

# SINGAPORE'S STRATEGIC TRADE CONTROLS



SINGAPORE  
CUSTOMS

*We Make Trade Easy, Fair & Secure*



*National Strategic Trade Symposium 2018*

*2 August 2018*

*Kuala Lumpur, Malaysia*

*Presented by Fauziah A Sani*

# Outline

- ❑ Overview
- ❑ Regulatory Requirements
- ❑ UNSCRs Implementation
- ❑ Non-Compliance and Best Practices
- ❑ Industry Outreach

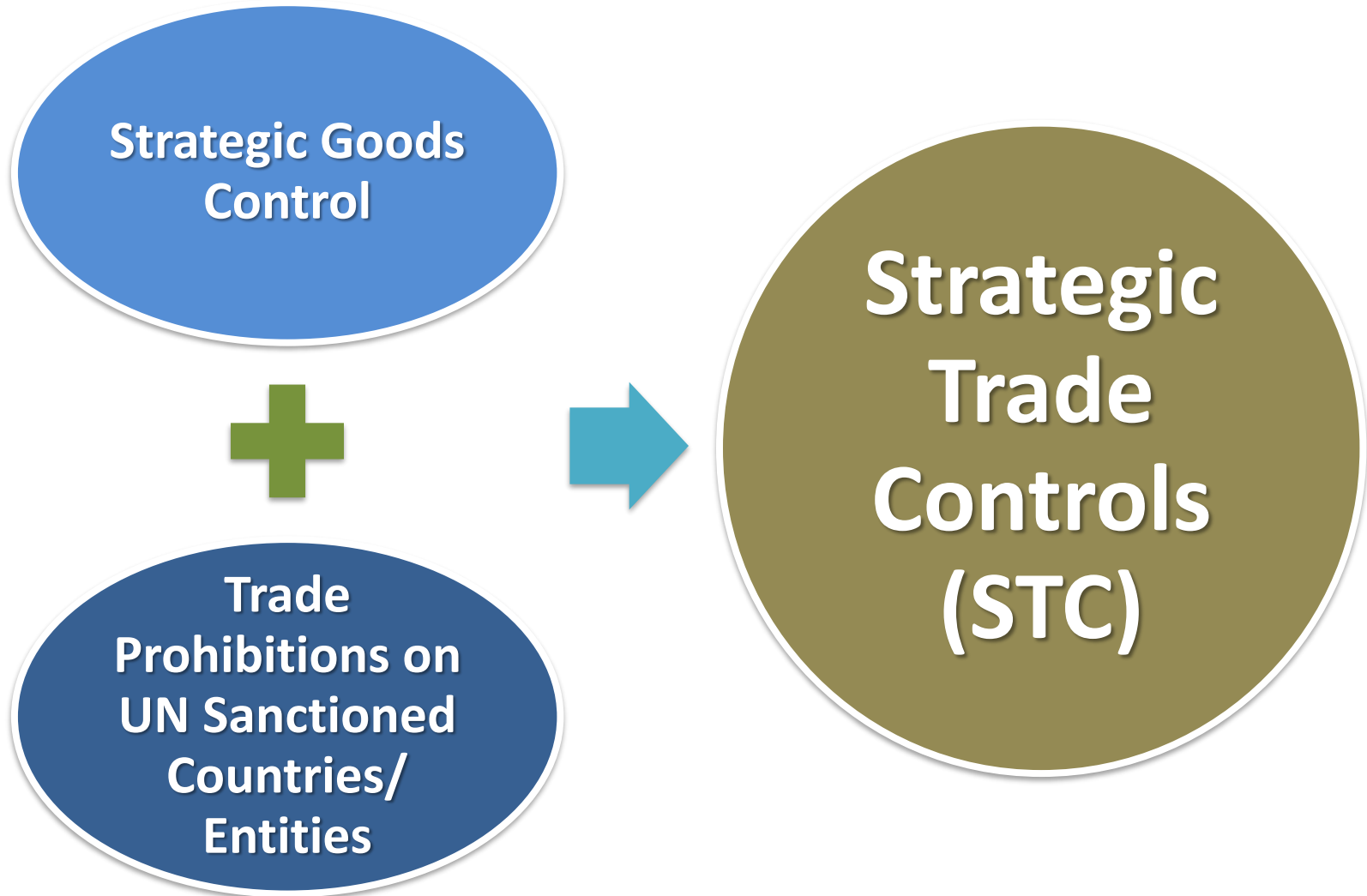


# Overview

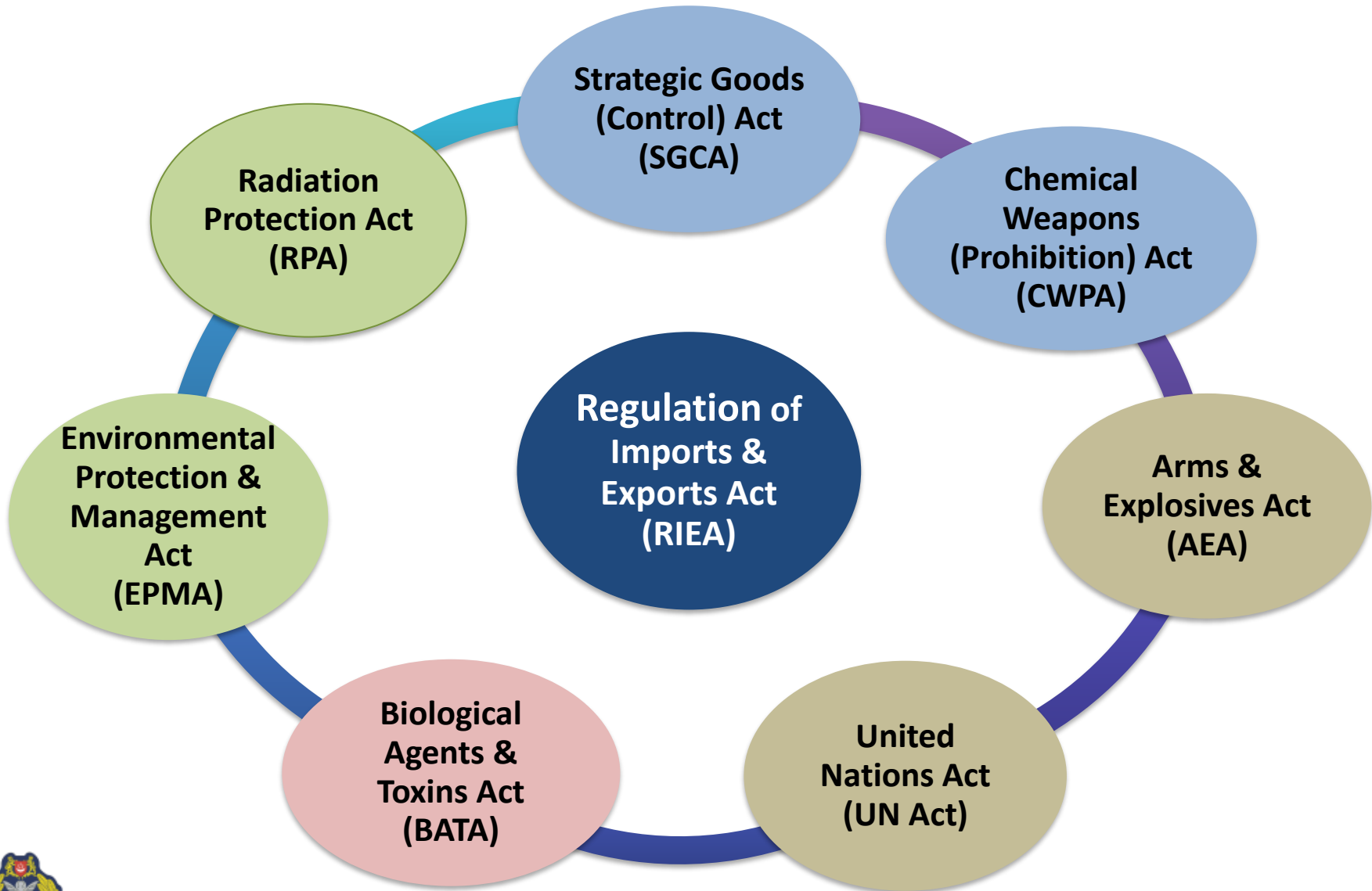


*We Make Trade Easy, Fair & Secure*

# Strategic Trade Controls



# Legislative Framework



# Regulatory Requirements



*We Make Trade Easy, Fair & Secure*

# Strategic Goods (Control) Act (2003)

## Strategic Goods (Control) Act

Strategic Goods  
(Control)  
Regulations

Strategic Goods  
(Control) Order

Strategic Goods  
(Control)  
(Brokering) Order

Fourth Schedule – Transshipment List  
Fifth Schedule – Transit List

ML & DL List

ML 1 - 4 & 8

‘Relevant Activity’  
(Catch-All)

Goods/technology not listed, but a person knows/ suspects/ has been notified, that these goods/technology are intended or likely to be used for WMD purposes



# Controlled Modes of Transactions



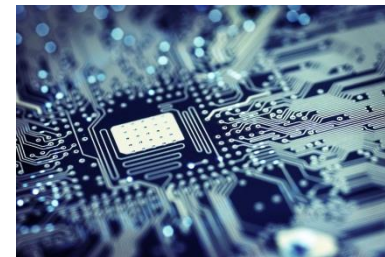
**Physical Goods  
Export/  
Tranship/  
Transit**



