FREQUENTLY ASKED QUESTIONS

SINGAPORE CUSTOMS

DECLARING AGENT

GORVERNANCE FRAMEWORK

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1.1 What is a declaring agent?

A declaring agent refers to an entity making an application for a permit, certificate, licence or any other document or form of approval to the Director-General under the Customs Act, the Regulation of Imports and Exports Act or any regulations made thereunder, and may be:

a. a declaring entity making such application for itself; or

b. business entity providing to a declaring entity services for the making of such application.

1.2 What is a declarant?

A declarant refers to an individual making an application for a permit, certificate, licence or any other document or form of approval to the Director-General under the Customs Act, the Regulation of Imports and Exports Act or any regulations made thereunder, and may be:

a. a declaring entity making such application for itself; or

b. acting under the authority of a declaring entity or a declaring agent for the making of such application.

1.3 What is a declaring entity?

A declaring entity refers to any importer, exporter, consignor, consignee, licensee, manufacturer, shipping agent, air cargo agent, freight forwarder, common carrier or other person who is required to obtain a permit, certificate, licence or any other document or form of approval to the Director-General under the Customs Act, the Regulation of Imports and Exports Act or any regulations made thereunder, the application for which involves a trade declaration being made.

1.4 What is a declaring agent industry?

A declaring agent industry refers to both declaring agents and declarants as a whole.

1.5 Who is a key personnel of a company?

A key personnel refers to an individual whose particulars are registered with:

a. the Accounting and Corporate Regulatory Authority (ACRA) for the purposes of a registration of a business entity; or

b. the relevant Issuance Agency of the Unique Entity Number (UEN) for the purposes of an application for a unique entity number.

1.6 Who is an authorised personnel of a company?

An authorised personnel refers to an individual authorised by a company's key personnel with certain rights to help them manage the company's (i) Customs Activation Account; or (ii) Declaring Agent Account including declarant details; or (iii) both the aforementioned accounts.

1.7 What is the Declaring Agent Governance Framework about?

The Declaring Agent Governance Framework seeks to raise the level of proficiency and professionalism of the declaring agent industry, and to incentivise declaring agents with good internal control procedures and processes and good compliance records.

1.8 Who will come under the Declaring Agent Governance Framework?

All declaring agents and declarants will come under the Declaring Agent Governance Framework.

1.9 When will the Declaring Agent Governance Framework be implemented?

The Declaring Agent Governance Framework will be implemented on **7 Jan 2013**. The requirements under the framework will commence with effect from **7 Jan 2013** for **new declaring agents** for the **initial registration** process and from **1 Jul 2013** for **existing declaring agents** for the **renewal** process.

1.10 Why is there a need to implement the Declaring Agent Governance Framework?

Singapore is an international trading hub and trade is a key component of Singapore's economy. Annually, declaring agents and declarants in Singapore submit more than 9 million trade declarations to cover the importation, exportation or transhipment of goods.

Declaring agents and declarants act as the critical intermediary between Singapore Customs and the trading community. They are also responsible for the accuracy, completeness and integrity of the trade declarations, and compliance with any conditions that are stipulated in the trade declarations.

