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**TRANS-PACIFIC STRATEGIC ECONOMIC PARTNERSHIP
ON RULES OF ORIGIN FOR EXPORTS TO BRUNEI DARUSSALAM AND NEW
ZEALAND**

The Trans-Pacific Strategic Economic Partnership (Trans-Pacific SEP) will be implemented on 1 May 2006. This circular outlines the salient points of the Rules of Origin requirements and the operational procedures under Trans-Pacific SEP for export to Brunei Darussalam and New Zealand. The Trans-Pacific SEP for export to Chile will only be implemented at a later date. A circular will be issued separately to advise on the implementation date.

2 Singapore exporters are strongly advised to check on their good's eligibility of tariff reduction via the FTA website – <http://app.fta.gov.sg/asp/fta/ftapage.asp?id=8> (Annex I of the Legal Text) prior to the exportation of goods to Brunei Darussalam and New Zealand.

Rules of Origin for Wholly Obtained or Produced Goods

3. Your goods may qualify for the preferential tariff treatment for importation into Brunei Darussalam and New Zealand under the following rules of origin:

- a. Mineral goods extracted from the soil or seabed in the territory of a Party;
- b. Agricultural and plant products grown and harvested, picked or gathered in the territory of a Party;
- c. Live animals, born and raised in the territory of a Party;
- d. Goods obtained from live animals in the territory of a Party;
- e. Goods obtained from hunting, trapping, fishing, farming, gathering, capturing or aquaculture in the territory of a Party;

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- f. Goods (fish, shellfish, plant and other marine life) taken within the territorial sea or the relevant maritime zone of a Party seaward of the territorial sea under that Party's applicable law in accordance with the provisions of the United Nations Convention on the Law of the Sea 1982 by a vessel flying, or entitled to fly, the flag of that Party, or taken from the high seas by a vessel registered or recorded with that Party and flying its flag;
- g. Goods obtained or produced on board a factory ship registered or recorded with that Party and flying its flag, exclusively from products referred to in Subparagraph (f);
- h. Waste and scrap derived from production in the territory of a Party or used articles or goods collected in the territory of a Party, provided that such goods are fit only for the recovery of raw materials;
- i. Goods taken by a Party, or a person of a Party, from the seabed or subsoil beneath the territorial sea or the continental shelf of that Party, in accordance with the provision of the United Nations Convention on the Law of the Sea 1982;
- j. Recovered goods derived in the territory of a Party from used goods and utilized in the territory of the Party in the production of remanufactured goods; and
- k. Goods produced entirely in the territory of a Party exclusively from goods referred to in Subparagraphs (a) to (j) or from their derivatives, at any stage of production.

Rules of Origin for Manufactured Goods

4. These goods will be considered originating in Singapore if they meet the product specific rules in the Agreement. The product specific rules can be found in Annex II of the Agreement. A copy of this Annex II can be downloaded at:

“http://app.fta.gov.sg/data/fta/file/P3%20authentic%20text%20Annex%20II%20English_v1.pdf”

5. Generally, the product specific rules of eligible good require the final good to be substantially transformed in Singapore. The following are examples of substantial transformation:

- a. A Change in Tariff Classification (CTC) between the imported or non-originating materials and the end product must have occurred in Singapore. The CTC based on the Harmonized System (HS) of Classification requires the product to have a different HS Chapter, 4-digit or 6-digit HS heading or subheading from the non-originating materials used in its production;
- b. The requirement of a Regional Value Content (RVC) based on the Transaction Value (TV) of the good. Depending on the product specific rules, all goods must fulfill a minimum local value content of either 45% or 50% (for textile, apparel and footwear goods), calculated using the following method:

$$RVC = \frac{TV - VNM}{TV} \times 100$$

where:

RVC is the regional value content expressed as a percentage;

TV is the transaction value of the good, adjusted on an FOB basis, except as provided in Paragraph 3 of Article 4.3 of the Agreement. If no such value exists or cannot be determined, pursuant to the principles of Article 1 of the Customs Valuation Agreement, it shall be calculated pursuant to the principles of Articles 2 to 7 of that Agreement; and

VNM is the transaction value of the non-originating materials, when they were first acquired or supplied to the producer of the goods, adjusted on a CIF basis, except as provided in Paragraph 4 of Article 4.3 of the Agreement. If such value does not exist or cannot be determined, pursuant to the principles of Article 1 of the Customs Valuation Agreement, it shall be calculated pursuant to that Agreement.

Accumulation

6. Brunei Darussalam, New Zealand and Singapore are treated as a single production area. This means that any good or material that originates in Brunei Darussalam or New Zealand will be deemed to have originated from Singapore, and vice versa provided the good or material satisfies the rules of origin requirements under the Agreement.

Documentation Procedures

7. To enable the importers in Brunei Darussalam and New Zealand to claim preferential tariff under Trans-Pacific SEP, the Singapore exporter or producer must make a declaration as to origin on the export invoice, which may then be used by the importer as evidence of origin.

8. The above declaration as to origin should contain the following:

“I [state name and position] [producer and exporter][producer][exporter] (insert only that which applies) hereby declare that the goods enumerated on this invoice are originating from Singapore in that they comply with the provisions of Article 4.13 of the Trans-Pacific Strategic Economic Partnership Agreement entered into among Brunei Darussalam, Chile, New Zealand and Singapore.”

Observations (if any):

Signature _____

Date _____

9. The export invoice upon which the above declaration is made should include:

- a. A full description of the goods;
- b. Six digit Harmonized System Code;
- c. The producer’s name(s) if known; and
- d. The importer’s name(s) in respect of the imported goods, if known.

10. If the above information is not included in the export invoice, it must be added in the “observations” on the declaration as to origin.

11. Singapore producers and exporters who issue the above declarations under Trans-Pacific SEP should be fully familiar with the qualifying origin criteria for their goods before doing so.

Retention of Documents

12. Documents relating to the production and shipment of exports accompanied by the declaration as to origin should be kept for not less than 3 years for post-verification checks by the Customs Administrations from Brunei Darussalam, New Zealand and Singapore as applicable.

Preferential Tariff For Imports Attracting Preferential Tariff Treatment

13. Another circular 11/2006 dated 26 Apr 2006 relating to preferential tariff for imports under the Trans-Pacific SEP is separately issued. Both circulars can be downloaded at <http://www.customs.gov.sg/>.

14. For other details on the Trans-Pacific SEP, please refer to MTI’s website at <http://app.fta.gov.sg/asp/fta/ftapage.asp?id=8>

15. We encourage you to familiarise yourself with the Rules of Origin requirements and take advantage of the benefits of the Trans-Pacific SEP when you export to these countries. Please share the contents of this circular with other colleagues in your organization and business partners if relevant.

Enquiries

16. For enquiries, you may:

- a. call our Customs Call Centre at telephone number 6355-2000 on the contents of this circular ; and
- b. raise your queries to MTI via the feedback form available at MTI’s FTA website (<http://www.fta.gov.sg>) on clarification of tariff reduction under the Trans-Pacific SEP.



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