



Circular No: 07/2019
23 May 2019

Traders and Declaring Agents

Dear Sir/Madam

CLAIMING OF PREFERENTIAL TARIFF TREATMENT FOR IMPORTS UNDER THE ASEAN-HONG KONG, CHINA FREE TRADE AGREEMENT (AHKFTA)

The AHKFTA will be implemented on **11 Jun 2019**. This circular outlines the procedures for the claiming of preferential tariff treatment for originating goods from Hong Kong, China or an ASEAN Member State (“AHKFTA party”).

Preferential Tariff Rates for Imports

2 With effect from 11 Jun 2019, the customs duty for the import of stout/porter, beer including ale, medicated samsu or other samsu (under the HS codes 2203.00.11, 2203.00.19, 2203.00.91, 2203.00.99, 2208.90.10, 2208.90.20, 2208.90.30 and 2208.90.40) originating from the respective AHKFTA party will be zero-rated. However, excise duty on these items will still be applicable at their respective rates. The Agreement will enter into force on 11 Jun 2019 for the following AHKFTA parties:

- a) Hong Kong, China;
- b) Lao PDR;
- c) Myanmar;
- d) Thailand; and
- e) Vietnam

3 As of the date of this circular, Brunei Darussalam, Cambodia, Indonesia, Malaysia and Philippines have yet to complete their ratification process under the AHKFTA. As such, customs duty will still apply to goods imported from these ASEAN Member States under this Agreement.

Procedures for Claiming Preferential Tariff Treatment

4 An importer may claim preferential tariff treatment using a valid Preferential Certificate of Origin issued under AHKFTA (Form AHK) as shown in Annex A, issued by the issuing authority of the exporting Party. If the value of a consignment of goods originating in the exporting Party does not exceed US\$ 200.00 FOB, the presentation of a Form AHK may be waived.

Documentation Procedures

Where the Form AHK is available at time of importation or when goods are bonded in licensed warehouse

5 An importer who wishes to claim preferential tariff treatment for his goods is required to specify his intention to do so in the TradeNet declaration for his In-Payment Permit by leaving the “Customs Duty Rate” field blank and indicating “PRF” in the “Preferential Indicator” field. He is required to declare the excise duty rate of the goods accordingly in the declaration.

6 In the case where a Form AHK is available at the time of importation, the importer is to submit the Form AHK, duly-declared In-Payment Permit, commercial invoice, bill of lading (B/L) to Singapore Customs within one week of the release of the goods from the Customs checkpoint for our verification. If the CO is not submitted to us within the stipulated period, we will proceed with duty recovery.

7 For goods bonded in a Licensed Warehouse (LW), the importer is required to furnish the Form AHK, In-Non Payment Permit, commercial invoice and other relevant documents to Singapore Customs within the validity (1 year) of the Form AHK and before the release of the goods from the LW for our verification. Only when the preferential tariff treatment is granted by us, can the importer then declare an In-Payment Permit at preferential tariff rate (i.e. with the “Customs Duty Rate” field left blank and “PRF” indicated in the “Preferential Indicator” field) for the subsequent release of the goods.

Where the Form AHK is not available at time of importation

8 If a Form AHK is not available at the time of importation, and the importer intends to make a claim for preferential tariff treatment when he subsequently obtains the Form AHK, he may state his intention to do so in the “Remarks” column of the TradeNet declaration for his In-Payment Permit, and make full payment of the customs duty for the goods while pending receipt of the Form AHK. In the declaration, the importer is to declare the customs duty in the “Customs Duty Rate” field accordingly and leave the “Preferential Indicator” field blank. The importer may apply for refund of the duties paid with the necessary supporting documents, which include a valid Form AHK, within one year from the date of importation.

Mode of Submission of Documents to Claim Preferential Tariff Treatment

9 Traders are to submit the Form AHK and other relevant required supporting documents electronically by scanning and converting to common image formats such as PDF, JPEG, GIF, PNG, DOC, etc. and email the documents to customs_pref_doc@customs.gov.sg.

Rules of Origin for Exports under AHKFTA

10 Information on the Rules of Origin for exports to Hong Kong, China or an ASEAN Member State for which the Agreement has entered into force can be found in circular (No. 06/2019) dated 23 May 2019. Both circulars can be downloaded at www.customs.gov.sg> News & Media > Circulars.