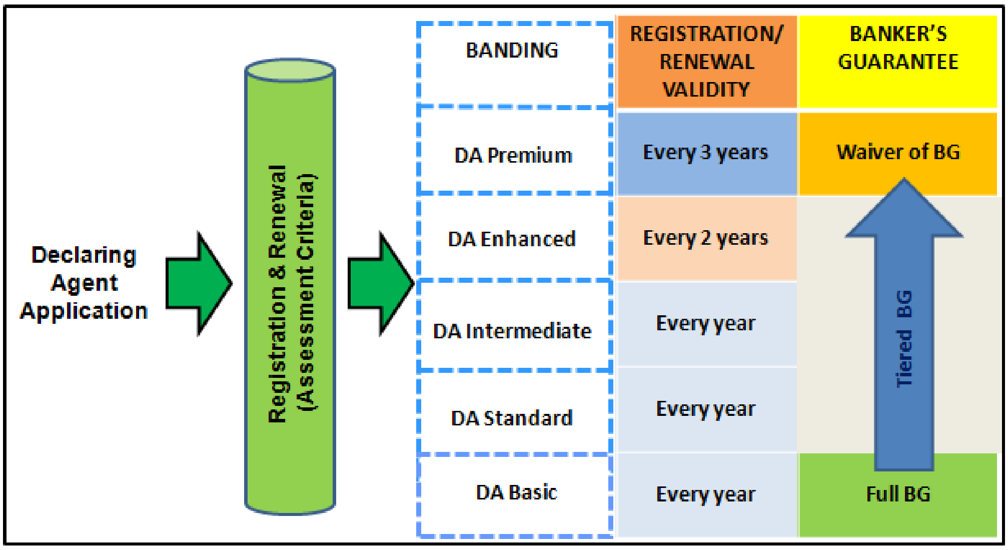
Recognising the important role played, Singapore Customs has implemented the Declaring Agent Governance Framework to help raise the overall proficiency and professionalism of the declaring agents and declarants.

This framework aims to help declaring agents and declarants remain professional and competent in their knowledge of customs procedures and documentation. It also allows expedited processing and clearance of legitimate trade goods through more efficient and effective risk profiling arising from reliable and correct trade data.

1.11 How does the Declaring Agent Governance Framework work?

The 3 key components of the Declaring Agent Governance Framework are as follows:

a. Enhanced Registration Process: To raise the level of professionalism in the declaring agent industry, a set of assessment criteria will be used to appraise the declaring agents during their initial registration and renewal period. This set of assessment criteria broadly comprises elements of their internal control procedures and processes and compliance records with Singapore Customs. The final assessment score will translate into one of the 5 bandings, namely "DA Basic, DA Standard, DA Intermediate, DA Enhanced and DA Premium" with different validity / renewal period and tiered security (i.e. Banker's Guarantee / Insurance Bond) requirements. In general, the validity / renewal period can range from 1 year to 3 years, and the security requirements can range from a 100% requirement to a waiver of the security requirement.



b. <u>Proficiency Capacity Building</u>: To ensure that the declaring agent industry demonstrates a competent level of proficiency in customs documentation and procedures, new declarants must take and pass a competency test. Generally, the declarants will be tested on customs procedures such as import and export procedures, trade declarations, valuation and classification. The intent is to ensure that the new declarants possess adequate knowledge on customs documentation and procedures so that they can better advise and service their clients.

c. <u>Incentive and Compliance Mechanism</u>: Declaring agents who practise good internal control procedures and processes and have good compliance records can enjoy a longer validity / renewal period and lower / waiver of security (e.g. Banker's Guarantee / Insurance Bond) requirements. Declaring agents and declarants who are non-compliant or recalcitrant will risk having their account / status suspended or revoked.

1.12 What are the benefits of the Declaring Agent Governance Framework?

With the implementation of the Declaring Agent Governance Framework, declaring agents who exercise due diligence, implement robust internal control procedures and processes and have good compliance history with Singapore Customs can look forward to reap the following benefits:

a. <u>Lower operating cost</u>: Declaring agents who exercise due diligence and implement robust internal control procedures and processes can look forward to lower or even waiver of security requirements.

b. <u>Recognition as a compliant company</u>: Declaring agents who are compliant can look forward to a longer registration validity period.

c. <u>Improved compliance</u>: The set of assessment criteria is provided upfront and allows declaring agents to self assess their internal control procedures and processes, and improve on their weaker areas. Declaring agents can hence attain a higher level of compliance which will translate into lower compliance costs.

d. <u>Improved productivity</u>: This could be achieved by increasing the proficiency and professionalism of the whole industry.

1.13 Is there any registration or renewal fee applicable under the Declaring Agent Governance Framework?

No, there is no registration or renewal fee applicable under the Declaring Agent Governance Framework. However, a fee is chargeable for new declarants who sit for the mandatory competency test. You may refer to *Section 5 of this document* for more information.

