

## What Is SECURUS?

SECURUS Strategic Trade Solutions, LLC is a global foreign trade consultancy.

We operate on the front lines of the global economy. We maintain up-to-date information on foreign trade regulatory changes, the trading environment, and trade challenges in virtually every corner of the globe.

We help traders of all sizes enter and navigate the complex world of foreign trade regulation. We work with major multinational enterprises, small businesses, and individuals—anyone looking to move their goods across borders.

SECURUS is also a partner to governments in promoting a fair, safe, and secure global foreign trade landscape.

SECURUS has the solutions to your trade challenges and compliance needs. *SECURUS is your port of entry to the world.*

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## Import Regulations in Singapore

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Singapore has the world's 16th largest import economy and the 7th highest gross domestic product (GDP) per capita in terms of purchasing power. Maritime shipping, services, and transshipment trade are key contributors to this success. The maritime sector in Singapore, which includes over 5,000 businesses, accounts for 7% of the national GDP. The Port of Singapore handled 36.6 million twenty-foot equivalent units (TEUs) of containerized cargo in 2018 and is the world's second busiest container port.

In 2018, Singapore imports were valued at US\$370.5 billion. Singapore's top import partners in 2018 were China (US\$49.7 billion), Malaysia (US\$42.8 billion), the United States (US\$42.1 billion), Taiwan (US\$31.4 billion), and Japan (US\$22.2 billion). Its main import industries in 2018 were: electrical machinery and equipment (US\$101.6 billion); mineral fuels, including oil (US\$87.9 billion); machinery, including computers (\$53.1 billion); gems and precious metals (US\$20.4 billion); optical, technical, and medical apparatus (US\$12.1 billion); and aircraft and aircraft parts (US\$11.8 billion).

The government of Singapore has pro-business policies that facilitate foreign trade. The World Bank has ranked Singapore as one of the top three countries in the world on its "ease of doing business" index for the past 12 years. Moreover, Singapore has an advanced digital infrastructure that expedites the importation process. The government maintains up-to-date information on trade laws and regulations online and provides importers with access to e-services, including customs exchange rates, a currency converter, product tariff code search engine, and web

and mobile application that allows traders to declare non-controlled goods and pay duties.

Singapore's business-friendly environment and digital infrastructure have enabled it to become one of the world's top export destinations. However, to navigate Singapore's import processes efficiently, maximize profits, and ensure trade security, importers must be knowledgeable of and comply with Singapore's import regulations.

### Laws & Regulations

The *Regulation of Imports and Exports Act* (last amended in 2018) is the main law governing the import of goods to Singapore. It empowers the Minister of Finance to register, regulate, and control (including prohibiting) the importation of goods. It provides Singapore Customs with the power to require licenses, permits, or certificates for goods whose importation is restricted. The act provides Customs officers with enforcement and investigative powers.

***To navigate Singapore's import processes efficiently, maximize profits, and ensure trade security, importers must be knowledgeable of and comply with Singapore's import regulations.***

Other Import Laws and Regulations Include...	What They Do...
<i>Animals and Birds Act</i> (last amended in 2019)	Enables the National Parks Board (NParks) to restrict the importation of domestic animals
<i>Arms and Explosives Act</i> (last amended in 2011)	Restricts or prohibits the importation of specified arms and explosives
<i>Biological Agents and Toxins Act</i> (last amended in 2018)	Requires persons to obtain a permit to import biological agents and toxins specified in the Schedules of the act
<i>Chemical Weapons (Prohibition) Act</i> (last amended in 2019)	Restricts or prohibits imports of toxic and precursor chemicals appearing in the Annex of the Chemical Weapons Convention (CWC) under specified circumstances
<i>Goods and Services Tax Act</i> (last amended in 2019)	Provides for the collection of taxes on imported goods and outlines the valuation of imported goods
<i>Medicines Act</i> (last amended in 2019)	Requires persons to obtain a license in order to import medicinal products
<i>Radiation Protection Act</i> (last amended in 2016)	Regulates the import of radioactive materials and irradiating apparatus
<i>Sale of Food Act</i> (last amended in 2019)	Empowers the Singapore Food Agency (SFA) to regulate imports of food

The *Regulation of Imports and Exports Regulations* (last amended in 2019) identify the circumstances under which an importer must apply for an import permit and the process by which Singapore Customs will issue permits.