**Documents  
Export**



**Brokering**



**Intangible Transfer of  
Technology ("ITT")**



# Controlled Modes of Transactions

## Export

- Foreign consignee
- **Local consignor**
- Export BL/AWB
- Goods are **loaded in SG**

## Tranship

- Foreign consignee
- **Foreign consignor**
- Through BL/AWB
- Goods are **off-loaded and re-loaded in SG**  
*(onto same or different conveyance)*

## Bring in Transit

- Foreign consignee
- **Foreign consignor**
- Through BL/AWB
- Goods are **loaded overseas**  
*(freight on board)*



# Controlled Modes of Transactions

## Brokering

**Arranging or negotiating a contract** for the transfer of controlled goods/ technology **from one foreign country to another foreign country**

## Intangible Transfer of Technology

**Electronic transmission** of controlled technology **by a person in Singapore** such that the technology becomes **accessible** to a **person in a foreign country**

\*Refer to the SGCA for the full definition of the terms.



# Control List Updates

## SGCO 2017

*Since 1 Sep 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](https://www.customs.gov.sg/~media/cus/files/amendmentstosgco/story_html5.html?la=en)

**In process of updating the SGCO (2018) targeted for  
implementation before the end of this year  
(To incorporate latest 2017 changes in the WA and EU Dual use List)**



# Transshipment List (4<sup>th</sup> Sch SGCR)

(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;
ML4	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;
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.



# Transit List (5<sup>th</sup> Sch SGCR)

(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.



# Permit Requirements – Physical Transfers

## Export

Strategic goods and related technology listed in the SGC Order

## Transshipment

Strategic goods & technology listed in the 4th Schedule of the SGC Regulations; and those listed in the SGC Order & remain in the FTZ > 21 days (by air) / > 45 days (by sea)

## Permits

## “Relevant Activity” / “Catch-all”

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

## Transit

Strategic goods & technology listed in the 5th Schedule of the SGC Regulations; and those listed in the SGC Order & remain in the FTZ > 21 days (by air) / > 45 days (by sea)



# Permit & Registration Requirements – Brokering & ITT

## Brokering

Register (to broker) at least 14 working days before the brokering of items listed in the SGC (Brokering) Order