1.14 How does the Declaring Agent Governance Framework affect a company which is already assessed under TradeFIRST?

TradeFIRST is a one-stop assessment framework that makes trade easy, fair and secure. TradeFIRST supports Singapore Customs' trade facilitation and compliance efforts by enabling a company to be assessed holistically, based on a single set of assessment criteria applied across all schemes (e.g. Secure Trade Partnership, Strategic Trade Scheme and Licensed Warehouse Scheme).

Under the Declaring Agent Governance Framework, we recognise that not all the TradeFIRST criteria are applicable for the declaring agent industry, and hence, a subset is used. In general, the assessment criteria will cover only areas relevant to the business of declaring agents and they are as follows:

- Personnel Management Procedures
- Training on Customs Procedures
- Company' s Procedures & Processes
- Company's Standard Operating Procedures (SOPs) Documentation
- Company's Information Management & Controls
- Compliance History

New and existing companies that are assessed under TradeFIRST are not required to be assessed under the Declaring Agent Governance Framework. Companies will get to enjoy the benefits based on their TradeFIRST assessed banding. However, they are still required to apply for a declaring agent account if they wish to submit trade declarations via TradeNet® to Singapore Customs. Whenever there are any changes to the particulars of the entity or the declarants, the key personnel of the entity has to update their records online with Singapore Customs via https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct.

1.15 My company is a SME (Small Medium Enterprise). Will the implementation of the Declaring Agent Governance Framework create an unlevel playing field and penalise me?

The implementation of the Declaring Agent Governance Framework seeks to raise the professionalism and proficiency of the declaring agent industry. As such, the assessment of a company is geared towards recognising the company's internal control procedures and processes, apart from their compliance records with Singapore Customs. This will encourage and incentivise companies to adopt good internal control procedures and processes and best practices.

SMEs will not be penalised by the implementation of the framework, as only basic criteria applicable to the declaring agent industry are selected. These basic criteria are good practices that companies should work towards adopting.

1.16 Are there any exemptions granted under the Declaring Agent Governance Framework?

The Declaring Agent Governance Framework is a platform for Singapore Customs to use a set of common assessment criteria to assess and band declaring agents into different groupings so that the appropriate measures / benefits could be accorded.

Singapore Customs recognises that business operations, sizes and risks vary across declaring agents. The requirements under the framework allows for flexibility and customisation of measures /

benefits based on declaring agents' business models. Singapore Customs would consider the suggestion to exempt certain categories of declaring agent from the framework in our future review.

1.17 Will the results of the banding under the Declaring Agent Governance Framework be published on the Singapore Customs website?

For a start, Singapore Customs will not be publishing the bandings of all declaring agents in the website under the Declaring Agent Governance Framework. Singapore Customs would consider the suggestion to do so in our future review.

2 Declaring Agent Account Registration and Renewal under the Declaring Agent Governance Framework

Declaring Agent Account Registration

2.1 What can a declaring agent do?

A declaring agent can provide services for the submission of a trade declaration to Singapore Customs for itself or on behalf of a declaring entity.

2.2 Who can apply to become a declaring agent?

Any company who wishes to submit trade declarations via the TradeNet® system for the importation, exportation and transhipment of goods can apply to become a declaring agent.

2.3 Where can a company apply for a declaring agent account and what information are required?

The registration process for a declaring agent account is done electronically. The key personnel of a declaring agent can login using his / her SingPass from Singapore Customs website at https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct to apply for a declaring agent account.

The information required are:

- Particulars of Company
- Particulars of Key Personnel
- Particulars of Contact Person for TradeNet® related matters

- Particulars of Declarant(s)
- Particulars of Administrator
- Particulars of Billing Contact

2.4 When applying for a declaring agent account, what are the supporting documents that are required if my company has a declarant who is based in Malaysia?