***The Regulation of Imports and Exports Act empowers the Minister of Finance to register, regulate, and control the importation of goods.***

The regulations designate goods whose importation requires a permit, license, or other type of approval or sanction as “controlled imports.” They are controlled by “Competent Authorities” (CAs), which are government bodies empowered to restrict or prohibit the import of items in accordance with Singapore legislation.

The *Customs Act* (last amended in 2019) enables the Singapore government to apply customs controls and customs and excise duties to import goods. The act designates Singapore Customs as the primary import management authority. It provides Singapore Customs with the power to charge, levy, and seek payment for customs and excise duties established by the Minister of Finance.

The *Customs Act* requires importers of dutiable goods to submit a declaration and supporting documents to Singapore Customs before removing the goods from customs control or other designated locations. Traders must preserve these trade documents for no less than five years.

The *Customs Act* outlines penalties for import violations, and it grants Customs officers enforcement powers.

The *Customs Regulations* (last amended in 2019) supplement the *Customs Act*. They outline the process persons must follow when importing dutiable goods, identify the required documents importers must submit, clarify how Customs is to assess import duties, and empower Singapore Customs to establish a system for registering persons who seek to make import declarations.

### **Regulatory Bodies**

Singapore Customs is the principal import regulatory and enforcement body. It is empowered by the Ministry of Finance to collect customs revenue, facilitate trade through a comprehensive digital infrastructure, and enforce laws against the illegal importation of goods, including by searching and seizing cargo and arresting persons.

The Singapore Customs Trade Division plays a significant role in regulating imports. It collects import revenue and manages the process for authorizing imports of controlled goods to Singapore via the electronic single window system. The Trade Division serves as the CA for imports of certain types of items, including diesel and oil fuel and rough diamonds. The Trade Division also includes the National Authority for the CWC, which serves as the CA for imports of CWC Scheduled chemicals.

Other divisions of Singapore Customs verify compliance with and enforce Singapore’s import controls. The Compliance Division of Singapore Customs enforces import permit terms and conditions and import legal requirements. The Intelligence and Investigation Division within

Singapore Customs investigates smuggling and other trade-related offenses.

Other regulatory bodies serve as CAs for specified types of controlled items.

### **Controlled Items**

Singapore Customs and other CAs regulate the importation of controlled items for a variety of reasons, including maintenance of public health, safety, and well-being, protection of the domestic economy, environmental protection, and adherence to international commitments.

The Singapore government prohibits the importation of numerous items for different reasons. For example, it prohibits drugs identified in the Fourth Schedule of the *Misuse of Drugs Regulations* (last amended in 2018) and various tobacco products for public health purposes, non-oral dental gum to preserve public cleanliness, firecrackers and certain telecommunication equipment, such as radio-communication jamming devices, for public safety purposes, obscene publications and media to maintain moral standards, and endangered species and their by-products in order to protect the environment and uphold international commitments.