## Intangible Technology Transfer (ITT)

Submit permit application & supporting documents at least 7 working days before the transmission of strategic goods software/technology listed in the SGC Order

## Permits/ Registration

## “Relevant Activity”/“Catch-all”

Apply for a brokering permit for “catch-all” transactions (known/suspected/being informed to be used for WMD purposes)

## “Relevant Activity”/“Catch-all”

Apply for a ITT permit for “catch-all” transactions (known/suspected/being informed to be used for WMD purposes)



# STS Individual Permit

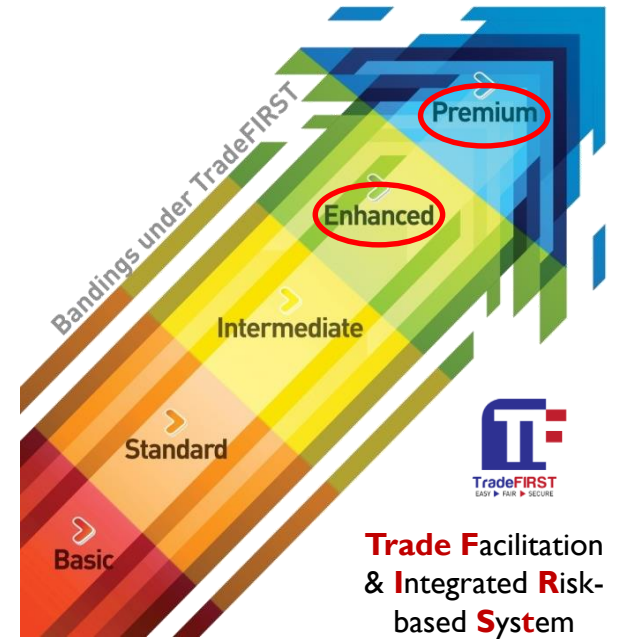
- Register with Singapore Customs
- Apply for a strategic goods permit together with supporting documents **at least 5 working days before** each transfer / transaction
- Submit supporting documents for each transaction





# STS Bulk Permit

- ❑ Register with Singapore Customs
- ❑ Apply for TradeFIRST and granted at least **‘Enhanced’** Band
- ❑ Implement effective ICP (7 elements)
  - Company Commitment (Senior Managements)
  - Nomination of Strategic Goods Control Officer(s)
  - Product(s) Screening and Classification
  - End-user(s) Screening
  - Record Keeping
  - Awareness and Training
  - Regular Audits



**Aim: A holistic approach to engage and facilitate trade**

A set of criteria applicable for all schemes, programmes and facilitations (including STS)

