



## Singapore Customs Media Release

### **SINGAPORE CUSTOMS AND JAPAN CUSTOMS SIGN MUTUAL RECOGNITION ARRANGEMENT ON SUPPLY CHAIN SECURITY**

Singapore Customs and Japan Customs today signed a Mutual Recognition Arrangement (MRA) on supply chain security at the World Customs Organisation (WCO) Council Sessions in Brussels, Belgium. This is Singapore's third MRA signed. The first two MRAs, with South Korea and Canada, were inked a year ago.

#### **Mutual Recognition of Certified Companies**

2 Mr Fong Yong Kian, Singapore Customs Director-General, signed the MRA with Mr Atsuo Shibota, Director-General of Japan's Customs and Tariff Bureau, at the 117<sup>th</sup>/118<sup>th</sup> WCO Council Sessions held from 23 to 25 June 2011 in Brussels.

3 The purpose of MRAs is to facilitate and secure Singapore's trade flows with its trading partners, by mutually recognising companies which have been accorded Authorised Economic Operator (AEO) status by their respective Customs Administrations. Japan is Singapore's sixth largest trading partner with a trade volume exceeding S\$55.5 billion in 2010. Top exports to Japan include electronic chips and optical media. Top imports from Japan include electronic integrated circuits and semi-manufactured gold.

#### **Balancing Security and Facilitation**

4 "The signing of this third MRA on supply chain security marks another important milestone in Singapore Customs' endeavour to facilitate trade and strengthen Singapore's position as a secure and trusted global trade hub. With this MRA, our STP-Plus companies' cargoes would be less prone to customs inspections at the ports in Japan. This would enable the companies to better manage their supply chain, with benefits such as time-savings and greater predictability of international shipments," said Mr Fong Yong Kian.

5 The inking of the MRA today is the culmination of discussions on mutual recognition between Singapore Customs and Japan Customs that commenced in 2008. "Despite the events that hit Northeastern Japan in March 2011, Japan Customs displayed a strong sense of commitment and steadfastness in the MRA negotiations, and this has further strengthened ties and mutual understanding between the two Customs administrations," added Mr Fong.

6 Singapore Customs' AEO scheme, the Secure Trade Partnership (STP), is based on the WCO SAFE Framework of Standards to secure and facilitate global trade. The Framework highlights the need for all stakeholders to take measures to ensure the security of the supply chain, and for Customs administrations to establish AEO programmes to certify companies that have adopted robust security practices.

7 MRAs multiply the benefits of national AEO programmes by bringing trade security and facilitation from the domestic to the international level. Singapore is the first among Customs administrations in Southeast Asia to have signed MRAs, joining the ranks of a growing group of Customs administrations that have entered into MRAs, such as Canada, the European Union, Japan, Korea, New Zealand and the United States.

## **Benefits of MRAs to Singapore Businesses**

8 For Singapore businesses, the MRAs mean that STP-Plus certified companies would be recognised by Japan Customs to be of lower risk, leading to expedited release of their goods at the point of importation. These companies can therefore better predict the movement of their cargo, particularly for time-sensitive exports, and enjoy savings in costs which would otherwise be incurred due to delays at the port.

9 Similarly, exports from companies certified under Japan Custom's AEO Programme will be less liable for inspection when they arrive in Singapore. MRAs could also help to facilitate continuous secure trade flows in situations of high alert or when international trade is disrupted. Companies with significant trade dealings with Japan welcomed the signing of Singapore's latest MRA.

10 "Applied Materials is proud to be an STP-Plus certified organisation. The signing of the Mutual Recognition Arrangement between Singapore Customs and Japan Customs will enable faster and more secure cargo clearances for our products shipping from Singapore to Japan, one of Applied Materials' key markets," said Mr Russell Tham, Regional President of Applied Materials South East Asia. "We believe this agreement will increase customers' confidence in our products and services, and in our enhanced capability to support them. This expanded network of alliances further reinforces our reputation in the region as a leader in global security and trade, while enabling us to achieve higher levels of customer satisfaction."

11 Mr Alan Kohlscheen, IBM's Director, Import Compliance & Supply Chain Security, said, "We believe the Singapore Customs MRA with Japan is a significant step towards improved risk management and trade facilitation. Along with enhanced supply chain security, businesses can benefit from the streamlined requirements and shipment processing, IBM looks forward to its continued strong partnership with Singapore Customs, its initiatives to promote and facilitate trade and its desire to enhance global supply chain security."

12 Photographs of the MRA signing in Brussels are attached at Annex A.

**ISSUED BY: SINGAPORE CUSTOMS  
KASTAM SINGAPURA**

新加坡关税局  
சிங்கப்பூர் காங்கத்துறை

**DATE: 25 JUNE 2011**

**ANNEX A : PHOTOGRAPHS OF THE MRA SIGNING IN BRUSSELS, BELGIUM**



**Mr Fong Yong Kian, Singapore Customs Director-General and Mr Atsuo Shibota, Director-General of Japan’s Customs and Tariff Bureau signing the MRA between Singapore and Japan.**



**Mr Fong Yong Kian, Singapore Customs Director-General and Mr Atsuo Shibota, Director-General of Japan’s Customs and Tariff Bureau shaking hands after signing the MRA between Singapore and Japan.**



**Group photo following the signing the MRA.**

**From Left to Right:**

- **Mr Kunio Mikuriya, Secretary-General, WCO**
- **Mr Fong Yong Kian, Director-General, Singapore Customs**
- **Mr Atsuo Shibota, Director-General, Japan Customs and Tariff Bureau**
- **Mr Zouhair Chorfi, Director-General, Moroccan Customs and Indirect Taxation and Acting Chairman of the WCO Council**