



**Asia-Pacific
Economic Cooperation**

2011/MAG/WKSP3/003

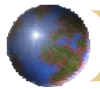
Singapore's Experience in Self Certification of Origin

Submitted by: Singapore



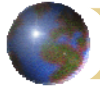
**Self-Certification Pathfinder Workshop
Ha Noi, Viet Nam
28-29 July 2011**

SINGAPORE'S EXPERIENCE IN SELF CERTIFICATION OF ORIGIN



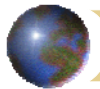
SCOPE

- **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

Schemes	Types of Self Certification
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
 - Facilitate and promote utilisation of FTA
 - Shipments not held back by approval of CO



Benefits

- Singapore Customs as issuing authority
 - Manpower saving
 - No Pre-exportation verification
 - No periodic updates of authorized signatories to FTA partners



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
- Outreach and Circulars
- Rigorous post audit system
- Close cooperation and trust between customs administrations
- Robust legislations



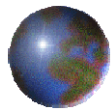
Granting of Preferential Tariff Concessions

- 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 Air Waybill
- 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