



Circular No: 18/2019
22 Mar 2021 (via an update)

All Manufacturers, Traders and Declaring Agents

Dear Sir/Madam

CLAIMING PREFERENTIAL TARIFF BENEFITS FOR GOODS EXPORTED FROM SINGAPORE TO THE EUROPEAN UNION UNDER THE EUROPEAN UNION-SINGAPORE FREE TRADE AGREEMENT (EUSFTA)

The EUSFTA is a Free Trade Agreement between Singapore and the European Union (EU)¹. The EUSFTA will enter into effect on **21 Nov 2019**. The EUSFTA provides improved market access in terms of preferential tariff treatment for exports of Singapore-originating goods to the members of the EU as well as for imports of EU originating goods entering into Singapore.

2 This circular outlines the method by which companies in Singapore (primarily manufacturers) seeking to export their products to the EU can benefit from this preferential treatment. The key to this is having an understanding of the conditions under which the goods would qualify for such preferential treatment, which includes the Rules of Origin requirements and operational procedures for exports of Singapore-originating goods claiming preferential tariff treatment in countries who are part of the European Union.

3 The full details of such conditions are set out in Protocol 1 of the EUSFTA. This circular merely sets out the salient points. Companies are urged to read the full text of this Protocol which can be found at www.mti.gov.sg. You can access the full text of the EUSFTA by scanning the QR code on the right.



4 Manufacturers and Traders are also advised to refer to Annex 2-A of Chapter 2 (National Treatment and Market Access for Goods) in the agreement to obtain the appropriate preferential tariff rate for the import of Singapore originating goods into the EU.

EUSFTA Rules of Origin criteria for determination of Origin of Goods

5 Your goods may qualify for preferential tariff treatment for importation into the EU under the EUSFTA if they fulfill the following Rules of Origin:

¹ There are 27 countries in the EU as set out in Annex A.

Rules of Origin under the EUSFTA	
Goods Wholly Obtained or Produced	Goods are wholly obtained or produced in Singapore, as specified in Article 4 of Protocol 1 of the EUSFTA
For Goods Not Wholly Obtained or Produced excluding Asian Food Products specified in Annex B(a) of Protocol 1 of the EUSFTA	Goods are manufactured in Singapore and satisfy both Article 5 ² as well as the Product Specific Rules specified in Annex B of Protocol 1 of the EUSFTA.
For Asian Food Products Not Wholly Obtained or Produced specified in Annex B(a) of Protocol 1 of the EUSFTA within the allocated quota ³	Goods are manufactured in Singapore and satisfy both Article 5 as well as the Product Specific Rules specified in Annex B(a) of Protocol 1 of the EUSFTA.

Rules of Origin for Originating Goods which are not wholly obtained or produced

6 For goods which are not wholly obtained or produced, they will be considered Singapore-originating if they had undergone sufficient working or processing⁴ and meet the Product Specific Rules (PSRs) in the EUSFTA. The PSR can be found in **Annex B and B(a) of Protocol 1 of the EUSFTA**. Generally, the PSR requires the final product to be substantially transformed in Singapore. Companies are encouraged to do their own due diligence to cross check the PSR and ensure that self-certification is made out for only products that meet the rules of origin in EUSFTA. The following are examples of substantial transformation:

- a) A Change in Tariff Classification (CTC) between non-originating materials and the end good must have occurred in Singapore. The CTC is based on the Harmonised System (HS) of Classification and requires the end good to have a different 4-digit HS Heading, or 6-digit HS subheading from the non-originating materials used in its production;
- b) For chemical products in HS Chapter 27, do note what it means by "Processing" as defined by the Chapter or Section Notes in the PSR;
- c) Meeting the specified percentage of originating value content based on ex-works price for each good under the EUSFTA; and

² Article 5 sets out products which are not wholly obtained are considered as originating goods if they are sufficiently worked or processed and met the conditions laid down in Annex B or B(a) to Protocol 1 of the EUSFTA.