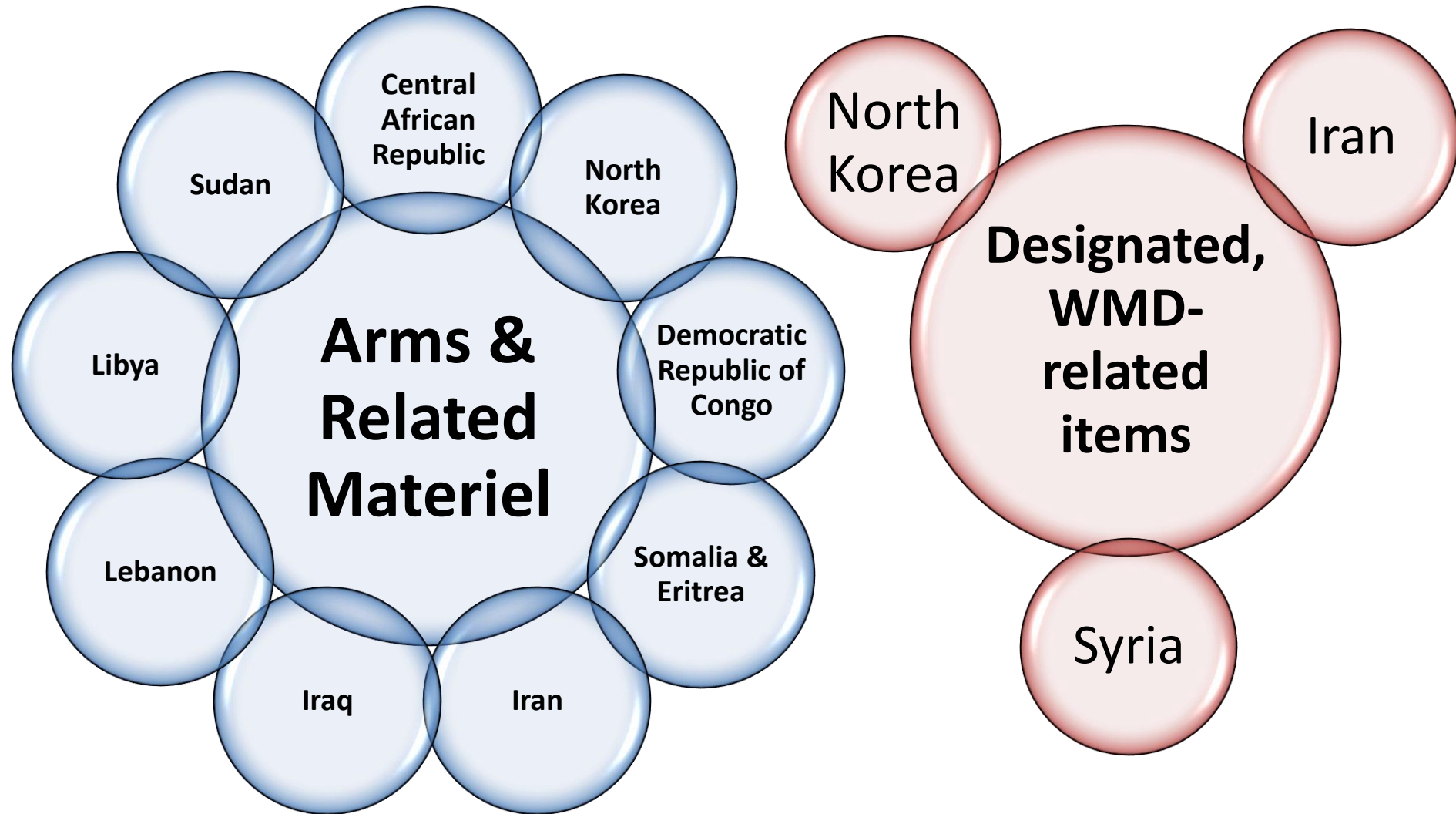
Allows Singapore Customs to have a comprehensive understanding of the company so as to better meet their needs



