



Circular No: 16/2020
31 Dec 2020

Traders and Declaring Agents

Dear Sir/Madam

CLAIMING OF PREFERENTIAL TARIFF TREATMENT FOR IMPORTS FROM THE UNITED KINGDOM TO SINGAPORE UNDER THE UNITED KINGDOM-SINGAPORE FREE TRADE AGREEMENT (UKSFTA)

The UKSFTA will take effect from 1 Jan 2021, 7.00am Singapore Standard Time (SST)¹ via provisional application². The EU-Singapore Free Trade Agreement (EUSFTA) will then cease to apply to UK-Singapore Trade. The UKSFTA continues to allow Singapore and UK companies to enjoy the same EUSFTA benefits when trading between the two countries, which includes preferential tariff treatment for exports of Singapore-originating goods to the UK as well as for imports of UK-originating goods entering into Singapore. This circular outlines the procedures for claiming preferential tariff treatment on originating goods imported from the UK into Singapore under the UKSFTA.

Preferential Tariff Rates for Imports

2 Notwithstanding Customs circular No: 03/2020 dated 15 Apr 2020 in which the customs duty for medicated samsu and other samsu are currently zero-rated, Singapore imposes customs duties on 4 other alcoholic beverages which are namely: stout/porter and beer including ale (under the HS codes 2203.00.11, 2203.00.19, 2203.00.91, 2203.00.99).

3 With effect from 1 Jan 2021, pursuant to the provisional application of the UKSFTA, the customs duty for the importation of UK-originating goods listed in Para 2 will be zero-rated. Excise duties on these UK-originating goods, including medicated samsu and other samsu will still be applicable at their respective rates.

Procedures for Claiming Preferential Tariff Treatment

4 An importer may claim preferential tariff treatment using an Origin Declaration made out by any one of the following categories of exporters from the UK:

¹ This corresponds to when the Brexit Transition period ends at 11.00pm on 31 Dec 2020, Greenwich Mean Time (GMT)

² Provisional application enables countries to apply treaty commitments on a provisional basis, while they complete their necessary domestic procedures and relevant international treaty formalities for entry into force.

- a) An Approved Exporter, authorised by the customs authorities of the UK, for consignments of UK-originating products whose total value inclusive of cost, insurance and freight charges) exceeds 6,000 euros; or
- b) Any other exporter in UK for any consignment consisting of one or more packages containing UK-originating products whose total value (inclusive of cost, insurance and freight charges) does not exceed 6,000 euros.

5 The Origin Declaration shall be made on the invoice or any other commercial document that must describe the goods in sufficient detail to enable its identification. An Origin Declaration from the UK may be set out in one of the linguistic versions that can be found in Annex E of the UKSFTA Protocol. As an example, the text and details of the Origin Declaration in English can be found in **Annex A**.

6 The full text of the UKSFTA can be downloaded at www.fta.gov.sg. You can access the full text of the UKSFTA by scanning the QR code on the right.



Documentation Procedures

Where the Origin Declaration is available at time of importation or when goods are bonded in licensed warehouse

7 An importer who wishes to claim preferential tariff treatment for his goods is required to specify his intention to do so in the TradeNet declaration for his In-Payment Permit by leaving the “Customs Duty Rate” field blank and indicating “PRF” in the “Preferential Indicator” field. He is required to declare the excise duty rate of the goods accordingly in the declaration.

8 In the case where an Origin Declaration is available at the time of importation, the importer is to submit the Origin Declaration, duly-declared In-Payment Permit, commercial invoice, bill of lading (B/L) to Singapore Customs within one week of the release of the goods from the Customs checkpoint for our verification. If the Origin Declaration is not submitted to us within the stipulated period, we will proceed with duty recovery.

9 For goods bonded in a Licensed Warehouse (LW), the importer is required to furnish the Origin Declaration, In-Non Payment Permit, commercial invoice and other relevant documents to Singapore Customs within the validity (1 year) of the Origin Declaration and before the release of the goods from the LW for our verification. Only when the preferential tariff treatment is granted by us, can the importer then declare an In-Payment Permit at preferential tariff rate (i.e. with the “Customs Duty Rate” field left blank and “PRF” indicated in the “Preferential Indicator” field) for the subsequent release of the goods.

Where the Origin Declaration is not available at time of importation

10 If the importer intends to make a claim for preferential tariff treatment subsequently when he obtains the Origin Declaration, he may state his intention to do so in the “Remarks” column of the TradeNet declaration for his In-Payment Permit, and make full payment of the customs duty for the goods. In the declaration, the importer is to declare the customs duty in the “Customs Duty Rate” field accordingly and leave the “Preferential Indicator” field blank. The importer may apply for refund of the duties paid with the necessary supporting documents, which include a valid Origin Declaration, within one year from the date of importation.

Mode of Submission of Documents to Claim Preferential Tariff Treatment

11 Traders are to submit the Origin Declaration and other relevant required supporting documents electronically by scanning and converting to common image formats such as PDF, DOC and email the documents to customs_pref_doc@customs.gov.sg.

