

Our Ref : 33 09 02 V3

Circular No : 25/2003

Date : 15 Jul 2003



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To: All Manufacturers registered with  
Classification and Statistics Audit Branch of  
Singapore Customs



## SINGAPORE-AUSTRALIA FREE TRADE AGREEMENT (SAFTA) ON RULES OF ORIGIN FOR EXPORTS TO AUSTRALIA

### Introduction

The Singapore-Australia Free Trade Agreement (SAFTA) will be implemented on 28 Jul 2003. Prior to this Agreement, Singapore's exports may face tariffs of up to 25% when entering Australia. A breakdown of the tariff rates applied for certain sectors is as follows:

Sector	Range of tariffs before SAFTA
Agricultural products	0 -5%
Chemical products	0-5%
Electrical & electronic products	0-15%
Instrumentation equipment	0-15%
Metal products	0-15%
Mineral products, including mineral fuels and oils	0-5%
Paper and paperboard products	0-5%
Pharmaceuticals	0-5%
Plastic products	0-25%
Textiles and textile articles	0-25%
Transport equipment	0-15%

2 As a result of tariff elimination in SAFTA, all Singapore-origin products will now be able to enjoy zero-tariff treatment upon entry into Australia. It is estimated that potential cost savings from the tariff concessions, based on current trade figures, would be about S\$31.6 million.

3 The entire Agreement is available for your download in MTI's website at: "[http://www.mti.gov.sg/public/FTA/frm\\_FTA\\_Default.asp?sid=35](http://www.mti.gov.sg/public/FTA/frm_FTA_Default.asp?sid=35)". You may wish to take particular note of Chapter 3 [Rules of Origin] from pages 12 to 26 of the Agreement and its 10-page Annex found in Annex 2.

4 Please highlight the contents of this circular to your Marketing Manager/Financial Controller, your appointed freight forwarder and any other relevant officer.

## Salient Points of the Rules of Origin

5 Your product may qualify for the preferential tariff treatment for importation into Australia under the following rules of origin:

- a. wholly obtained goods produced in Singapore. This includes unmanufactured raw products or waste and scrap that have been derived from manufacturing operations or consumption and fit only for the recovery of raw materials;
- b. goods wholly manufactured in Singapore from one or more of the following:
  - i. unmanufactured raw products;
  - ii. waste and scrap produced in the territory of Singapore or Australia;
  - iii. materials wholly manufactured within the territory of Singapore or Australia; and/or
  - iv. materials that are determined by Singapore or Australia to be materials meeting the requirements of the above subpara (iii). (For details on Rules of Origin for Determined Manufactured Raw Materials, you may download the explanatory guide to the Rules of Origin under SAFTA at the following website at "<http://www.tradenet.gov.sg> ")
- c. goods partly manufactured in Singapore.

## Qualifying Content and Conditions For Goods Partly Manufactured

6 For goods partly manufactured in Singapore, the following conditions must be met:

- a. For any goods:
  - i. the last process of manufacture must be performed in Singapore by, or on behalf of, the principal manufacturer and
  - ii. the allowable cost to manufacture the goods is not less than the percentage of the total cost to manufacture the goods. There are 2 thresholds namely 30% for the goods specified in attached **Annex A** [List of Goods Subject to 30% Threshold] and 50% for **all other goods**. Inputs from Australia can count towards the Qualifying Content. OR
- b. For any goods (excluding goods listed in **Annex B**)
  - i. one or more processes of manufacture was or were performed in Singapore by, or on behalf of, the principal manufacturer;
  - ii. one or more processes was or were performed in Singapore by, or on behalf of the principal manufacturer immediately prior to export;
  - iii. the principal manufacturer in Singapore incurred all the costs associated with any process performed in a non-Party and ;
  - iv. the allowable costs to manufacture the goods is not less than the percentage of the total cost to manufacture the goods for 30% for goods specified in Annex A and 50% for **all other goods**.