For companies who have declarants who are based in Malaysia, the supporting documents required are:

- Name of Company in Malaysia
- Full Address of the Company in Malaysia
- Form 49 (Certificate issued by the Malaysian authority under the Companies Act)
- Photocopy of both sides of the TradeNet® Declarant's Passport and both sides of Malaysian Identity Card with his / her signature on the photocopies.
- Signed Terms and Conditions - Declarant has to sign on all pages
- Photocopy of Accounting and Corporate Regulatory Authority (ACRA) - Company Business Profile slip for local company.
- Letter from local company stating the following details:
    - Business operations / activities (nature of business) of both the local and Malaysian company.

- The relationship between the local and Malaysian company.

- The purpose of applying for a TradeNet® User for declarant based in Malaysia.

- The employment status of the TradeNet® user with the company based in Malaysia.

- Local company's acceptance of liabilities for the TradeNet® user based in Malaysia.

- Estimated number of permits declared and estimated trade volume by the local company and the company based in Malaysia each month;

- Number of existing TradeNet® ID operating under the local company and the company based in Malaysia.

2.5 My company wants to become a declaring agent. However, my company does not have any declarants yet. Can I still apply for a declaring agent account?

No, your company will not be able to apply for a declaring agent account. It is compulsory for a company to have at least 1 declarant, who is fit and proper, before it is eligible to become a declaring agent.

2.6 My key personnel is a foreigner who does not have a SingPass ID and Password to log in to conduct the declaring agent account registration and renewal. What should we do?

The key personnel can apply for SingPass online from https://www.singpass.gov.sg/ or visit any of the SingPass Counter locations which are listed on the SingPass website. Upon obtaining the SingPass, the key personnel can apply for a new declaring agent account or renew the account at Singapore Customs website: https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct.

2.7 If my company is a new set up, what value should I enter in the "Annual Financial Turnover" field?

Please key in numeric zero if your company is a new set up.

2.8 If my company has previously keyed in the wrong value for the "Annual Financial Turnover" field, can this information be amended?

Yes, you can still log into https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct to update the value.

2.9 Which address should my company key in as the operating address if the declarants are based in several locations?

Please provide the address where most of the declarants are based at.

2.10 My company is applying for a declaring agent account. What am I supposed to fill in for the "Membership with Association" field?

If your company belongs to any association, you are required to indicate the specific association which your company belongs to. If your company does not belong to any association, you should indicate "Not Applicable" in that field.

2.11 With regard to the "Membership with Association" field, my company is both a member of The Singapore Air Cargo Agents Association as well as Singapore Logistics Association. In this case, which association should I select?

You may select either one from the drop-down list and key in the other one in the spaces provided.

2.12 With regard to the "Total No. of TradeNet® Declarants" field, if my company hires temporary staff, do I need to include them in the count?

The "Total No. of TradeNet® Declarants" field refers to the number of TradeNet® declarants. If your temporary staff are declarants, you may include them in the count.

2.13 With regard to the "Total No. of Employees" field, if my company has subsidiary companies, do I need to include the employees in those subsidiary companies in the count?

Please key in the total number of employees hired by the company that is being registered as the declaring agent only.

2.14 With regard to the "Total No. of Employees" field, does my company need to include the administrative and non-TradeNet® staff, in addition to TradeNet® declarants, in the count as well?

The "Total No. of Employees" field refers to all the staff in the company, inclusive of administrative, TradeNet® and non-TradeNet® staff.

2.15 With regard to the "Declaring Agents Activity 1" field, I do not provide permit declaration services and freight forwarding services. Which option should I choose?

The purpose of applying for a declaring agent account is to either (i) submit trade declarations only or (ii) submit trade declarations and provide freight forwarding services. If your company does not wish to carry out these actions, you are not required to apply for a declaring agent account.

2.16 What is the difference between the various points of contact (i.e. key personnel, primary contact, secondary contact, trader notification contact, contact person and account & billing administrator) that are required to be provided to Singapore Customs in the activation of the Customs Account and the application for the Declaring Agent Account? Can my company register the same person to be these points of contact?

The key personnel refers to a person who has general control and management over the declaring agent, and is responsible for all customs-related issues for the declaring agent.

