

Strategic Trade Control Compliance in Singapore



**SINGAPORE
CUSTOMS**

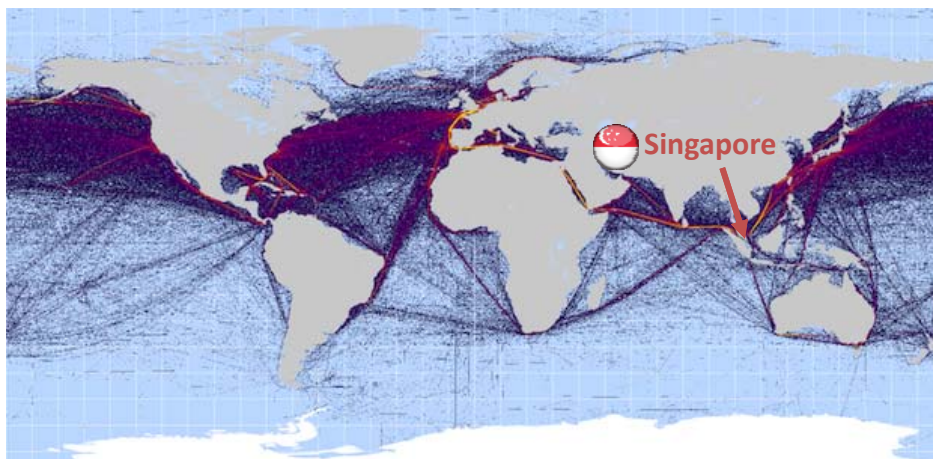
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30th Global Trade Control Conference
8 Nov 2017
London UK

Presented by **Jeanine Ho**

Singapore: Global Hub Port

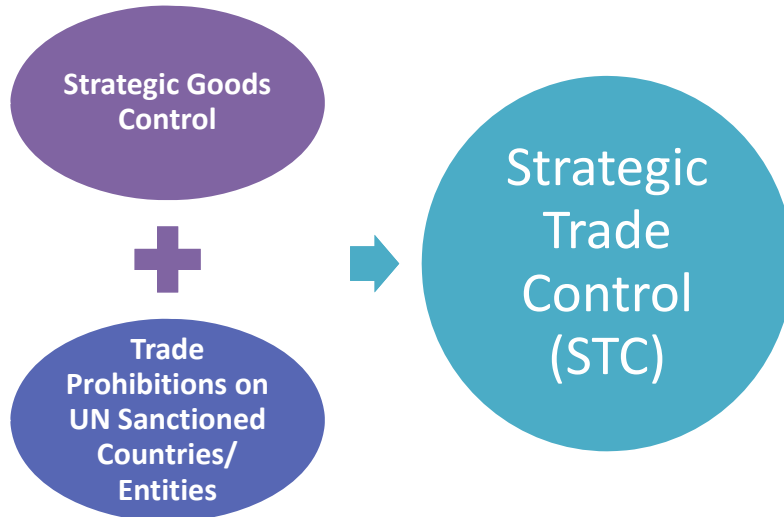


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Strategic Trade Control



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REGULATORY REQUIREMENTS FOR STRATEGIC GOODS IN SINGAPORE



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Strategic Goods Control Legislations

Strategic Goods (Control) Act

Strategic Goods
(Control)
Regulations



Fourth Schedule – Transshipment List
Fifth Schedule – Transit List

Strategic Goods
(Control)
Order



ML & DL List

Strategic Goods
(Control)
(Brokering)
Order



ML 1 - 4 & 8



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Controlled Goods & Technology

Strategic goods &
strategic goods
technology prescribed by
the Min (T&I)