7 A sample Cost Statement format is attached in **Annex C**. We encourage you to submit your Cost Statement for our verification based on the prescribed format prior to your exports.

## Documentation Procedures

8 In order for the Australian importer to be able to claim preferential tariff, the Singapore exporter is required to submit his application for a preferential Certificate of Origin (CO) and Export Permit to Singapore Customs for processing and approval prior to the export. A sample copy of the preferential CO is attached in **Annex D** for your reference.

9 The documentation procedures to apply for a preferential Certificate of Origin are as follows:

a. Step One - Factory Registration

The product must be manufactured by a factory that is registered with the Classification and Statistics Audit (CSA) Branch of Singapore Customs. If you are not the manufacturer of the product and you wish to apply for a preferential CO for export to Australia, you should confirm that the manufacturer in Singapore has met this requirement.

To register, the manufacturer must complete the "Application for Registration" Form obtainable from the CSA Branch. A softcopy of this Form is also available on download at "[http://www.tradenet.gov.sg/trdnet/uploadedfiles/ecu\\_regn.doc](http://www.tradenet.gov.sg/trdnet/uploadedfiles/ecu_regn.doc)" Upon completion, the manufacturer will submit the Form to the following address:

Singapore Customs  
Classification and Statistics Audit Branch  
55 Newton Road  
#10-01 Revenue House  
Singapore 307987

An officer from Singapore Customs will inspect the factory to see that it has the machinery and manpower to manufacture the product and that it keeps proper books and records of its operations. If the application is successful, the manufacturer will receive a letter of approval from Singapore Customs together with a registration number.

For most of you that are receiving this circular, this procedure does not apply as you are already registered with CSA Branch. However for those manufacturers that are producing new product lines, you are required to register your new product line with us. Please contact the CSA Branch to obtain the Application Form.

b. Step Two - Submission of Manufacturing Cost Statement

Upon successful registration, the manufacturer will be able to submit to CSA Branch the Manufacturing Cost Statement (MCS) for each product model that you or your exporter intends to export to Australia. A sample copy of the MCS is in **Annex C**.

We will verify your MCS and inform you whether your product satisfies the origin criteria for the preferential CO. With our approval letter for the MCS, you or your exporter may apply for the preferential CO to Australia. Each approved MCS is valid for one year and must be updated annually or earlier when there are changes during the year.

c. Step Three – Applying for the Preferential CO

You are advised to submit your application for the preferential CO prior to your export. You may create and submit the Certificate and Permit declarations electronically through TradeNet to Singapore Customs for processing and approval.

d. Step Four – Submission of Preferential CO via TradeNet

You will declare the Certificate Type as “18” when you declare your application via TradeNet. If you do not have the TradeNet software, you may engage your freight forwarder or a Service Centre to declare the application on your behalf.

An approved CO shall be valid for multiple shipments of the goods described therein that are exported within 2 years from the date of issue, provided that the first shipment occurs within the first year of issue and the CO has not been revoked.

e. Step Five – Self-Certified Declaration for every exports

The exporter must complete a self-certified declaration prior to every export. The Declaration must be completed by a representative of the exporter competent to make the declaration and must include :

- i. a reference to the exporter’s invoice for the goods;
- ii. a statement that the goods are identical to the goods specified in a valid Certificate of Origin quoted in the Declaration;
- iii. a statement that the goods are originating and that the goods complied with the rule specified in the Certificate of Origin and
- iv. the signature, name and designation of the exporter’s representative, and date of the Declaration.

Such self-certified declaration can be made on the exporter’s Commercial Invoice or company’s stationery bearing the company’s letterhead. If the exporter is not the producer or principal manufacturer, the exporter must ensure that the producer or principal manufacturer has a copy of the earlier approved Certificate of Origin and has obtained written confirmation from the producer or principal manufacturer that the goods were originating. The written confirmation will include a reference to the evidence of sale of the goods and the information in (i) to (iv) as above.

