitation had helped the 2016 Airshow forwarding agents to temporarily import more than \$17 million worth of airplanes and exhibition items into Singapore.

#### **TEMPORARY IMPORT OF AIRCRAFT**

Goods imported into Singapore usually require the payment of duties and Goods and Services Tax (GST). With the Temporary Import Scheme, such goods can be imported with duty and GST suspended. The items need to be re-exported after the end of exhibition. Under the Temporary Import Scheme, the importing company is required to lodge a Banker's Guarantee or insurance bond with Singapore Customs.

The Singapore Airshow, rated one of the top three aviation events in the world and Asia's largest aerospace and defence event, would also bring about significant economic benefits to Singapore. The 2014 Airshow contributed over \$280 million worth of direct spending by foreign visitors to the Singapore economy, in terms of tourism receipts, hospitality, event and personal spending. With over \$17.5 million worth of aircraft and exhibition items imported for the event, APT Showfreight & Logistics Group ("APT"), the 2016 Airshow's appointed forwarding agent, would have had to produce a Banker's Guarantee of about \$312,000 under the Temporary Import Scheme, which is 30 per cent of the potential GST payable for the items. Given the high value of security bond needed, Singapore Customs assessed that the Banker's Guarantee would pose a considerable cost to the importer or its declaring agent.



Singapore Customs officers inspected shipments at the Airshow premises.

Taking into consideration the significant economic benefits the Singapore Airshow could bring for Singapore, Singapore Customs granted a waiver of the Banker's Guarantee lodgement requirement subject to APT's agreement to a set of terms and conditions and submission of a Letter of Undertaking.

"The waiver of the Banker's Guarantee benefitted APT Showfreight by reducing our operation costs, as we do not need additional funds to arrange for these temporary imports. It also benefitted the foreign exhibitors by reducing their costs," said Mr Danny Khor, Managing Director at APT Showfreight & Logistics Group. Before the Airshow kicked off, Singapore Customs officers conducted an inspection at the Airshow premises to ensure that the goods declared in the Singapore Customs permits tallied with the actual goods at the exhibition booths. Officers also gathered feedback from APT on the facilitation Singapore Customs provided for import procedures and permit processing.

APT's Mr Khor said: "Singapore Customs' efficiency and no-hassle import and export procedures have helped us to expedite our clearances, and this reflects very well on Singapore."



The Republic of Singapore Air Force's aerial display team in action: an Apache attack helicopter and F-15SG fighter aircraft blaze across the sky in a manoeuvre named "High Speed Flash Pass". (Photo: Experia Events)



Singapore Airshow 2016 was held from 16 to 21 February 2016 and attracted more than 130,000 visitors. (Photo: Experia Events)

#### **TEMPORARY IMPORT SCHEME**

The Temporary Import Scheme allows goods to be imported into Singapore without payment of duty and/or Goods and Services Tax (GST), if they are to be re-exported within six months from the date of importation. Goods imported for exhibitions, fairs, auctions, repairs, stage performance, testing, experiments and demonstration can come under the Temporary Import Scheme. However, the scheme does not apply to liquor and tobacco products. Over the years, Singapore Customs has facilitated the temporary import of goods for the Singapore F1 Night Race, a pair of rare giant pandas on loan from China to Singapore, high-value old maps for a National Library Board exhibition, and eco-vehicles.

### New Cost Statement Calculator for Free Trade Agreements

With the calculator, it is now easier for manufacturers to understand and utilise Free Trade Agreements (FTAs) for exports, as well as prepare manufacturing cost statement submissions.

The FTA Cost Statement Calculator is a Microsoft Excel-based tool formulated by Singapore Customs to assist companies in determining the qualifying value content (QVC) or change in tariff classification (CTC) status of a locally-manufactured product under any of Singapore's FTAs.

It contains step-by-step guides to help companies easily self-assess the QVC and CTC status of their products. By simply following the instructions in the calculator, a user will be able to obtain confirmation on the QVC or CTC status of a product under a specific FTA.

Singapore is currently a party to 20 FTAs. For a product to benefit from preferential tariff treatment when exported under an FTA, it must be an originating good under the Agreement.

An originating good is one that satisfies the relevant origin criteria administered under the respective FTAs.

Generally, the origin criteria will require that a product possesses either a certain percentage of QVC or CTC status, or both.

However, as FTAs are negotiated outcomes, the formula used to determine a product's QVC tends to differ from agreement to agreement. In addition, the concept of CTC is often abstract to many companies.

As a result, companies may not know how to determine if their products could qualify as an originating good under a certain FTA and thus receive preferential tariff treatment. Now, manufacturers who are considering using FTAs to export their goods can make use of the calculator for their preliminary assessments. For manufacturers already registered with Singapore Customs, it can be used to help prepare the manufacturing cost statement submissions to support their Certificate of Origin applications under an FTA. •

#### The FTA Cost Statement Calculator is available for download at tinyurl.com/CustomsCO



The calculator has a series of drop-down selections and structured blanks for manufacturers to input the required information.