Clarification

11 A list of Frequently Asked Questions (FAQ) is attached in Annex B. If you need further clarification on the contents of this circular, you may write in to customs_roo@customs.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

CERTIFICATE OF ORIGIN

ORIGINAL

1. Goods Consigned from (Exporter's name, address and Country/ Party)			Certificate No.			Form AHK		
2. Goods Consigned to (Consignee's name, address and Country/ Party)			ASEAN – HONG KONG, CHINA FREE TRADE AGREEMENT CERTIFICATE OF ORIGIN (Combined Declaration and Certificate)			Issued in (Country/ Party) (see Overleaf Notes)		
3. Means of transport and route (as far as known) Shipment Date: Vessel's name/Aircraft etc.: Port of Discharge:			4. For Official Use					
			<input type="checkbox"/> Preferential Treatment Given Under ASEAN – Hong Kong, China Free Trade Agreement					
			<input type="checkbox"/> Preferential Treatment Not Given (Please state Reason(s))					
Signature of Authorised Signatory of the Importing Country/Party								
5. Item number	6. Marks and numbers on packages	7. Number and kind of packages; description of goods including HS Code (6 digits); and, if applicable, brand name. Names and country/party of the company issuing third party invoice, if applicable.	8. Origin-Conferring Criterion (see Overleaf Notes)	9. Quantity (Gross or Net weight or other measurement) and value (FOB) where RVC is applied (see Overleaf Notes)	10. Invoice Number(s) and date of invoice(s)			
11. Declaration by the exporter			12. Certification					
The undersigned hereby declares that the above details and statements are correct; and that all the goods were produced in (Country/ Party of origin)			On the basis of control carried out, it is hereby certified that the information herein is correct and that the goods described herein comply with the origin requirements specified in the ASEAN-Hong Kong, China Free Trade Agreement.					
and that they comply with the rules of origin, as provided in Chapter 3 (Rules of Origin) of the ASEAN-Hong Kong, China Free Trade Agreement for the goods exported to (Importing Country/ Party)			Place and date, signature and name, stamp of authorised issuing authority					
Place and date, signature of authorised signatory			Place and date, signature and name, stamp of authorised issuing authority					
13. <input type="checkbox"/> Movement Confirmation <input type="checkbox"/> Third-party invoicing <input type="checkbox"/> Issued retroactively <input type="checkbox"/> De Minimis <input type="checkbox"/> Accumulation <input type="checkbox"/> Exhibitions								



OVERLEAF NOTES

1. Countries/Parties which accept this form for the purpose of preferential treatment under the ASEAN-Hong Kong, China Free Trade Agreement (the Agreement):

Brunei Darussalam	Cambodia	Hong Kong, China	Indonesia
Malaysia	Myanmar	Philippines	Singapore
			Lao PDR
			Thailand
			Viet Nam

 (herein after individually referred to as a Country/Party)
2. **CONDITIONS:** To be eligible for the preferential treatment under the Agreement, goods must:
 - a. Fall within a description of products eligible for concessions in the importing Country/Party;
 - b. Comply with all relevant provisions of Chapter 3 (Rules of Origin) of the Agreement.
3. **EXPORTER AND CONSIGNEE:** Details of the exporter of the goods (including name, address, and Country/Party) and consignee (name, and address and Country/Party) must be provided in Box 1 and Box 2, respectively.
4. **DESCRIPTION OF GOODS:** The description of each good in Box 7 must include the Harmonized Commodity Description and Coding System (HS) subheading at the 6-digit level of the exported product, and if applicable, product number, product name and brand name. The description of products must be sufficiently detailed to enable the products to be identified by the Customs Officers examining them. Name of manufacturer and any trade mark shall also be specified.
5. **ORIGIN CRITERIA:** For the goods that meet the origin criteria, the exporter should indicate in Box 8 of this Form, the origin criteria met, in the manner shown in the following table:

Circumstances of production or manufacture in the Country/ Party named in Box 11 of this form:	Insert in Box 8
(a) Goods wholly obtained or produced in the Area of a Country/ Party	"WO"
(b) Goods produced in a Party exclusively from originating materials from one or more of the Countries/ Parties	"PE"
(c) Goods satisfying Article 5 (Not Wholly Obtained or Produced Goods) of Chapter 3 (Rules of Origin) of the Agreement <ul style="list-style-type: none"> • Regional Value Content • Change in Tariff Classification (CTC) • Specific Processes • Combination Criteria 	Percentage of Regional Value Content, example "40%" The actual CTC rule, example "CC" or "CTH" or "CTSH" "SP" The actual combination criterion, example "CTSH + 35%"