### **Usage of the Preferential Certificate of Origin**

10 Upon approval of the preferential CO application via TradeNet, we will retain a copy of the CO and return the Original, duplicate and a descriptive Note on the origin criterion to the exporter. The exporter **must sign** all the copies of the preferential CO, which is valid for two years, before despatching the Original copy and the descriptive Note to his importer in Australia. The exporter should retain the other copy of the preferential CO for record keeping. The importer can claim preferential tariff with the valid Certificate of Origin and the self-certified Declaration.

### **Retention of Documents**

11 Documents relating to the production and shipment of exports accompanied by the preferential CO should be kept for at least 5 years for post-verification checks by the Singapore Customs or the Australian Customs Authority.

## Documentation Procedures For Imports Attracting Preferential Tariff Treatment

12 Importers of stout/porter, beer including ale, medicated samsoo and other samsoo may wish to note that such products originating from Australia will be eligible for preferential tariff treatment when imported into Singapore. More information on the documentary procedures can be found in our Circular 24/2003 dated 15 Jul 2003. A softcopy of this circular can be downloaded at "<http://www.customs.gov.sg>".

### Enquiries

13 You may download a copy of the explanatory guide to the Rules of Origin under SAFTA at the following website at:

<http://www.tradenet.gov.sg>

14 For further enquiries, you may call our Customs Call Centre at telephone number 6355-2000 followed by (\*) (0).



MRS LAM MENG CHOO  
HEAD  
CLASSIFICATION AND STATISTICS AUDIT BRANCH  
for DIRECTOR-GENERAL OF CUSTOMS

## ANNEX 2D: LIST OF GOODS SUBJECT TO 30% THRESHOLD

Section (i)

8414.80	8504.23	8516.31	8539.22
8414.90	8504.31	8516.33	8539.29
8419.89	8504.32	8516.40	8539.31
8419.90	8504.33	8518.10	8539.32
8422.30	8504.34	8518.21	8539.39
8422.40	8504.40	8518.22	8539.41
8424.30	8504.50	8518.29	8539.49
8467.21	8504.90	8518.30	8539.90
8467.22	8505.11	8518.40	8540.72
8467.29	8505.19	8518.50	8540.79
8467.91	8506.80	8520.33	8540.89
8467.99	8509.10	8520.90	8543.20
8501.20	8509.20	8523.30	8543.30
8501.31	8509.90	8524.60	8543.90
8501.32	8511.20	8525.10	8544.49
8501.33	8513.10	8525.30	8544.51
8501.34	8514.10	8525.40	8545.20
8501.53	8514.20	8526.10	8546.10
8501.61	8514.30	8526.91	8548.10
8501.62	8514.40	8526.92	9001.10
8502.11	8514.90	8527.19	9006.10
8502.12	8515.11	8527.31	9008.30
8502.13	8515.19	8527.39	9010.90
8502.20	8515.21	8529.10	9017.20
8502.31	8515.31	8529.90	9017.80
8502.39	8515.80	8535.29	9018.11
8502.40	8515.90	8535.40	9031.10
8504.21	8516.21	8536.41	
8504.22	8516.29	8536.49	

**ANNEX 2C: LIST OF GOODS WHICH MUST BE SUBJECT TO THE LAST PROCESS OF MANUFACTURE WITHIN THE TERRITORY OF A PARTY<sup>1</sup>**

