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SINGAPORE CUSTOMS

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To: All Licensed Warehouse Licensees, Excise Factory Licensees, Declaring Agents and Traders

TIERING OF THE LICENSED WAREHOUSE SCHEME

Currently, Singapore Customs' (SC) Licensed Warehouse Scheme (LWS) allows traders to store imported dutiable goods such as liquor products, tobacco products and dutiable motor vehicles in a licensed area with the duty and GST payable suspended while pending re-export or local release. Under the LWS, there is only one type of licence, with all the conditions and requirements of the LWS applied to all licensees.

2 With the launch of SC's TradeFIRST on 26 Jan 2011, all warehouse licensees have to be assessed against the TradeFIRST criteria and then rated into one of the five TradeFIRST bands. TradeFIRST enables SC to tailor our facilitation and requirements according to the level of companies' internal controls and compliance levels.

3 In line with the principle of according different facilitation to companies under different bands in TradeFIRST, SC will be revising the single-tiered Licensed Warehouse Scheme to three tiers, namely Type I, Type II and Type III, with effect from 1 Apr 2012.

4 Licensees in higher tiers (i.e. Type III) would be accorded the most facilitation, but they would be expected to have better internal controls and compliance levels. Existing licensees would be placed into Licence Type I, II, or III based on their TradeFIRST assessment bands. Type I and II licensees need to qualify for the "Standard" and "Intermediate" bands under TradeFIRST respectively. Type III licensees need to qualify for the "Enhanced" or the "Premium" band.

5 The facilitation accorded to Type III licensees include being allowed to store both duty suspended and duty-paid dutiable goods within the licensed area, and operate multiple licensed areas under a single licence and pay a single licence fee. Also, licensees are entitled to the benefits for the tier qualified for, as well as that for the lower tiers. For example, Type III licensees are entitled to the benefits for Type I, II and III licensees. Please see **Annex A** for a summary of the benefits by licence Type.

6 More operating details of the new tiered LWS can be found on our website at: <http://www.customs.gov.sg/leftNav/trad/cus/Licensed+Warehouse+Scheme.htm>

7 For further clarification, please contact your Account Manager (for existing licensees) or 6355 2000.

TEH THIAM SIONG
HEAD SCHEMES & LICENSING BRANCH
for DIRECTOR-GENERAL OF CUSTOMS

*Our Vision: A leading Customs that advances Singapore's economy
by assuring the integrity of the trading system*

Summary of the benefits by Licensed Warehouse Type

Benefits	Type I (Standard Band)	Type II (Intermediate Band)	Type III (Enhanced & Premium Bands)
Permissible Items within the Licensed Area	Imported dutiable goods. Licensed area must be physically demarcated. LW/LWV goods must be labelled with their Customs Lot Numbers.	Imported dutiable goods. Licensed area must be physically demarcated. LW/LWV goods must be labelled with their Customs Lot Numbers.	Type of Goods: - LW/LWV goods (duty and GST suspended) - Tax paid goods (dutiabale and non-dutiabale) - Locally manufactured dutiable and non-dutiabale goods. - <u>Not allowed</u> - GST-suspended goods under the Zero GST Warehouse scheme Do not have to physically demarcate the licensed area, but have to store the LW/LWV goods within the licensed area outlined in the layout plans endorsed by Singapore Customs. LW/LWV goods must be labelled with their Customs Lot Numbers. Previous LW/LWV goods that are now covered by DP permits have to be labelled with "tax paid".
Consolidated Duty & GST Payment Permit	No	No	Yes, licensees can take out a weekly consolidated payment permit covering the local releases of dutiable goods from the licensed premises for the week (7 consecutive days). Licensees' warehouse management systems must be able to track these local releases
Single Annual Licence Fee for mixed types of dutiable goods	No	Yes, licensees that store both liquor/tobacco products and motor vehicles can pay a single licence fee annually (single site)	Yes, licensees that store both liquor/tobacco products and motor vehicles can pay a single licence fee annually (multiple sites)
Single Annual Licence Fee for multiple licensed locations	No	No	Yes.
Motor Vehicle Exhibitions	Allowed to remove motor vehicles from LWVs for approved	Allowed to remove motor vehicles from LWVs for approved	Allowed to remove motor vehicles from LWVs for approved exhibitions for up to 3 months

Benefits	Type I (Standard Band)	Type II (Intermediate Band)	Type III (Enhanced & Premium Bands)
	exhibitions for up to 1 month without SC's prior approval	exhibitions for up to 3 months without SC's prior approval	without SC's prior approval. Licensees are also allowed to modify (retrofit, re-spray, add/remove component parts) motor vehicles within their LWVs. The modified Motor vehicles' tariff classifications and duty rates must not differ from the original
Alcoholic Beverages Exhibitions	Allowed to temporarily remove tax suspended wines from LWs for approved exhibitions	Allowed to temporarily remove tax suspended alcoholic beverages (i.e. not just wines) from LWs for approved exhibitions	Allowed to temporarily remove tax suspended alcoholic beverages (i.e. not just wines) from LWs for approved exhibitions