



**Asia-Pacific  
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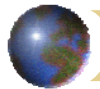
## **Singapore's Experience in Self Certificate of Origin**

Submitted by: Singapore



**Trade Policy Dialogue on Rules of Origin  
Singapore  
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# *SINGAPORE'S EXPERIENCE IN SELF CERTIFICATION OF ORIGIN*



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- **Authorized Certification of Origin**
  - ▣ Pre-exportation Verification
- **Self Certification of Origin**
  - ▣ Benefits of Self Certification
  - ▣ Post-exportation Verification
- **Granting of Preferential Tariff Concession**



## *Authorized Certification of Origin*

- **Certificates of Origin (CO) issued by Singapore Customs**
- **Pre-exportation Verification**
  - ▣ Step 1: Manufacturer's registration
  - ▣ Step 2: Submission of Manufacturing statement



## *Pre-exportation Verification*

- **Manufacturer's Registration**
  - ▣ Factory visit upon the manufacturer's application.
  - ▣ To determine:
    - manufacturing operations
    - machineries and manpower
    - production and book records



## *Pre-exportation verification*

### ● **Submission of Manufacturing Statement**

- Contains information on descriptions and costs of raw materials used, labour, overheads and HS Codes.
- Verification that the goods in question meet the necessary Rules of Origin.



## *Authorized Certification of Origin*

- Issuance of a Manufacturing Statement approval letter by Singapore Customs
- Application of CO
- Collection of approved CO which are signed by authorized signatories



## *Self Certification of Origin*

- Alternative to the Authorized Certification of Origin system.
- Self-certification by exporter/ manufacturer that the said product qualified as originating good under specific Free Trade Agreement
  - **Based on knowledge that product meets the requisite rules of origin**
  - **Certification done on company's letterhead, invoice, or prescribed format of declaration.**



## *Self Certification of Origin*

- First introduced under the Agreement between New Zealand and Singapore on a Closer Economic Partnership in 2001.
- Also practised in :
  - European Free Trade Association-Singapore FTA (ESFTA) in 2003,
  - US-Singapore FTA (USSFTA) in 2004,
  - Panama-Singapore FTA (PSFTA) in 2006 and
  - Trans-Pacific Strategic Economic Partnership Agreement (TPSEP) in 2006.



## *Examples of Self Certification*

| <b>Schemes</b>   | <b>Types of Self Certification</b>   |
|--|--|
| Generalized System of Preference (GSP)   | Allows a declaration of origin on the face of a commercial invoice for goods |
| North America Free Trade Agreement (NAFTA)                                       | A CO is certified by the exporter  |
| Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) | Importer makes a declaration of origin in the importation document           |
| New Zealand - Thailand Closer Economic Partnership Agreement                     | Declaration on the export's invoice  |



## *Benefits*

- Traders
  - Reduce business cost
    - time and cost savings (no submission of manufacturing statement)
  - Facilitate and promote utilisation of FTA
    - Shipments not held back by approval of CO



## *Benefits*

- Singapore Customs
  - Manpower saving
    - No Pre-exportation verification
    - No periodic updates of authorized signatories to FTA partners
    - No post-verification requests due to doubts on signatures on CO



## *Post-exportation Verification*

- Proactive Checks
  - Post audit of manufacturers/exporters who self certified through targeting
- Reactive Checks
  - Verification requests from Customs administrations of importing FTA Parties



## *Legislations*

- Regulation of Imports and Exports Act
  - Requirements and conditions on exporters and manufacturers
  - Legal powers of Singapore Customs
  - Stiff penalties as strong deterrence for circumvention of rules of origin and false declaration



## *Legislative Powers*

### Penalties

**First Conviction**

**Fine**

- not exceeding \$100,000/- or;  
- 3 times the value of the goods or;

**Imprisonment**

- a term not exceeding 2 years or both

**Second Conviction**

**Fine**

- not exceeding \$200,000/- or;  
- 4 times the value of the goods or;

**Imprisonment**

- a term not exceeding 3 years or both





## *Factors for Successful Self Certification System*

- Good understanding of origin criteria by exporter/manufacturer
- Rigorous post audit system
- Close cooperation and trust between customs administrations
- Robust legislations



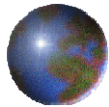
## *Granting of Preferential Tariff Concessions*

- Importer may claim preferential tariff based on valid CO issued by FTA partner or self certification by the overseas manufacturer or exporter.
- Indicate the claim for preferential tariff in the import declaration.



## *Granting of Preferential Tariff Concessions*

- Supporting documents required:
  - Original copy of authorized CO or self certification by the overseas manufacturer
  - Invoice
  - Bill of Lading or Airway Bill
- Publication
  - Circular issued prior to implementation of FTA outlines the procedures for the claiming of preferential tariff for goods originating from FTA partners.



*End of Presentation*