3917.22.00	4205	5406	5811
3917.23.00	4302	5407	5901
3917.29.00	4302	5408	5902
3917.21.10	4303	5501	5903
3917.31.10	4304	5502	5905
3917.32.10	5004	5503	5906
3917.33.10	5005	5504	5907
3917.39.10	5006	5505	5908
3926.30.10	5007	5506	5909
3926.90.10	5101	5507	5910
4009.11.10	5103	5508	5911
4009.12.10	5104	5509	6001
4009.21.10	5105	5510	6002
4009.22.10	5106	5511	6003
4009.31.10	5107	5512	6004
4009.32.10	5108	5513	6005
4009.41.10	5109	5514	6006
4009.42.10	5110	5515	6101
4010.31.00	5111	5516	6102
4010.32.00	5112	5601	6103
4010.33.00	5113	5602	6104
4010.34.00	5202	5603	6105
4010.39.00	5203	5604	6106
4011.10.00	5204	5605	6107
4011.20.00	5205	5606	6108
4012.11.00	5206	5607	6109
4012.20.00	5207	5608	6110
4015	5208	5609	6111
4016.91.00	5209	5701	6112
4016.93.00	5210	5702	6113
4016.99.00	5211	5703	6114
4101	5212	5704	6115
4102	5306	5705	6116
4103	5307	5801	6117
4104	5308	5802	6201
4105	5309	5803	6202
4106	5310	5804	6203
4107	5311	5805	6204
4113	5401	5806	6205
4114	5402	5807	6206
4115	5403	5808	6207
4203	5404	5809	6208
4204	5405	5810	6209

<sup>1</sup> The 8 digit tariff classifications in this Annex are those specified in Australia's Customs Tariff Act 1995 as at the time of entry into force of this Agreement.

6210	7113	8483.30.10	8707.10.10
6211	7114	8483.40.11	8707.90.10
6212	7116	8483.50.11	8707.10.91
6213	7117	8483.90.00	8708.10.10
6214	7318.15.00	8483.10.91	8708.21.10
6215	7320.10.00	8483.40.90	8708.40.30
6216	7320.20.00	8483.50.90	8708.50.30
6217	7320.90.00	8501.10.00	8708.29.91
6301	7322.11.00	8503.00.00	8708.31.91
6302	7326.19.00	8507.10.10	8708.93.30
6303	7326.90.10	8507.90.10	8708.99.30
6304	8301.20.00	8511.10.00	8708.39.91
6305	8302.10.00	8511.30.00	8708.40.91
6306	8302.30.00	8511.40.10	8708.50.91
6307	8407.33.10	8511.50.10	8708.60.91
6308	8407.34.10	8511.80.00	8708.70.91
6309	8407.90.10	8511.90.00	8708.80.91
6310	8408.20.10	8512.20.00	8708.91.91
6401	8409.91.10	8512.30.00	8708.92.91
6402	8409.99.10	8512.40.00	8708.93.91
6403	8413.30.90	8512.90.10	8708.94.91
6404	8415.20.00	8519.92.00	8708.99.91
6405	8415.90.00	8519.93.00	9021.10.10
6406	8421.23.00	8519.99.00	9021.10.20
6501	8421.31.00	8527.21.00	9021.10.30
6502	8421.99.00	8527.29.00	9021.10.41
6503	8424.89.10	8536.50.93	9021.10.49
6504	8425.42.00	8539.10.90	9026.10.20
6505	8425.49.00	8544.30.00	9026.20.20
6506	8424.90.90	8703.21.19	9026.80.20
6507	8481.10.00	8703.22.19	9029.10.20
6812.90.30	8481.30.00	8703.23.19	9029.20.10
6813.10.10	8481.40.00	8703.24.19	9029.90.10
6813.90.10	8482.10.10	8703.31.19	9401.20.00
7007.11.11	8482.20.10	8703.32.19	9401.90.20
7007.21.11	8482.40.11	8703.33.19	9404
7009.10.10	8482.91.10	8703.90.19	9613.80.90
7014.00.20	8482.99.10	8706.00.10	
	8483.20.00	8706.00.91	



**CALCULATION FOR THE EXPORT OF PRODUCTS UNDER SAFTA**

Name of Manufacturer : \_\_\_\_\_ HS Code : \_\_\_\_\_  
 Description of Product : \_\_\_\_\_ Unit Price : S\$ \_\_\_\_\_ (FOB)  
 Model No : \_\_\_\_\_ Date of Cost Statement : \_\_\_\_\_  
 This Cost Calculation is for \_\_\_\_\_ Unit(s)