# UNSCRs Implementation



# UNSCR Trade Prohibitions



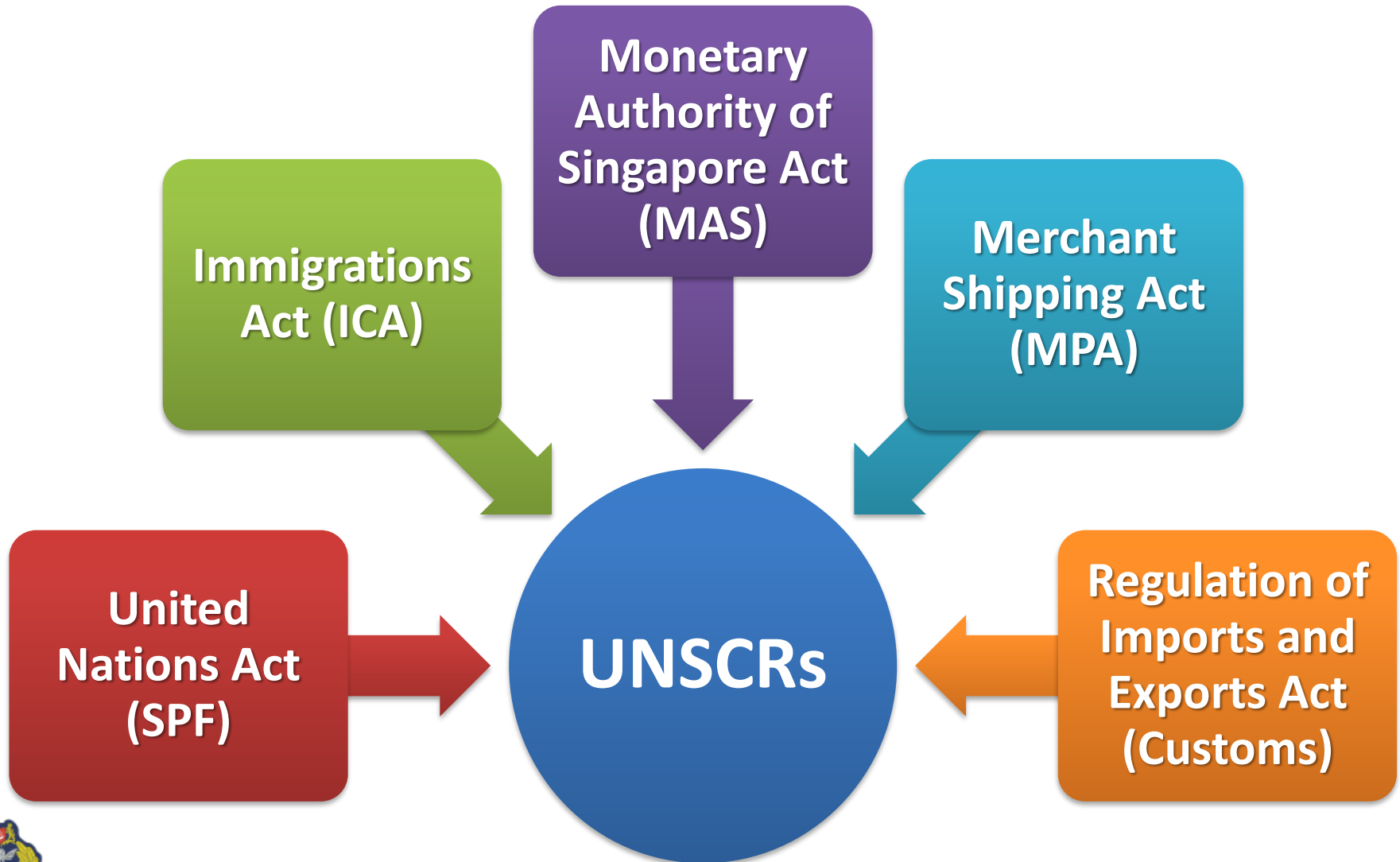
For more information regarding UNSC sanctions:

[www.customs.gov.sg/businesses/united-nations-security-council-sanctions](http://www.customs.gov.sg/businesses/united-nations-security-council-sanctions)



*We Make Trade Easy, Fair & Secure*

# UNSCRs & Implementing Legislation & Agencies



# Prohibition of Commercial Trade with DPRK

- ❑ Since 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.
  
- ❑ For **non-commercial transactions of** goods arriving from or destined for North Korea:
  - Permit to be submitted at least 3 working days before the intended shipment date
  - Approval is subject to existing UNSC sanctions on North Korea (items sanctioned for transfers to/from DPRK will not be allowed)

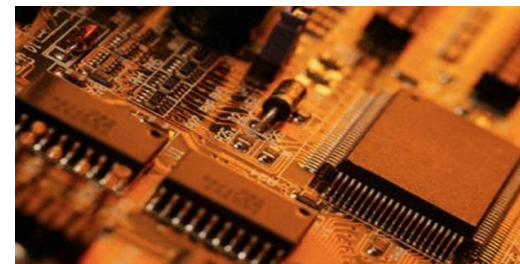


# Non-compliance & Best Practices



# 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 for re-exports to new destination / end-user



Copyright @Accenture. Pictures are for illustration purposes only and do not refer to the actual items



# Non-compliance - Risks

**Shipment delays** without proper documentation approved at export/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 could be listed in various **denial lists/watch lists** imposed by some countries





# Best Practices

## Check

- Check transport routes and ascertain if your goods require **export or 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 **export, 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**.