***Singapore Customs collects customs revenue, facilitates trade through a comprehensive digital infrastructure, and enforces laws against the illegal importation of goods.***

Other Regulatory Bodies Include...	What They Do...
Singapore Food Agency (SFA), Ministry of the Environment and Water Resources	Regulates and issues permits for imports of all food products
National Environment Agency (NEA), Ministry of the Environment and Water Resources	Issues licenses to importers of radioactive materials and irradiating apparatus
Health Sciences Authority (HSA), Ministry of Health	Regulates imports of health and therapeutic products, controlled drugs, and substances designated as poisons Regulates imports of medical irradiating apparatus
BioSafety Branch, Ministry of Health	Regulates imports of pathogens and toxins
Singapore Civil Defense Force (SCDF), Ministry of Home Affairs	Controls imports of petroleum and flammable products
Singapore Police Force (SPF), Ministry of Home Affairs	Regulates imports of arms (such as firearms, air guns, swords, and daggers), toy guns, fireworks, and explosives (such as gunpowder and nitroglycerine) Controls imports of protective clothing, such as bulletproof vests
Central Narcotics Bureau (CNB), Ministry of Home Affairs	Regulates imports of controlled substances and food products containing poppy seeds
Building and Construction Authority (BCA), Ministry of National Development	Regulates imports of sand and granite
National Parks Board (NParks), Ministry of National Development	Regulates imports of animals, plants, wildlife, and related products

Restricted Items Include...	Why They Are Controlled...
Oral dental gum (chewing gum used in promoting dental health or oral hygiene)	Public health and cleanliness
Articles of asbestos	Public health
Poisonous and hazardous chemicals	Public health, public safety, international commitments
Chlorofluorocarbons (CFCs, chemicals known to deplete the ozone layer)	Environmental protection
Diesel oil and fuel	Public safety
Explosives	Public safety, national security
Arms, as defined in the <i>Arms and Explosives Act</i>	Public safety, national security
Rough diamonds	International commitments
Films and cinema, video, and laser discs	Moral standards
Flammable materials	Public safety
Slot machines	Public well-being
Human pathogens	Public health and safety, international commitments
Irradiating apparatus, such as X-ray machines, CT machines, and microwave ovens	Public health and safety, international commitments
Equipment used for mastering and/or replicating certain discs, including compact discs (CDs) and digital video discs (DVDs)	Protection of domestic economy
Protective clothing	Public safety, national security
Poppy seeds	Public health
Narcotics precursor chemicals	Public health and safety, international commitments
Radioactive materials	Public health and safety, environmental protection, international commitments
Waste lead-acid batteries and waste batteries made with lead, cadmium, or mercury	Environmental protection
Controlled drugs and psychotropic substances	Public health and safety
Tobacco products	Public health
Food and food-related products	Public health
Live animals	Public health, animal health, prevention of animal cruelty
Veterinary medicines	Public health
Plants, flowers, and seeds	Environmental protection

## Import Process

Entities seeking to import goods of any type must do the following:

- Register with the government;
- Activate a Customs Account;
- Register as or authorize an actor to be a "Declaring Agent" (a person or entity that will interface with Singapore Customs on behalf of an importer);
- Create and maintain an Inter-Bank GIRO (IBG, an electronic fund transfer payment system) with Singapore Customs in order to pay any applicable duties and taxes (importers can also utilize the IBG of their Declaring Agent);
- Ascertain whether an item is subject to duties and/or the Goods and Services Tax (GST);
- Verify whether an item is controlled; and
- Make a declaration to Singapore Customs at the outset of customs clearance.

Most importers are subject to additional procedures. Often importers or their Declaring Agents are required to apply for a Customs Import Permit before customs clearance. Approved Customs Import Permits may specify import conditions, such as the required port of entry and documentation that must be presented to Singapore Customs upon port arrival.

Importers also typically are subject to GST and/or duties, which must be paid once goods enter

Singapore. Importers or their Declaring Agents must provide security (which can vary from 10 to 100% of the estimated total duty) for these dutiable goods. Singapore law provides for exceptions to GST, duty, and security requirements under certain circumstances.

***Entities seeking to import goods must complete several steps, including registering with the government, activating a Customs Account, arranging payment of duties, and declaring the goods to Singapore Customs.***

***An importer of a controlled item must determine the item's control status, identify the relevant Competent Authority, and follow the proper import authorization application procedure.***

Additionally, certain goods, such as food and medicinal products, must conform to specific packaging and labeling rules, and some products must be labeled with a safety or accuracy mark.