	Country of Origin (if imported)	Supplier's Name (if Locally Manufactured)	Unit Cost (CIF) (\$)			
			Local	Australia	Foreign	Total
1. Raw Materials, (Please give detailed breakdown)						
a) Input 1	SG/China	ABC CO PTE LTD	4		6	10
b) Input 2		XYZ CO PTE LTD	10			10
c) Input 3	Malaysia				15	15
d) Input 4	Thailand				20	20
2. Direct Labour Costs : Wages Other benefits (CPF, medical benefits etc) (Please give detailed breakdown)			8	NA	NA	8
3. Direct Overhead Costs : (eg Factory rent, Depreciation costs, Maintenance) (Please give detailed breakdown)			12	NA	NA	12
4. Ex-Factory Costs (1+2+3)			NA	NA	NA	75
5. Profit			NA	NA	NA	25
6. Ex-Factory Price (4+5)			NA	NA	NA	100

$$1. \text{ Calculation} : \text{Qualifying Area Content} = \frac{\text{Singapore \& Aust Originating Materials Costs + Direct Labour + Direct Overhead}}{\text{Ex-Factory Costs}} \times 100 \begin{matrix} \geq 30\% \\ \geq 50\% \end{matrix}$$

This Cost Calculation is prepared by : \_\_\_\_\_

Declaration : I declare that the information provided by me is true and correct. I will permit, as and when required, inspection of our factory/goods by officers of the Singapore Customs and undertake to maintain up-to-date costing records.

\_\_\_\_\_  
Signature & Name of Managing Director

\_\_\_\_\_  
Signature & Name of Accountant

This cost statement is prepared by : \_\_\_\_\_

Signature : \_\_\_\_\_

Tel : \_\_\_\_\_

(Please see Overleaf for Guidelines)

## SINGAPORE CUSTOMS

### CLASSIFICATION AND STATISTICS AUDIT BRANCH

#### GUIDELINES ON THE PREPARATION OF THE MANUFACTURING COST STATEMENT

The following procedures will apply when submitting the Manufacturing Cost Statement for the Board's verification:

- 1) Check with the Classification and Statistics Audit Branch of the Singapore Customs on the origin criteria that your product must comply with to qualify for preferential treatment.
- 2) Prepare the Cost Statement for every product model to be exported. This must be prepared on your Company's letterhead according to the format prescribed by the Classification and Statistics Audit Branch. This format is available from the Unit.
- 3) Submit your Cost Statement for the product which must reach the Classification and Statistics Audit Branch at least 7 working days before the export of goods.
- 4) Give actual cost of materials used, labour and overhead costs in each Cost Statement. Projection of production costs is not allowed.
- 5) Submit supplier's invoice of every material used which is manufactured locally. For materials of Australia origin, please provide supplier's invoice or any other documentary proof that materials originated from Australia.
- 6) Update your costing yearly or earlier when there are variations in your prices, costs, sources of materials used, etc.
- 7) Ensure that the Cost Statement is declared to be true and correct by the Managing Director and the Accountant.
- 8) Contact the Classification and Statistics Audit Branch for advice when you need clarification in preparing the Cost Statement.

1 Exporter (Name & Address)	REPUBLIC OF SINGAPORE	
2 Consignee (Name, Full Address & Country)	<b>PREFERENTIAL CERTIFICATE OF ORIGIN</b>  No.  NO UNAUTHORISED ADDITION/ALTERATION MAY BE MADE TO THIS CERTIFICATE	
3 Departure Date	8 DECLARATION BY THE EXPORTER  We hereby declare that the details and statements provided in this Certificate are true and correct.  Signature: Name: Designation: <span style="float: right;">Stamp</span> Date:	
4 Vessel's Name Flight No		
5 Port of Discharge		
6 Country of Final Destination		
7 Country of Origin of Goods		
9 Marks & Numbers	10 No. & Kind of Packages Description of Goods (include brand names if necessary)	11 Quantity & Unit
12 CERTIFICATION BY THE COMPETENT AUTHORITY  We hereby certify that evidence has been produced to satisfy us that the goods specified above originate in the country shown in box 7.		