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### Outreach Seminar on Strategic Trade Management

The United States (US) Bureau of Industry and Security, US Export Control and Related Border Security, Japan Ministry of Economy, Trade and Industry, and Singapore Customs held a joint export control seminar on 22 January 2016.

The outreach seminar is an annual event to update the industry on the latest strategic trade management developments in the region. This year, close to 300 participants from various industries attended, and the seminar also served as a platform for the sharing of regulatory requirements and best practices on internal compliance programs.

The opening remarks were delivered by US Ambassador Kirk Wagar, along with Director Toshikazu Okuya from Japan's Ministry of Economy, Trade and Industry, and Deputy Director Stephen Quick from Singapore Ministry of Foreign Affairs. Recognising that close collaboration between the industry and government was necessary to prevent the illicit proliferation of weapons of mass destruction, they urged participants to utilise the opportunity to learn from the experts in this field.

Local and overseas speakers from the government and private sectors spoke on a variety of topics – from providing perspectives on the updates to international export control regimes, to sharing tips on how to strengthen internal compliance measures.

Singapore Customs' Assistant Head of Schemes and Engagement Chiam Dao Xian shared how companies can develop an effective internal compliance programme, which helps to minimise the possibility of companies transacting with proliferators and ensure that all processes and responsibilities are clearly documented. He also spoke about several steps that companies can take in order to do so, such as nominating a strategic goods control officer and screening end-users.



Close to 300 participants from various industries attended the joint industry outreach seminar on strategic trade management.



Singapore Customs' Assistant Head of Schemes and Engagement Chiam Dao Xian shared how companies can develop an effective internal compliance programme.

The seminar materials can be found at tinyurl.com/22JanSeminar. To be updated on Singapore's strategic goods control regime, join the Singapore Customs mailing list (customs.gov.sg/subscribe) or visit tinyurl.com/CustomsSGC

### Travellers Happy with Singapore Customs Checkpoint Services

Results from the Singapore Customs Travellers' Satisfaction Survey 2015 showed that the overall travellers' satisfaction level remains high at 92 per cent. More than 9 out of 10 travellers surveyed indicated that they were either satisfied or very satisfied with the agency's checkpoint services.

Travellers were asked to rate electronic Tourist Refund Scheme (eTRS) and duty payment processes, including the accessibility and clarity of information, ease of locating the refund or tax counters and kiosks, service received at the counter and user-friendliness of the kiosks. Service attributes of Singapore Customs officers – professionalism, courtesy, attentiveness, clarity of information provided, proactiveness, fairness, reliability, knowledge and promptness in service delivery – were also assessed.

Overall, travellers were satisfied with the performance of Singapore Customs, giving the agency an average satisfaction score of 5.26 out of 6.

Those who travelled by air were the most satisfied, registering an average satisfaction score of 5.27 out of 6. Sea and land travellers recorded an average satisfaction score of 5.18.

The Travellers' Satisfaction Survey evaluates customs processes at Singapore's checkpoints and identifies gaps between traveller expectations and actual levels of service. It enables the agency to determine the specific service needs and expectations of travellers and seek suggestions for improvements. Conducted annually, the survey is one of several tools Singapore Customs employs in its continual efforts to excel in customer service.

More than 4,000 travellers who passed through Singapore's air, land and sea checkpoints between August 2015 and October 2015 were polled.

### Average Satisfaction Scores at Various Stages of the Customer Experience Journey

Customer Experience Journey Score	Information Brochures	Signage (rules & regulation signage and directional signage)	Experience at Counter and Kiosk	Interaction with Singapore Customs Officers
eTRS Process (Score out of 6)	5.25	5.19	5.46	5.50
Duty Payment Process (Score out of 6)	4.93	4.97	5.21	5.25



Overall, travellers were satisfied with the performance of Singapore Customs, giving the agency an average satisfaction score of 5.26 out of 6.

### Reaching Out to e-Commerce Platform Operators

In light of the rapid growth of e-commerce, Singapore Customs organised its first outreach session to e-commerce platform operators in February.



Representatives from eight e-commerce platform operators attended the outreach session in February.

R epresentatives from eight e-commerce platform operators attended the session. During the session, the participants learnt more about customs procedures and regulatory requirements on the importation of goods, including the proper payment of duty and Goods and Services Tax, and regulations pertaining to the import of prohibited and controlled goods.

The operators were encouraged to cascade the compliance messages to users of their platforms.

ARE YOU OPERATING AN E-COMMERCE PLATFORM?

Here are some best practices.