The primary contact refers to a person who will receive all notifications, correspondences, including reminder / license / registration / renewal requirement, approval and rejection letters from Singapore Customs. Should such transmissions fail, the secondary contact will receive them in place of the primary contact.

The trader notification contact refers to a person who will receive notification alerts whenever a TradeNet® declaration has been approved using the declaring agent's UEN.

The contact person refers to a person who serves as the point of contact between Singapore Customs and the declaring agent for matters relating to the creation of TradeNet® account and user ID, and the receipt of circulars.

The account & billing administrator refers to a person who handles the financial bills and accounts for the declaring agent.

Your company may choose to register an individual as all of the above mentioned points of contact. To ensure that information can be successfully conveyed even if any of the contact persons is uncontactable, it is advisable to register more than one person.

2.17 With regard to the "Has the declarant passed the Customs Competency Test conducted by Singapore Customs from Year 2013?" field, if my company answered "Yes", is it compulsory to attach the certificate for the declarant?

Yes. The certificate is proof that the declarant under your company's employment has passed the Customs Competency Test and is eligible to submit trade declarations. However, this only applies to new declarants.

2.18 My company is trying to apply for a declaring agent account. However, my company does not have a fax machine. What should be filled in the "Fax No." field?

The purpose of this contact field is to ensure that information can be disseminated to your company. For your company's situation, please key in your email address in the 'Email Address' field and leave the "Fax no." field blank.

2.19 How long does the application process for a declaring agent account take?

The application processing time is within 3 working days upon receipt of complete supporting documents for simple cases while complex cases will take longer to review.

2.20 Where can my company check on the status of its declaring agent account application?

The key personnel or authorised personnel who have the "Manage DA / Declarant" access rights can login using his / her SingPass from Singapore Customs website at https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct, to check on the status of their declaring agent account application.

2.21 Will my company be informed when its declaring agent account application is approved or rejected by Singapore Customs?

Singapore Customs will issue a letter via email to inform the key personnel of the company of the approval or rejection of its declaring agent account application. The application processing time is within 3 working days upon receipt of complete supporting documents for simple cases while complex cases will take longer to review.

2.22 What is the registration validity period for a company under the Declaring Agent Governance Framework?

The registration validity period for a declaring agent under the Declaring Agent Governance Framework will be either 1-year, 2-years or 3-years, depending on the banding awarded to the company. This is modelled after the TradeFIRST initiative, which is a one-stop assessment framework that enables Singapore Customs to assess a company holistically, based on a single set of assessment criteria applied across all Singapore Customs' schemes.

2.23 Why is my application to register my status as a declaring agent rejected by Singapore Customs?

Your company's application may be rejected if either the entity or the key personnel has substantially contravened, or is suspected of having substantially contravened, any provision of the Customs Act or Regulation of Imports and Exports Act, or has committed material breaches to any terms and conditions imposed on the entity or the key personnel under these regulations.

Declaring Agent Account Renewal

2.24 How do I know when my company is due for renewal under the Declaring Agent Governance Framework?

Depending on the validity period accorded to a declaring agent under the Declaring Agent Governance Framework (i.e. 1-year, 2-years or 3-years) the company will be required to renew its status prior to its expiry date. A company will be notified of its declaring agent account registration validity period (based on the assessment score / banding) at the point of first registration as a declaring agent. This will give the company an indication of when they are due for renewal. Renewal notice will be sent at least 1 month prior to expiry date with reminders to inform the key personnel of the declaring agents to renew the status. To ensure that the declaring agent receives timely alerts, the declaring agent is encouraged to update its contact details regularly.

2.25 How does my company renew its declaring agent account?

The renewal process under the Declaring Agent Governance Framework will be conducted electronically. The key personnel or authorised personnel who have the "Manage DA / Declarant" access rights can login using his / her SingPass from Singapore Customs website at https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct, to perform the renewal.