6. **EACH GOOD CLAIMING PREFERENTIAL TARIFF TREATMENT MUST QUALIFY IN ITS OWN RIGHT:** It should be noted that all the goods in a consignment must qualify separately in their own right. This is of particular relevance when similar articles of different sizes or spare parts are exported.
7. **FOB value:** In the cases where the Regional Value Content (RVC) criterion is applied, an exporter needs to indicate in Box 9 the FOB value of the goods, except if the goods are exported from an ASEAN Member State to Hong Kong, China.
8. **INVOICES:** Indicate the invoice number and date of invoice(s). The invoice should be the one issued for the importation of the good into the importing Country/Party.
9. **THIRD PARTY INVOICING:** In cases where invoices used for the importation are issued by a company located in a third party or by an exporter for the account of the said company, in accordance with Rule 22 (Third Party Invoicing) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Third party invoicing" box in Box 13 should be ticked (✓) and the name and country/party of the company issuing the invoice should be provided in Box 7, or if there is insufficient space, on a continuation sheet as appropriate. The number of the invoices issued by the manufacturers or the exporters and the number of the invoices issued by the trader (if known) for the importation of goods into the importing Country/Party should be indicated in Box 10.
10. **CERTIFIED TRUE COPY:** In case of a certified true copy, the words "CERTIFIED TRUE COPY" should be written or stamped on Box 12 of the Certificate with the date of issuance of the copy in accordance with Rule 11 (Loss of the Certificate of Origin (Form AHK)) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement.
11. **BOX 13:** The items in Box 13 should be ticked (✓), as appropriate, in those cases where such items are relevant to the goods covered by the Certificate.
12. **MOVEMENT CONFIRMATION:** In the case of a Movement Confirmation issued in accordance with Rule 10 (Movement Confirmation) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Movement Confirmation" box in Box 13 should be ticked (✓).
13. **ISSUED RETROACTIVELY:** In exceptional cases, due to involuntary errors or omissions or other valid causes, the Certificate of Origin (Form AHK) may be issued retroactively, in accordance with paragraph 2 of Rule 9 (Issuance of the Certification of Origin (Form AHK)) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Issued Retroactively" box in Box 13 should be ticked (✓).
14. **ACCUMULATION:** In cases where a good originating in a Party is used in another Party as material for a finished good, in accordance with Article 7 (Accumulation) of Chapter 3 (Rules of Origin) of the Agreement, the "Accumulation" box in Box 13 should be ticked (✓).
15. **DE MINIMIS:** If the value of all non-originating materials used in the production of a good that do not undergo the required change in tariff classification does not exceed ten percent (10%) of the FOB value of the good, in accordance with Article 10 (*De Minimis*) of Chapter 3 (Rules of Origin) of the Agreement, the "De Minimis" box in Box 13 should be ticked (✓).
16. **EXHIBITIONS:** In cases where goods are sent from the exporting Party for exhibition in another Party and sold during or after the exhibition for importation into a Party, in accordance with Rule 21 (Exhibition Goods) of Annex 3-1 (Operational Certification Procedures) to Chapter 3 (Rules of Origin) of the Agreement, the "Exhibitions" box in Box 13 should be ticked (✓) and the name and address of the exhibition indicated in Box 2.
17. **FOR OFFICIAL USE:** The customs authority of the Importing Country/Party must indicate (✓) in the relevant box in Box 4 whether or not preferential tariff treatment under this Agreement is accorded.



Q1: Can I claim preferential tariff treatment for originating goods imported from Brunei Darussalam, Cambodia, Indonesia, Malaysia and Philippines under the AHKFTA?

A1: As of the date of this circular, Brunei Darussalam, Cambodia, Indonesia, Malaysia and Philippines have yet to complete their ratification process under the AHKFTA. As such, goods imported from these countries are not eligible for preferential tariff treatment. The information on the implementation of the AHKFTA by abovementioned ASEAN Member States will be updated accordingly on Singapore Customs' website.

Q2: Is my good eligible for preferential tariff treatment under the AHKFTA?

A2: The following items originating under the AHKFTA are eligible for preferential tariff treatment when imported into Singapore under the AHKFTA: stout/porter, beer including ale, medicated samsu or other samsu (under the HS codes 2203.00.11, 2203.00.19, 2203.00.91, 2203.00.99, 2208.90.10, 2208.90.20, 2208.90.30 and 2208.90.40). The Customs duties for all other goods are already zero-rated.

Q3: I forgot to indicate my intention to claim preferential tariff treatment when submitting my Import Permit declaration on TradeNet. I have the necessary supporting documents, including a Form AHK from a AHKFTA Party, can I claim preferential tariff treatment thereafter?

A3: You are required to indicate your intention when declaring your Import Permit on TradeNet if you are intending to claim preferential tariff treatment for your imports into Singapore.

Q4: What are some of the acceptable common images that I can convert my hardcopy Form AHK to for electronic submission to claim preferential tariff treatment?

A4: Generally, Singapore Customs can accept common document types such as PDF, JPEG, GIF, PNG, DOC. The scanned document should contain the entire image of the Form AHK and be reasonably legible. Illegible or truncated image of the Form AHK will be rejected by Singapore Customs.

Q5: Would I still need to submit hardcopy Form AHK to Customs to claim preferential tariff treatment?

A5: No. If you have submitted scanned copy of the Form AHK to claim preferential tariff treatment, you do not need to submit the original hardcopy unless it is requested to be produced during a post verification audit.

Q6: I have submitted a scanned copy of the Form AHK electronically to Customs. Do I still need to retain the hardcopy Form AHK?

A6: While you are required to maintain the Form AHK and records necessary to demonstrate the good is originating and qualified for preferential tariff treatment, you may choose to do so in any medium that allows for prompt retrieval, including but not limited to, electronic, optical, magnetic or written form. Customs may require you to produce such records to us during a verification visit.