- Comply with Singapore Customs and other regulatory requirements if you are the importer of goods.
- Remind users of your platform to comply with relevant customs regulations (such as taxes payable on imported goods and permit requirements) and regulations on prohibited/controlled goods.
- Remind users not to offer counterfeit and prohibited goods for sale; promptly remove such posts from the portal, if found, and consult relevant authorities if in doubt.
- Retain records of users' identities.

### A HeART-warming Lunch at Bishan Home

Singapore Customs was back at its adopted charity, the Bishan Home for the Intellectually Disabled, for its annual lunch event on 12 February 2016.

This year, the organisers from Singapore Customs not only planned to have a meal with the Bishan Home residents, they also included a craft activity – sand art.

The day began with a short volunteers' briefing conducted by the liaison officer of Bishan Home, Ms Su Hui Ting, on the day's schedule. As soon as the briefing ended, the volunteers joined the residents, who were eagerly waiting to start on the sand art activity.

To create their very own work of sand art, residents and volunteers sprinkled coloured sand onto pre-cut sticker sheets. Excitement quickly filled the room as residents and volunteers worked hand in hand to turn sheets of outlines into vibrant images.

Over the next hour, unique pieces of sand art were created, leaving each resident with a personal memento.

Soon after, it was time for lunch. Residents were treated to a meal of fried chicken with rice and drinks. Volunteers took the initiative to cut the chicken into smaller pieces, so that it would be easier for the residents to eat.

At the end of the event, the Chief Executive Officer of Bishan Home, Mr Dennis Lim, thanked the volunteers for spending time with the residents.

Seven staff from the Ministry of Finance (MOF) joined 13 Singapore Customs staff for the event. Singapore Customs invited our MOF colleagues to join in this event, as part of its inter-agency corporate social responsibility collaboration initiative.



Residents and volunteers worked together to create colourful pieces of sand art.



Residents were treated to a meal of fried chicken with rice.

#### **TRAINING CALENDAR**

Please note that dates are subject to change. For the full programme and registration details, please refer to www.customsacademy.gov.sg

PROGRAMME		
SC100 BASICS OF EVERY DECLARANT 11-13 July 2-4 Augus		
This three-day course provides trade declarants with an overview of customs procedures pertaining to the import and export of goods, the basic requirements for preparing TradeNet declarations, classification of goods, and the rules of origin.	51 2010	
The course comprises three modules: <ul> <li>SC101 Customs Procedures (2 days)</li> <li>SC102 Classification and the Harmonised System (half-day)</li> <li>SC103 Rules of Origin / Free Trade Agreements (half-day)</li> </ul>		
Participants may register for individual modules.		
SC111 HANDS-ON TRADENET DECLARATION	)16	
This one-day workshop provides new declarants who have just entered the industry with basic information on TradeNet, and its various message and declaration types.		
The guided practical session uses simulated scenarios to help new declarants prepare and submit a declaration using the Government Frontend Solution.		
SC200 STRATEGIC GOODS CONTROL PROGRAMME	016	
This one-day seminar provides an overview of Singapore's strategic goods control system and its regulations, registration procedures and permit requirements for strategic goods transactions, as well as the essentials of an internal (export control) compliance programme.		
<ul> <li>The seminar comprises two modules:</li> <li>SC201 Basics of Strategic Goods Control (half-day)</li> <li>SC202 Essentials of Internal (Export Control) Compliance Programme (half-day)</li> </ul>		
Participants may register for individual modules.		
SC400 CUSTOMS COMPETENCY TEST FOR DECLARANTS 9 June 20 23 June 2		
This module is designed to test an individual's knowledge of the customs procedures and documentation requirements. Upon passing this test, the individual can then apply for registration with Singapore Customs as a declarant to submit TradeNet permit declarations. (morning a	and afternoon	
This is an open-book test comprising 50 multiple-choice questions. The topics tested include: customs procedures, TradeNet declarations, valuation, classification, rules of origin and specialised procedures. The one-hour test can be taken during the AM or PM session.	sessions available)	
Individuals who wish to sit for the test are advised to familiarise themselves with above-listed subject areas. They can do so through courses or eLearning at Singapore Customs Academy, the Customs Virtual Academy and by visiting the Customs website.		
OUTREACH PROGRAMME FOR NEWLY-REGISTERED TRADERS		
This quarterly programme is designed to equip new traders with a better understanding of customs documentation procedures, as well as the various customs schemes and services available. For enquiries, please email customs_documentation@customs.gov.sg		
OUTREACH PROGRAMME FOR NEWLY-REGISTERED MANUFACTURERS		
This bimonthly programme is designed to equip newly-registered manufacturers with a better understanding of the rules of origin under Singapore's free trade agreements, the application procedures for certificates of origin, and the compliance requirements.		
For enquiries, please email customs_roo@customs.gov.sg		
TRADERS CLINICS		
These one-to-one consultation sessions are an avenue for traders to seek general advice on general customs procedures and services. If you are interested, write in to customs documentation@customs.gov.sg for an appointment. Sessions are subject to availability.		

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