Rules of Origin for Exports to the UK and other Details

12 Information on the Rules of Origin for exports to the UK under the UKSFTA can be found in a separate circular (No. 15/2020) dated 31 Dec 2020. Both circulars can be downloaded at <https://www.customs.gov.sg/news-and-media/circulars/>.

Retention of Documents

13 Customs may conduct post clearance audits on importers who had claimed preferential tariff benefits on the UK-originating goods as mentioned in paragraph 2. Importers are to keep the Origin Declaration, B/L, invoices and other documents relating to the purchase and importation of the goods, for not less than 5 years.

Clarification

14 A list of Frequently Asked Questions (FAQ) is attached in **Annex B**. If you need further clarification on the contents of this circular, you may write in to customs_roo@customs.gov.sg.

Yours faithfully

Chua Yock Chin
Head Tariffs and Trade Services
For Director-General of Customs
Singapore Customs

(This is a computer-generated circular. No signature is required.)

We hope that this circular has been written in a way that is clear to you. If not, please let us have suggestions on how to improve this circular at customs_roo@customs.gov.sg.

ORIGIN DECLARATION TEXT

The Origin Declaration must be made out in accordance with the footnotes as set out in Annex E of the UKSFTA Protocol. However, the footnotes do not have to be reproduced.

The exporter of the products covered by this document (*customs or competent governmental authorisation no*)³ declares that, except where otherwise clearly indicated, these products are of UK preferential origin.

.....⁴
(Place and date)

.....⁵
(Signature of the exporter, in addition the name of the person signing the declaration has to be indicated in clear script)

³ When the Origin Declaration is made out in the UK by an approved exporter, the authorisation number of the approved exporter must be entered in this space. When the Origin Declaration is not made out by an approved exporter, the words in brackets shall be omitted or the space left blank.

⁴ These incations may be omitted if the information is contained on the document itself.

⁵ In cases where the exporter is not required to sign, the exemption of signature also implies the exemption of the name of the signatory.

FREQUENTLY ASKED QUESTIONS

Q1: Is the product that I am importing from the UK eligible for preferential tariff treatment under the UKSFTA?

A1: The following items originating under the UKSFTA are eligible for preferential tariff treatment when imported into Singapore under the UKSFTA: stout/porter, beer including ale (under the HS codes 2203.00.11, 2203.00.19, 2203.00.91, 2203.00.99). The Customs duties for all other goods are already zero-rated.

Q2: I import EU preferential origin beer from a distributor in the UK who had earlier imported the beer from EU countries and then re-exported them to Singapore. Can I claim preferential tariff treatment on the beer based on the Origin Declaration (OD) made out by my UK exporter?

A2: No. For the purpose of making preferential tariff claims in Singapore after 31 Dec 20, you should get the initial exporter of the EU preferential origin beer to the UK to make out the OD under the EUSFTA and furnish this OD to you. The EUSFTA and UKSFTA are separate FTAs and hence, EUSFTA originating manufactured products that are transported through the UK to Singapore are not considered as UK originating under the UKSFTA. Companies are advised to refer to Article 13 : Non Alteration of the Protocol of the EUSFTA which states that the originating products or consignments must remain under customs supervision in the country(ies) of transit for more information. In this example, the UK is a country of transit for the beer and compliance with the requirement must be satisfied.

Q3: Does the UKSFTA cover GST rebate?

A3: No. The preferential tariff treatment accorded under the UKSFTA only pertains to customs duties. All other taxes, such as GST and Excise duty, are excluded from the scope of the Agreement and remain applicable, where relevant.

Q4: What are the product details my supplier should include in its commercial invoice with the origin declaration to enable the good's identification by Singapore Customs?

A4: The document on which the origin declaration is inserted should provide a product description that is generic enough for the good to be identified by Singapore Customs, while also including product information such as the model, brand and trademark (if any) of the good. Such information should also tally with that provided in your In-(Non) Payment Permit and supporting documents submitted.

Q5: I forgot to indicate my intention to claim preferential tariff treatment when submitting my Import Permit declaration on TradeNet. I have the necessary supporting documents, including an Origin Declaration from the UK, can I claim preferential tariff treatment thereafter?

A5: You are required to indicate your intention when declaring your Import Permit on TradeNet if you are intending to claim preferential tariff treatment for your imports into Singapore.

Q6: What are some of the acceptable common images that I can convert my Origin Declaration to for electronic submission to claim preferential tariff treatment?

A6: Generally, Singapore Customs can accept common document types such as PDF and DOC. The scanned document should contain the entire image of the Origin Declaration and be reasonably legible. Illegible or truncated image of the Origin Declaration will be rejected by Singapore Customs.

Q7: Would I still need to submit hardcopy Origin Declaration to Customs to claim preferential tariff treatment?

A7: No. If you have submitted scanned copy of the Origin Declaration to claim preferential tariff treatment, you do not need to submit the original hardcopy unless it is requested to be produced during a post verification audit.