³ The Asian Food Quota has a special Rules of Origin as set out in Annex B(a) of Protocol 1 of the EUSFTA and this quota will be managed by the European Commission. Singapore companies thus need to ensure that their EU importer qualifies for the quota arrangement.

⁴ Article 6 sets out the list of insufficient working or processing and such operations or processes undertaken by themselves or in combination with each other shall not be taken into account when determining the originating status of a good. Some examples include breaking and assembly of packages, slaughter of animals.

- d) Combination of both CTC and meeting the specified percentage of originating value.

Accumulation

7 The EU and Singapore are treated as a single production area. This means that any good or material that originated from the EU will be deemed to have originated from Singapore, and vice versa, provided the good or material satisfies the origin requirements under the EUSFTA and is supported by an origin declaration by the supplier.

8 For a limited number of products as set out in Annex D of Protocol 1 of the EUSFTA, ASEAN cumulation would be permitted.

Documentation Procedures

9 The EUSFTA will operate on a self-certification basis and all exporters, including approved exporters as set out in Protocol 1 of the EUSFTA, in Singapore, can submit a declaration that their products are Singapore originating. This means that to enable importers in the EU to claim preferential tariff treatment under the EUSFTA on Singapore originating goods, the Singapore exporter

- (a) has to have a Unique Entity Number UEN (i.e. not individuals) before the exporter can make out an origin declaration;
- (b) must submit a declaration on the invoice, or any other commercial document that certifies that the goods qualify as originating goods for their import into the EU (hereinafter referred to as "Origin Declaration");
- (c) the origin declaration must contain, in English, the text and details set out in **Annex B** of this circular; and
- (d) the origin declaration must describe the goods in sufficient detail to enable its identification by the importing customs authority. It is also important to ensure that the correct HS classification is used for the goods.

10 For further clarity on the HS classification when importing into the EU, you may seek the advice of the relevant authority in the importing EU country.

11 In addition, in the corresponding TradeNet declaration for your export permit, you must ensure that "PRI" is selected under the "Preferential Indicator" field. It is mandatory to select "PRI" if the importer intends to claim preferential tariff treatment under FTAs with self-certification regimes. This is an indication that the importer intends to claim preferential tariff treatment when the goods are imported into the EU. With this, Singapore Customs can also then be better able to assist companies if they face any denial of claims or request for verification of claims by the EU authorities. Please check with your TradeNet software vendor if you are unable to locate the "Preferential Indicator" field.

12 Singapore exporters who issue the origin declaration under the EUSFTA and producers of the goods should be well acquainted with the qualifying origin criteria of their goods. There are many PSRs included in the EUSFTA. We encourage you to familiarise yourself with the Rules of Origin and other requirements in the EUSFTA to take advantage of the benefits of the Agreement when you export to the EU. Please share the contents of this circular with other colleagues in your organisation (especially trade compliance team within your organisation) and business partners if relevant.

Retention of Documents

13 For post-verification checks under Article 28 (Verification of Origin Declarations) of Protocol 1 of the EUSFTA, documents relating to the production and export shipments accompanied by the origin declaration should be kept for **at least 3 years** from the date on which the origin declaration was signed. If there is unsupported representations or insufficient information received relevant to a claim that the good is originating, the importing party may deny the claim for preferential tariff treatment.

Preferential Tariff Treatment for Imports under the EUSFTA

14 Another circular, No. 19/2019 dated 18 Nov 2019, relating to the claiming of preferential tariff treatment for imports into Singapore under the EUSFTA is separately issued. Both circulars can be downloaded from <http://www.customs.gov.sg> > *News and Media* > *Circulars*.

Clarification

15 Please refer to the Frequently Asked Questions (FAQ) on the Rules of Origin under the EUSFTA in **Annex C** for more details or you may send your enquiries to customs_roo@customs.gov.sg for further clarifications on the contents of this circular.

16 For other clarifications on the EUSFTA, you may email Enterprise Singapore at enquiry@enterprisesg.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.