2.26 All the directors are not in town. Can someone from the company apply for or renew its declaring agent account?

Any of the directors (i.e. key personnel) can use his / her SingPass to login to Singapore Customs website at: https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct to add one of the staff to be the authorised personnel with "Manage DA / Declarants" access rights. The authorised personnel can then login to the same website to renew the declaring agent account for the company.

2.27 What are the consequences if a company does not renew its declaring agent account during the stipulated renewal window?

Singapore Customs will send out renewal notice at least 1 month prior to expiry date and reminders to inform the declaring agents to renew their declaring agent account status. If the declaring agent fails to renew within the stipulated renewal window, they may be suspended or revoked. This means that all the declarant(s) registered under the declaring agent will not be able to submit declarations via the TradeNet® system. Hence, all declaring agents are strongly encouraged to renew their registration promptly with Singapore Customs.

2.28 Will my company be informed when its declaring agent account renewal application is approved or rejected?

Singapore Customs will issue a letter via email to inform the key personnel of the company of the approval or rejection of its declaring agent account renewal application. The application processing time is within 3 working days upon receipt of complete supporting documents for simple cases while complex cases will take longer to review.

2.29 Why is my application to renew my status as a declaring agent rejected by Singapore Customs?

Your renewal application may be rejected if either the entity or the key personnel has substantially contravened any provision of the Customs Act or Regulation of Imports and Exports Act or any regulations made thereunder, or has committed material breaches to any terms and conditions imposed on the entity or the key personnel under these Acts and regulations, or ceased to be ‘fit and proper’.

Declarant Registration

2.30 If I am a declarant working for Company A, can I also work as a declarant for Companies B and C?

This is a commercial business decision. However, Singapore Customs wishes to reiterate that no sharing of TradeNet® User ID is allowed and this is in accordance to terms and conditions issued to declaring agents and declarants, and Customs Circular No. 10/2010 issued on 22 July 2010.

2.31 One of my staff is no longer under my company’s employment, how can my company transfer the TradeNet® User ID and password to my new staff?

Please note that the TradeNet® User ID and password are not transferable. The key personnel or authorised personnel with “Manage DA / Declarant” access rights will need to terminate the TradeNet® User ID of the staff who has left the company and apply for a new TradeNet® User ID for the new staff from the Singapore Customs website at:

https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct.

2.32 My company wishes to apply for a new TradeNet® User ID for my staff. What should I do?

The key personnel or authorised personnel who has the "Manage DA / Declarant" access rights can login using his / her SingPass from Singapore Customs website at https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct to apply for the new TradeNet® User ID.

2.33 The system keeps prompting the error message "The declarant has a valid TradeNet® User ID with another company". What should I do?

Your declarant may have a valid TradeNet® User ID which is still registered with the previous employer. Please inform your declarant to request his / her previous employer to terminate his / her TradeNet® User ID with CrimsonLogic Pte Ltd by logging in to https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct if he or she has already left the company so that you can continue to register him / her as your new declarant.

However, if your declarant is a part-timer, freelancer or currently working for another company, you will have to fill in details in the section "Additional Information for Declarant who is NOT your Employee" to indicate information of your declarant's other employer.

2.34 I am a declarant who has previously attended a course conducted by Singapore Customs many years ago. However, I have misplaced my course certificate. Am I still eligible to submit trade declarations?

Existing declarants (prior to 7 Jan 2013) are not required to present their course certificates to Singapore Customs. However, you should have previously been issued with a TradeNet® ID to submit trade declarations. If you were not previously issued with a TradeNet® ID before 7 Jan 2013, you will be considered as a new declarant and will be required to sit for and pass a mandatory competency test to be eligible to submit trade declarations.

2.35 If my company's foreign declarants' FIN / NRIC numbers changed when they have converted to become a Singaporean / Singapore PR, can Singapore Customs help to update the system so that they need not de-register and re-register again?

The key personnel or authorised personnel who have the "Manage DA / Declarant" access rights may do the updating of declarant's information by logging into https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct. Singapore Customs will not update the declarants' information whenever there are changes in their details as we are not privy to such information.