Strategic Goods
(Control) Order

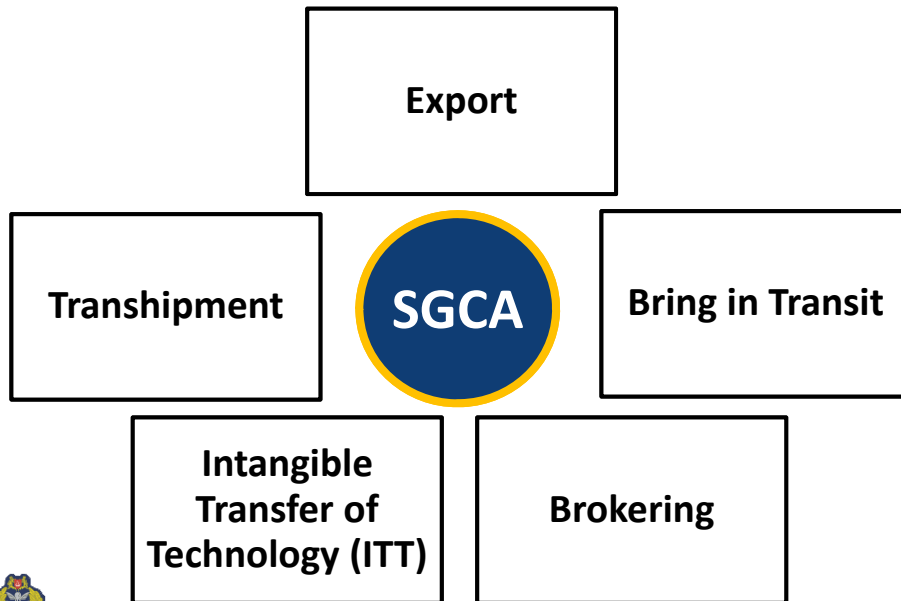
Goods and technology not
prescribed, but you know/
suspect/ have been notified,
are intended or likely to be
used for WMD purposes

“Catch-All”



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Controlled Modes of Transactions



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Permits For Transfers of Strategic Goods

Export of strategic goods and related technology listed in the **Strategic Goods (Control) Order**

Transshipment and **transit** of strategic goods and related technology listed in the **Fourth** and **Fifth schedules** of the **Strategic Goods (Control) Regulations**

Transshipment and **transit** of strategic goods and related technology **not** in the **Fourth** or **Fifth schedule** if they **remain** in the **free trade zone** for **more than 21 days (by air)** and **45 days (by sea)**

Export, transshipment and **transit** of goods and technology known or suspected to be used for **WMD purposes** (Catch-all)



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Types of Permits under Strategic Trade Scheme (STS)

Individual Permit



1 permit per shipment



Bulk Permits



Pre-approval of multiple products to pre-approved consignees/ end-users



Export/Re-Export/ Tranship/ITT:
Approval by Specific Entities



Pre-approval of multiple products to pre-approved destinations



Export/Re-Export/ITT:
Approval by Countries of Destination



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STS Individual Permits

What do you have to do?

- ☐ Register with Singapore Customs
- ☐ Apply for a strategic goods permit together with supporting documents **at least 5 working days before** the transfer
- ☐ Should be taken up for transactions that fall under 'catch-all'

E.g. DL 5A002



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STS Bulk Permit

Export/Re-Export/Tranship/ITT

E.g.s.

DL5A002

DL3A001

Pre-approval of multiple products to pre-approval end-users/ consignees



Approval by Specific Entities

Export/Re-Export/ITT

E.g.s.

DL5A002

DL3A001

Pre-approval of multiple products to pre-approved destinations



Approval by Countries of Destination

What do you have to do?

- ☐ Register with Singapore Customs
- ☐ Have good compliance records with Customs
- ☐ Implement an effective ICP (7 elements)
- ☐ Have minimum 'Enhanced' Band under TradeFIRST
- ☐ With pre-approval granted, apply for permit before **lodging the cargo with the sea port operators or air cargo ground handling agents**



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Permits for Brokering & ITT

Electronic Transmission of Controlled Technology



Intangible Transfer of Technology

- ☐ Apply for ITT permit together with supporting documents **at least 7 working days before** the transmission of strategic goods software or technology

Brokering of Strategic Goods



Brokering

- ☐ Apply for a **brokering registration at least 14 days before** the brokering of items **listed in the Strategic Goods (Control) (Brokering) Order**
- ☐ Apply for a **brokering permit for "catch-all" transactions**



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UPDATES ON SINGAPORE'S STRATEGIC GOODS CONTROL



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Enhanced Transshipment List, wef 1 Jan 2015

Fourth Schedule of Strategic Goods (Control) Regulations

(Goods the transshipment of which the exemption under regulation 13(2)(a) does not apply)