The importation of controlled items requires additional steps. An importer must determine the control status of its item and identify the relevant CA using Singapore Customs e-services or classification. The importer must follow the import authorization application procedure established by the CA. A CA can restrict items by requiring prior approval in the form of a certificate, license, or advance notification. Importers must take these steps before applying to Singapore Customs for a Customs Import Permit.

Upon completion of the import, an importer must retain trade documents for five years from the date of the permit application approval.

### ***Penalties for Non-Compliance***

The *Customs Act* identifies penalties for import violations. Penalties may include a fine not exceeding S\$10,000 (US\$7,337) or the equivalent of the amount of the customs duty, excise duty, or GST, whichever is greater, or a prison term not exceeding 12 months, or both. Offenses include:

- Failing to declare imported goods;
- Fraudulent evasion of customs duty;
- Failing to produce required documents;
- Producing fraudulent documents; and
- Providing incorrect information on an import declaration.

Penalties under the *Customs Act* increase in severity upon multiple convictions. For example, multiple convictions of any specified offense can result in the original penalty as well as an additional prison term not exceeding two years.

The *Regulation of Imports and Exports Act* and its regulations also identify penalties for import violations. Under the act, the penalty for making a false declaration may be a fine not exceeding S\$10,000 (US\$7,337), imprisonment not exceeding 2 years, or both. Under the regulations, the penalty for importing goods without a customs permit may be a fine not more than S\$100,000 (US\$73,370) or 3 times the value of the good (whichever is greater) and/or imprisonment not exceeding 2 years.

***Import violations under the Customs Act include failing to declare imported goods, fraudulent evasion of customs duty, failing to produce required documents, producing fraudulent documents, and providing incorrect information on an import declaration.***

Other laws identify violations and penalties involving specific commodities. The nature of the violation depends on the severity of the offense. Examples of such violations and penalties include:

- **Importing radioactive materials without a license:** A fine not exceeding S\$100,000 (US\$73,370), imprisonment not exceeding 5 years, or both (*Radiation Protection Act*);
- **Importing an animal or bird without a license:** A fine not exceeding S\$10,000 (US\$7,370) or a term of imprisonment not exceeding 12 months (*Animal and Birds Act*);
- **Importing Schedule 1 biological agents without a permit:** A fine not exceeding S\$100,000 (US\$73,370) and 10 years in prison (*Biological Agents and Toxins Act*);
- **Intentional or reckless refusal or failure to provide information requested by the Director-General of Customs relevant to a declaration by Singapore to the Organization for the Prohibition of Chemical Weapons (OPCW):** A fine not exceeding S\$6,000 (US\$4,402), or a prison term not exceeding 6 months, or both (*Chemical Weapons (Prohibition) Act*);
- **Assembling, mixing, or manipulating any goods in a free trade zone without receiving written permission from the Director-General:** (a) A fine of no less than 10 times the amount of the customs duty or tax or S\$5,000 (US\$3,668) (whichever is the lesser amount), and of no more than 20 times the amount of the customs duty or tax or S\$5,000 (US\$3,668) (whichever is the greater amount); and (b) on a second or subsequent conviction, a fine as prescribed in (a) and imprisonment for a term not exceeding 2 years (*Free Trade Zones Act*, last amended in 2014).

***Other import violations include importing radioactive materials without a license, importing an animal or bird without a license, importing Schedule 1 biological agents without a license, and failing to provide information to Customs related to a declaration made by Singapore to the OPCW.***

Given the extent of these potential violations and penalties, it is important for importers to remain up-to-date on Singapore's trade-related laws, regulations, and procedures.

*SECURUS Strategic Trade Solutions, LLC has substantial experience guiding private industry and governments through the intricacies of foreign trade regimes, including Singapore's. Please contact us today with your specific issues or questions regarding Singapore's import regulations.*

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