



Circular No: 20/2019  
19 Dec 2019

All Manufacturers, Traders and Declaring Agents

Dear Sir/Madam

## **IMPLEMENTATION OF UPGRADED CHINA-SINGAPORE FREE TRADE AGREEMENT (CSFTA) CHAPTER 4 RULES OF ORIGIN**

The Upgrade Protocol of the CSFTA has entered into force on 16 October 2019 except for the articles relating to Rules of Origin (ROO). The articles relating to the upgraded ROO will take effect on **1 Jan 2020**.

2 This circular outlines the key changes in the upgraded CSFTA ROO for exports of Singapore-originating products to China. Companies are urged to read the full text of the upgraded CSFTA ROO which can be found at [www.fta.gov.sg](http://www.fta.gov.sg). You can access the website by scanning the QR code on the right. The changes and new requirements are summarised in the following paragraphs.



### **Expansion to the list of Product Specific Rules (PSR)**

3 Under the upgraded CSFTA ROO, an additional 42 tariff lines have been included in the Product Specific Rules (PSR) for Harmonized System (HS) 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes), HS 29 (Organic chemicals) and HS 39 (Plastics and articles thereof) to provide for an alternative rule such as a Change in Tariff Classification (CTC) origin criterion. This provides exporters an alternative rule in addition to the general rule of a Regional Value content of not less than 40%. **Please refer to Appendix 9 of Annex 2 (Product Specific Rules) to Chapter 4 of the upgraded CSFTA.**

4 The same Appendix 9 as mentioned above also include the Chemical Reaction Criterion for products in HS sub-headings 3907.10, 3907.50, 3907.60 and 3907.91 to be conferred originating status in Singapore if the good is a product which has undergone a chemical reaction in Singapore.

### **Rules of Origin criteria for determination of Origin of Products**

5 For products that fall under the Exclusive Rule/Criterion in the PSR, the Exclusive Rule shall be the sole criteria for determining the originating status of the products listed in the PSR. There is no change to the current list of products covered under the Exclusive Rule.

6 For products that fall under the Alternative Rules in the PSR, your product may also qualify as an originating good if it fulfils either of the following ROO and meets all other applicable requirements as set out in Chapter 4 of the CSFTA. Companies are encouraged to do their own due diligence to cross check the PSR and ensure that their products meet the rules of origin before applying for a CSFTA Preferential Certificate of Origin.

<b>Rules of Origin under the upgraded CSFTA</b>	
Products Wholly Obtained or Produced	Products which are wholly obtained or produced as set out and defined in Article 3 (Wholly Obtained Products)
Products Produced Entirely from originating materials;	Products which are produced entirely in one or both Parties, exclusively from originating materials
Products Produced from Non-Originating Raw Materials	Products which are produced from non-originating materials, provided that said products are eligible under Article 4 (Regional Value Content), or Article 6 (Product Specific Rules)

### **Submission of Manufacturing Cost Statement (MCS) to qualify products under the new PSR**

7 The expansion of the PSR list provides for alternative rules to qualify your product as originating under CSFTA. You will only need to submit a new MCS to Singapore Customs if you intend to qualify the product using the new alternative rules. Otherwise, you may continue to use the previously approved MCS for your application of the PCO to China.

### **Waiver of Certificate of Origin**

8 Under Article 18 of the upgraded CSFTA ROO, for an importation of originating products into either China or Singapore and not exceeding US\$600, there is no need for a CSFTA Preferential Certificate of Origin. Instead, importers need to present to the authorities in the importing country the invoice accompanying the importation which would include a statement certifying that the good qualifies as an originating good.

### **Application for Preferential Certificate of Origin (PCO) for Import from or Export to China**

9 We would like to remind exporters that Singapore has implemented the Electronic Origin Data Exchange System (EODES) with China on 1 Nov 2019. You

may wish to refer to **Notice 18/2019** issued on 15 Oct 2019 for further information. You are encouraged to transmit the PCO via the EODES to China.

10 Traders who wish to claim preferential tariff treatment should quote the PCO reference number and the Inward Movement Permit number in their email together with other relevant supporting documents (e.g. commercial invoice, bill of lading/airway bill) to [Customs\\_pref\\_doc@customs.gov.sg](mailto:Customs_pref_doc@customs.gov.sg).

### **Summary of Changes**

11 The following table summarises the changes brought about by the upgraded CSFTA ROO.

	<b>Changes</b>	<b>Affected Parties</b>	<b>Remarks</b>
a	Change in Rules of Origin	Manufacturers / Producers	Please refer to Article 2 of Chapter 4 of the upgraded CSFTA legal text.
b	Expansion to the list of Product Specific Rules		Please refer to Annex 2 of Chapter 4 of the upgraded CSFTA legal text.
c	Implementation of EODES with China	Exporters, Declaring Agents, Freight Forwarders	Please refer to Notice 18/2019

12 We encourage you to familiarise yourself with the Rules of Origin in the upgraded CSFTA to take advantage of the benefits of the agreement when you export to China.

### **Clarifications**

13 For further clarifications on the contents of this circular, you may write in to [customs\\_roo@customs.gov.sg](mailto:customs_roo@customs.gov.sg).

Yours faithfully

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for Director-General of Customs  
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*(This is a computer-generated circular. No signature is required.)*

We hope that this circular provides clarity on how you can use the upgraded CSFTA. If you have any suggestions on how to improve this circular please email us at [customs\\_roo@customs.gov.sg](mailto:customs_roo@customs.gov.sg).