# Penalties for Offences (SGCA/RIEA)

## 1<sup>st</sup> Conviction (per count)

- Fine for up to **\$100,000** or **3 times** the value of the goods – whichever is higher; or
- Imprisonment for up to **2 years**; or
- **Both**

## 2<sup>nd</sup> or Subsequent Conviction (per count)

- Fine for up to **\$200,000** or **4 times** the value of the goods – whichever is higher; or
- Imprisonment for up to **3 years**; or
- **Both**



# Industry Outreach



*We Make Trade Easy, Fair & Secure*

# Modes of Industry Outreach

Website

Notices/  
Circulars

Media  
Releases

Seminars

Dialogues

Briefings

Social Media  
(Facebook)

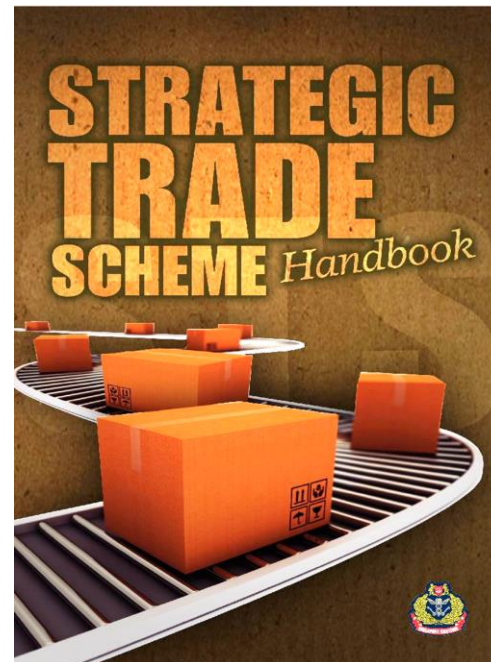
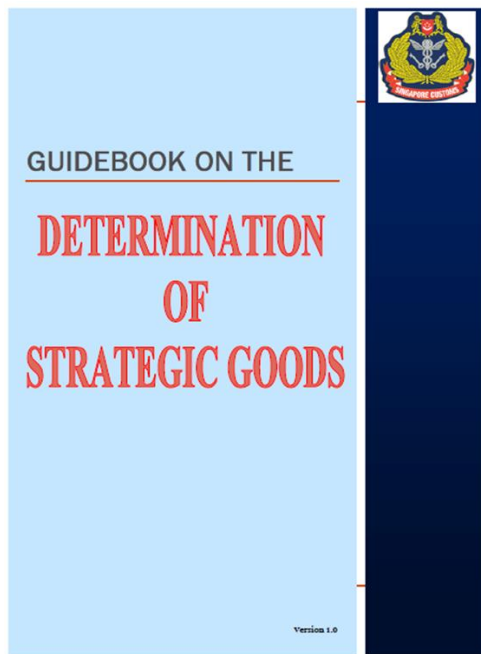
Compliance  
Visits



# Guidebooks

Available on Customs' website at

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



# Thank you

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

This information is provided on a general basis and is for your personal information. The provided information may not be complete, error-free, accurate or updated in relation to any particular issue. The provided information is not intended to serve as legal or other professional advice for any specific matter, and should not be treated as such. Where legal or other professional advice is required in relation to any particular matter, please seek advice from your own legal or other professional advisors. The Government shall not be held liable for any consequences, including but not limited to all losses, damages, costs, expenses and any other claims for compensation, arising directly or indirectly from your use of or reliance on the provided information. We reserve the right to vary or modify the policies and/or practices that have been referred to at any time and without any prior notice.



*We Make Trade Easy, Fair & Secure*