Annex A

LIST OF COUNTRIES IN THE EUROPEAN UNION

S/N	Countries
1	Austria
2	Belgium
3	Bulgaria
4	Croatia
5	Cyprus
6	Czech Republic
7	Denmark
8	Estonia
9	Finland
10	France
11	Germany
12	Greece
13	Hungary
14	Ireland
15	Italy
16	Latvia
17	Lithuania
18	Luxembourg
19	Malta
20	Netherlands
21	Poland
22	Portugal
23	Romania
24	Slovakia
25	Slovenia
26	Spain
27	Sweden

ORIGIN DECLARATION TEXT

The exporter of the products covered by this document (*Unique Entity Number of your company*) declares that, except where otherwise clearly indicated, these products are of Singapore preferential origin.

.....
(Place and date)

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

FREQUENTLY ASKED QUESTIONS

Q1: Is my good eligible for preferential tariff treatment under the EUSFTA?

A1: You may refer to Annex 2-A to Chapter 2 (National treatment and Market Access for Goods) of the EUSFTA's legal text via the URL provided in the circular for the relevant details. Alternatively, you may use the Tariff Finder Tool available [here](#).

Q2: I am a registered manufacturer with Singapore Customs and have exported products under other Free Trade Agreements. Can my product be automatically considered as an originating good under the EUSFTA?

A2: Each FTA has its own unique origin qualifying criteria. Your registration with Singapore Customs as a manufacturer does not automatically qualify your good as originating under the EUSFTA. You should ensure that your product meets the qualifying criteria as set out in Protocol 1 and its annexes and self-certify this as an originating good under the EUSFTA to be considered for preferential tariff treatment when imported into the EU.

Q3: I have exported some goods originating from Singapore to the EU before the date of implementation of the EUSFTA. Can I request for tariff concession to be granted for these shipments upon the entry into force of the Agreement?

A3: The import may be eligible for preferential tariff treatment only if it enters the EU on or after the day when EUSFTA is implemented and the import fulfils the relevant conditions set out in the EUSFTA. For further clarity, you may wish to advise your importer to contact their customs authority directly.

Q4: How can I apply for a Preferential Certificate of Origin (PCO) with Singapore Customs for my exports to EUSFTA country under the EUSFTA?

A4: Singapore Customs will not be issuing PCOs under the EUSFTA. To enable your importer in EUSFTA country to claim preferential tariff treatment, please follow the procedures set out in paragraph 9 of this circular.

Q5: What product details should I include in my commercial invoice with the origin declaration to enable the good's identification by the importing customs authority?

A5: 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 the authority, while also including product information such as the model, brand and trademark (if any). Such information should also tally with that provided in the other trade/shipping documents submitted. Please contact the importing customs authority directly for further clarification on the exact details that may be required in the document.

Q6: What is the recordkeeping requirement for documents relating to my exports to EU under the EUSFTA?

A6: You are required to keep the relevant documents (which include, but are not limited to, a copy of the origin declaration, shipping documents such as the commercial invoice, and production records) for a period of at least 3 years from the date on which the origin declaration was made out.

Circular No. 18/2019: CLAIMING PREFERENTIAL TARIFF BENEFITS FOR GOODS EXPORTED FROM SINGAPORE TO THE EUROPEAN UNION UNDER THE EUROPEAN UNION-SINGAPORE FREE TRADE AGREEMENT (EUSFTA) (dated 18/11/2019)

Paragraph	Current Details	Updated Details	Date of Update
1	Footnote 1: There are currently 28 countries in the EU as set out in Annex A. This currently includes the UK. Whether the UK will be able to continue to be a beneficiary of the EUSFTA will depend on the outcome of the ongoing Brexit discussions. Companies seeking to export to the UK via the EUSFTA should thus monitor these discussions.	Footnote 1: There are 27 countries in the EU as set out in Annex A.	22 Mar 2021
2	Annex A: United Kingdom is in the list of countries in the EU.	Annex A: Removed United Kingdom in the list of countries in the EU.	22 Mar 2021