ML1	0A, 0B, 0C, 0D, 0E
ML2	1A202, 1A225, 1A226, 1A227;
ML3	1B201, 1B225, 1B226, 1B228, 1B229, 1B230, 1B231, 1B232, 1B233, 1B234; 1C202, 1C210, 1C216, 1C225, 1C226, 1C227, 1C228, 1C229, 1C230, 1C231, 1C232, 1C233, 1C234, 1C235, 1C236, 1C237, 1C238, 1C239, 1C240, 1C241, 1C350 (only 1C350.1. to 9., 11., 12., 13., 17., 18., 19., 21., 22., 23., 26. to 36., 38., 46., 51., 52., 54. to 57., 59. and 63.), 1C351 (only 1C351.a.1., 2., 4., 5., 6., 8., 9., 11., 12., 14., 16., 17., 18., 21. to 25., 27., 34., 38., 43., 45., 50., 54., 57., 58., 1C351.c.1. to 6., 13. to 17., 22. and 1C351.d.1., 2., 4. to 7. and 12.), 1C354 (only 1C354.b.1., 5. and 1C354.c.1.), 1C450;
ML4	
ML6	1D201;
ML7	1E201, 1E202, 1E203;
ML8	2A225, 2A226;
ML9	2B201, 2B204, 2B206, 2B207, 2B209, 2B219, 2B225, 2B226, 2B227, 2B228, 2B230, 2B231, 2B232, 2B233;
ML10	2D201, 2D202;
	2E201;
	3A201, 3A225, 3A226, 3A227, 3A228, 3A229, 3A230, 3A231, 3A232, 3A233, 3A234;
	3D225;
	3E201, 3E225;
	6A202, 6A203, 6A205, 6A225, 6A226;
	6D203;
	6E201, 6E203.



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(Note: 2017 additions highlighted in red)

New Transit List, wef 1 Jan 2015

Fifth Schedule of Strategic Goods (Control) Regulations

(Goods the bringing in transit of which the exemption under regulation 13(2)(a)(b) does not apply)

ML1	0A, 0B, 0C, 0D, 0E
ML2	1A202, 1A225, 1A226, 1A227;
ML3	1B201, 1B225, 1B226, 1B228, 1B229, 1B230, 1B231, 1B232, 1B233, 1B234;
ML4	1C202, 1C210, 1C216, 1C225, 1C226, 1C227, 1C228, 1C229, 1C230, 1C231, 1C232, 1C233, 1C234, 1C235, 1C236, 1C237, 1C238, 1C239, 1C240, 1C241;
ML6	1D201;
ML7	1E201, 1E202, 1E203;
ML8	2A225, 2A226;
	2B201, 2B204, 2B206, 2B207, 2B209, 2B219, 2B225, 2B226, 2B227, 2B228, 2B230, 2B231, 2B232, 2B233;
	2D201, 2D202;
	2E201;
	3A201, 3A225, 3A226, 3A227, 3A228, 3A229, 3A230, 3A231, 3A232, 3A233, 3A234;
	3D225;
	3E201, 3E225;
	6A202, 6A203, 6A205, 6A225, 6A226;
	6D203;
	6E201, 6E203.



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Control List Updates

SGCO 2017

Effective 1 September 2017

**2016 Wassenaar
Arrangement Munitions
List**

**2016 European Union
Dual-Use List**

- For more information on SGCO 2017, refer to e-module:
https://www.customs.gov.sg/~media/cus/files/amendmentstosgco/story_html5.html?la=en



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Changes to End-User Statement Format

STS Individual Permit (Sample)

(Company's letterhead)

To:
Director-General, Singapore Customs
Attn: Procedures & Systems Branch
Fax: 6355 2156

END-USER STATEMENT FOR STRATEGIC TRADE SCHEME INDIVIDUAL PERMIT

I/We, _____
(name, address, tel and fax nos., website and e-mail address of end-user)

have requested _____
(name and address of Singapore exporter)

to export:

Product description : _____
Strategic Goods Product Code : _____
HS Code : _____
Brand : _____
Model : _____
Quantity : _____

which is intended for _____
(provide specific detailed end-use of the goods/technology identifying the specific operations to be performed by the goods in support of the end-user's business activities)

in _____
(Country of ultimate destination)

