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To: All Manufacturers registered with  
Documentation Specialists Branch,  
Singapore Customs



## **RULES OF ORIGIN UNDER THE PANAMA-SINGAPORE FREE TRADE AGREEMENT (PSFTA)**

The PSFTA will be implemented on 24 July 2006. This circular outlines the key Rules of Origin requirements and the operational procedures for exports of originating goods claiming tariff preference in Panama.

### **Rules of Origin for Wholly Obtained or Produced Goods**

2. Your goods may qualify for the preferential tariff treatment for importation into Panama under the following rules of origin:

- a. Mineral goods extracted or taken from Singapore's soil, waters, seabed or beneath the seabed;
- b. Plants and plant products harvested in the territory of Singapore;
- c. Live animals, born and raised in the territory of Singapore;
- d. Goods obtained from animals referred to in sub-paragraph (c);
- e. Goods obtained from hunting, trapping, fishing or aquaculture conducted in the territory of Singapore;
- f. Goods (fish, shellfish and other marine life) taken from outside its Economic Exclusive Zone as defined in the United Nations Convention on the Law of the Sea by vessels registered, licensed or recorded in Singapore and entitled to fly its flag;
- g. Goods produced and/or made on board a factory ship exclusively from products referred to in sub-paragraph (f), provided such factory ship is registered, licensed or recorded in Singapore, and entitled to fly its flag;
- h. Goods taken by Singapore, or a person in Singapore, from the seabed or beneath the seabed outside its Economic Exclusive Zone, provided that Singapore has rights as defined in the United Nations Convention on the Law of the Sea to exploit such seabed;
- i. Waste and scrap derived from:
  - (i) production in the territory of Singapore; or

- (ii) used goods, collected in the territory of Singapore, provided such goods are fit only for the recovery of raw materials;
- j. Recovered goods derived in the territory of Singapore from used goods; or
- k. A good produced in the territory of Singapore exclusively from goods referred to in subparagraphs (a) through (j) above, or from their derivatives, at any stage of production.

### Rules of Origin for Manufactured Goods

3. 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 3A (Sections A and B) of the Agreement. A copy of this Annex 3A can be downloaded at:

[http://app.fta.gov.sg/asp/fta/pagetemplate1.asp?pg\\_id=panama\\_legal\\_text&ctryname=Panama&pagetitle=Legal%20Text](http://app.fta.gov.sg/asp/fta/pagetemplate1.asp?pg_id=panama_legal_text&ctryname=Panama&pagetitle=Legal%20Text)

4. Generally, the rule of origin of eligible good requires that;
- a. it satisfies the product specific rule as set out in Annex 3A; or
  - b. where there is no product specific rule set out in Annex 3A, it needs to fulfil a Qualifying Value Content of not less than 35% determined in accordance with Article 3.4 of the Rules of Origin, calculated using the following method:

$$\frac{\mathbf{F.O.B - N.Q.M}}{\mathbf{F.O.B}} \times 100 \% \geq 35\%$$

where:

- a. **F.O.B is the Free-On-Board value**, which refers to the value of a good payable by the buyer to the seller, regardless of the mode of shipment, not including any internal excise taxes, reduced, exempted, or repaid when the good is exported; and
- b. **N.Q.M** is the non-qualifying value of materials used by the producer in the production of the good.

### Accumulation

5. Panama and Singapore are treated as a single production area. This means that any good or material that originates in Panama 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

6. To enable the importers in Panama to claim preferential tariff under PSFTA, the Singapore exporter or producer must complete a Certification of Origin, certifying that his good qualifies as an originating good for importation into Panama. The data elements for the Certification of Origin shall include the information shown in **Annex A** that is appended to this circular.

7. Singapore producers and exporters who Issue the Certification of Origin under PSFTA should be fully familiar with the qualifying origin criteria for their goods before doing so.

## Retention of Documents

8. Documents relating to the production and shipment of exports accompanied by the certification as to its origin should be kept for not less than 3 years for post-verification checks.

## Preferential Tariff for Imports Attracting Preferential Tariff Treatment

9. Another circular 14/2006 dated 14 July 2006 relating to claiming of preferential tariff for imports into Singapore under the PSFTA is separately issued. Both circulars can be downloaded at "<http://www.customs.gov.sg>".

## Website for Downloading of Details of Agreement

10. The full details on the PSFTA is available in the Ministry of Trade and Industry's (MTI) website: <http://app.fta.gov.sg/asp/fta/ftapage.asp?id=61>

11. We encourage you to familiarise yourself with the Rules of Origin and other requirements in the Agreement to take advantage of the benefits of the PSFTA when you export to Panama. Please share the contents of this circular with other colleagues in your organisation and business partners if relevant.

## Enquiries

12. 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 PSFTA.



WINSTON TAY WEE HUA  
HEAD  
DOCUMENTATION SPECIALISTS BRANCH  
For DIRECTOR-GENERAL OF CUSTOMS

**LIST OF DATA ELEMENTS FOR  
THE CERTIFICATION OF ORIGIN****1. Name and address of the exporter or producer:**

The full legal name, address (including city and country), telephone number, and email address if applicable of the exporter or producer(s). State whether the exporter is also the producer.

**2. Name and address of the importer:**

The full legal name, address (including city and country), telephone number and e-mail address if applicable, of the importer.

**3. Description of goods:**

This entails a full description of each good. The description should contain sufficient detail to relate it to the invoice description and to the Harmonised System(HS) description of the good. If the certification covers a single shipment of goods, it should list the quantity and unit of measurement of each good, including the series number, if possible, as well as the invoice number, such as the shipping order number, purchase order number or any other number that can be used to identify the goods.

**4. HS Tariff Classification number:**

The HS tariff classification to six digits, or as otherwise specified in the Rules of Origin, for each good.

**5. Preference Statement:**

The exporter or producer of the goods covered by this Certification of Origin declares that these goods meet the Panama-Singapore Free Trade Agreement Rules of Origin.

**6. Authorised Signature:**

This includes the date and signature of the exporter or producer.