I/we confirm that all goods loaned/gifted/purchased/received (directly/indirectly) from [insert name of exporter] will not be used in relation to nuclear, biological or chemical weapons, or missiles capable of delivering these weapons. I/we also confirm that all goods loaned/gifted/purchased/received (directly/indirectly) from [insert name of exporter] will not be re-exported or sold to a third party who is known or suspected to be involved in relation to nuclear, biological or chemical weapons, or missiles capable of delivering these weapons, or to any sanctioned entities. I/we also confirm that any re-export or sale to a third party, is carried out in compliance with the originating/supplying and receiving countries' export control laws, as applicable.

Name (in block letters): _____

Designation: _____

Date: _____

Authorised Signature: _____ Company stamp

STS Bulk Permit (Sample)

(Company's letterhead or stamp)

To: Director-General, Singapore Customs

END-USER STATEMENT FOR STRATEGIC TRADE SCHEME BULK PERMIT

We,

Company Name: _____
*Internal Note: Company has to indicate the name and location of subsidiaries if Headquarters is signing the STS on behalf of its offices located within the scope of the Strategic Trade Scheme Bulk Permit.
Company Address: _____
Telephone Number: _____
Fax Number: _____
Email Address: _____

have requested

Exporter details:

Company Name: _____

Company Address: _____

to export the products covered under the exporter's Strategic Trade Scheme (STS) Bulk Permit.

I/we confirm that all goods purchased from [insert name of STS Bulk Permit holder] will not be used in relation to nuclear, biological or chemical weapons, or missiles capable of delivering these weapons. I/we also confirm that all goods purchased from [insert name of STS Bulk Permit holder] will not be re-exported or sold to a third party who is known or suspected to be involved in relation to nuclear, biological or chemical weapons, or missiles capable of delivering these weapons, or to any sanctioned entities.

I/we also confirm that any re-export or sale to a third party, is carried out in compliance with the originating/supplying and receiving countries' export control laws, as applicable.

Name (in block letters): _____

Designation: _____

Date: _____

Authorised Signature: _____

This End-User Statement shall be invalid upon expiry of the STS Bulk Permit held by [insert name of STS Bulk Permit holder] or when there is any change in details within this End-User Statement.

¹ The details of the consignee may be accepted only if the end-user is not known. The consignee shall assume all responsibilities and obligations as stipulated in the End-User Statement.
² At least managerial level.

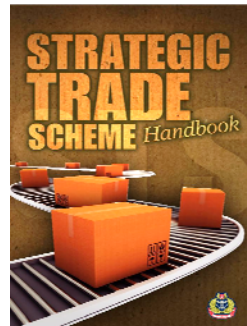
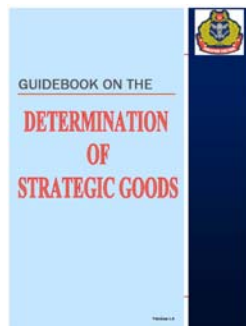


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Guidebooks

Available on Customs' website at

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



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Determination of Strategic Goods

Singapore Customs provides advice on product classification.

- ☐ Submit an Application for the Determination of Strategic Goods form via email, fax or post.
- ☐ Provide:
 - Manufacturer information;
 - Descriptions of the intended end-use of the product;
 - Detailed technical specifications, etc.

For more information, please visit:

<https://www.customs.gov.sg/businesses/strategic-goods-control/strategic-goods-control-list/determination-of-strategic-goods>



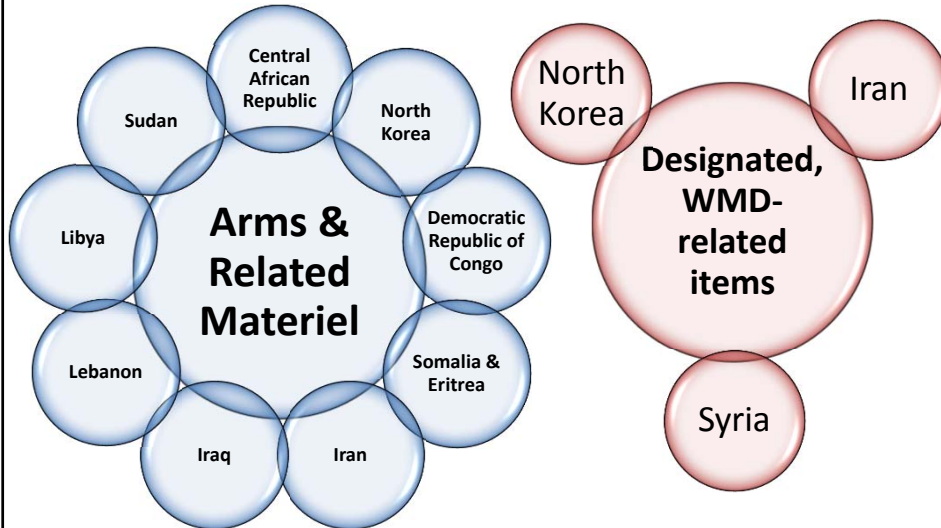
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UPDATED PROCEDURES FOR TRADE RESTRICTIONS & PROHIBITIONS ON UNSC SANCTIONS



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UNSCR Trade Prohibitions Enforced



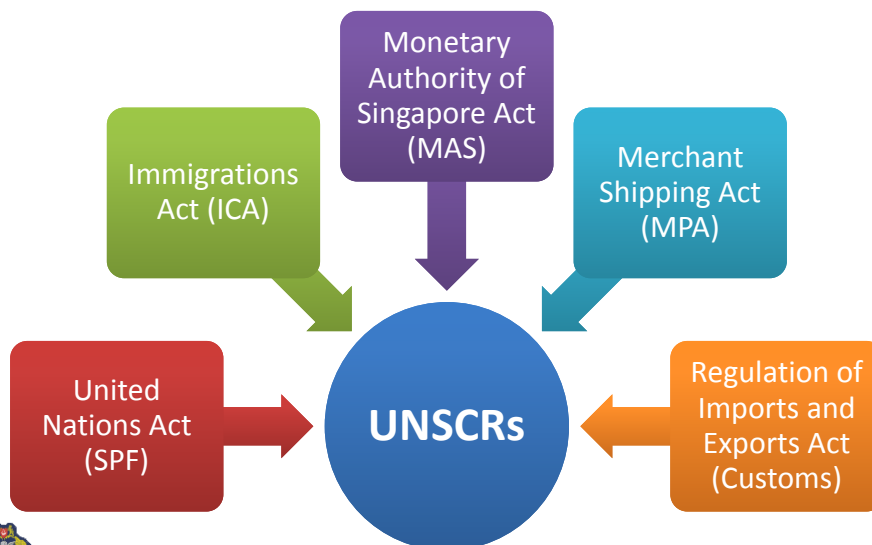
For more information regarding UNSC sanctions:

www.customs.gov.sg/businesses/united-nations-security-council-sanctions



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UNSCRs & Implementing Legislation & Agencies

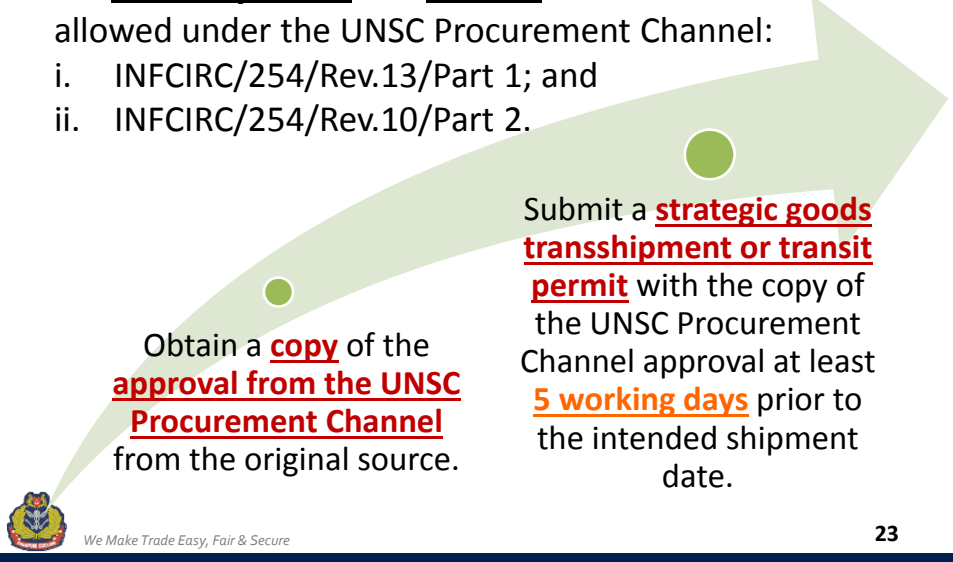


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Procedures for Trading with Iran

For **transshipment** and **transit** of IAEA listed items allowed under the UNSC Procurement Channel:

- i. INFCIRC/254/Rev.13/Part 1; and
- ii. INFCIRC/254/Rev.10/Part 2.



Obtain a **copy** of the **approval from the UNSC Procurement Channel** from the original source.

Submit a **strategic goods transshipment or transit permit** with the copy of the UNSC Procurement Channel approval at least **5 working days** prior to the intended shipment date.



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Trading with North Korea (DPRK)

With effect from 8 Nov 2017, Singapore has **prohibited all commercially traded** goods from or to the Democratic People's Republic of Korea (DPRK), including the transshipment and transit of these goods through Singapore.



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Trading with North Korea (DPRK)

For **non-commercial transactions of** goods arriving from or destined for North Korea:

- ☐ Apply for a permit **at least 3 working days** before the intended shipment date
- ☐ Approval is subject to existing UNSC sanctions on North Korea

➤ **“Non-commercial transactions”** includes:

- Human corpses, remains, bones, or ashes;
- Diplomatic correspondence; or
- Personal or household effects.



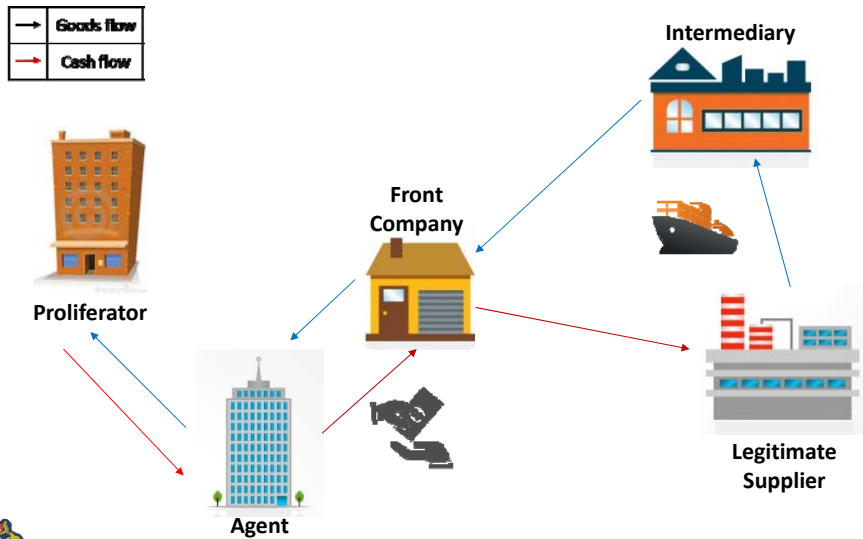
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COMMON COMPLIANCE ISSUES



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WMD Proliferation Networks



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DETAINED

FORFEITED

Aluminum Powder (ML8.c.8 & 1C111.a.1)



Inverter (DL3A225)



Inverter (DL3A225)



Thermal Imager (ML1)



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Penalties for Offences

1st Conviction (per count)

- Fine for up to **\$100k** or **3 times the value** of the goods – whichever is higher; and
- Imprisonment for up to **2 years**

2nd or Subsequent Conviction (per count)

- Fine for up to **\$200k** or **4 times the value** of the goods – whichever is higher; and
- Imprisonment for up to **3 years**



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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



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Risks faced for non-compliance beyond the country of export

Shipment delays without proper documentation approved at 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**



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What should you do? - Best practices

Check

- Check transport routes and ascertain if your goods require **transit or transshipment 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 **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**.



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Thank you

customs_sgta@customs.gov.sg

<https://www.customs.gov.sg>

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