2.36 How does a declarant know that his Employment / Work Pass is expiring?

In addition to the reminder given by Ministry of Manpower, a renewal notification will be sent by Singapore Customs via email at least 1 month prior the expiry of the Employment / Work pass with a reminder to inform the key personnel as well as the declarant of the company to update the declarant's Employment / Work pass.

2.37 Who can update the expiry date of the Employment / Work Pass of a declarant?

The key personnel or authorised personnel can update the expiry date of the declarant's Employment / Work Pass and upload the declarant's new Employment / Work Pass via https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct.

The declarant can also use his TradeNet® User ID to login to TradeXchange website at: https://www.tradexchange.gov.sg and select "Edit Declarant" to update his Employment / Work Pass new expiry date and upload his new Employment / Work Pass.

2.38 My company understands that for a declarant to be based in Malaysia, there must be a common key personnel in both the Singapore and Malaysia entities. The only common director has already left the company, and there is no common director now. What should I do?

You will not be able to register the Malaysia-based declarant if there is no common key personnel registered with the Accounting and Corporate Regulatory Authority (ACRA) for the Singapore business entity and the Malaysian authority under the Companies Act. Please remove the Malaysia-based declarant records from the system before you can proceed.

2.39 All my declarants are based in Malaysia, and my company does not have any local address. Can I provide my company's address in Malaysia under the "Operating Address" Section?

No. All declaring agents are required to have at least one declarant who is based in Singapore. Please provide the address where the local declarant(s) is / are based.

2.40 My company has a declarant who is a Malaysian working in Singapore but staying in Malaysia. When I select "Yes" for this question "Is declarant based in Malaysia?", the system prompts me to enter the name of a company in Malaysia but I do not have a company in Malaysia. In this case, can I select "No"?

If your Malaysian declarant is working in a company based in Singapore, please select "No".

2.41 My prospective declarant based in Malaysia does not have a Passport as he does not travel out of the country. Why we do have to submit a copy of Passport to Singapore Customs as one of the supporting documents?

This is an existing requirement to ensure that the Malaysia-based declarant can travel to Singapore in the event that Singapore Customs needs his assistance in the investigation of possible Customs offence.

3 Assessment Criteria Under the Declaring Agent Governance Framework

3.1 What are the assessment criteria under the Declaring Agent Governance Framework?

The assessment criteria under the Declaring Agent Governance Framework comprise of 6 elements relating to a declaring agent's internal control procedures and processes and their compliance records with Singapore Customs:

- Personnel Management Procedures
- Training on Customs Procedures
- Company' s Procedures & Processes
- Company's Standard Operating Procedures (SOPs) Documentation
- Company's Information Management & Controls
- Compliance History

For more information on the possible supporting documents that a declaring agent needs to maintain for the set of assessment criteria, you may refer to *Section 4 of the Assessment Criteria Guide.*

3.2 How should a company self assess against the assessment criteria? What if one of the assessment criteria does not apply to my company?

Singapore Customs has developed the *Assessment Criteria Guide* to help the declaring agent industry better understand the 6 assessment criteria so as to assist the declaring agents in completing the registration / renewal process.

To answer each question under every assessment criteria, the declaring agent should read through the *Assessment Criteria Guide* and self assess if their internal control procedures and processes fulfil the requirements stated in the explanatory notes. Declaring agent should answer "YES" if they are able to fulfil and demonstrate all the described qualities, processes and controls. Otherwise, if the declaring agent is not able to fulfil, or can only partially fulfil, they should answer "NO".

3.3 Can a company refuse to perform self assessment against the assessment criteria?

Any company that wishes to become a declaring agent is required to perform self assessment against the assessment criteria under the Declaring Agent Governance Framework. However, a TradeFIRST company who is also a declaring agent is not required to perform such self assessment again as they would have already been assessed under TradeFIRST.

3.4 Will the assessment criteria be applied equally to declaring agents of all sizes?

The set of assessment criteria allows for flexibility and the assessment will take into account the different business models of the declaring agents.

3.5 Are all the assessment criteria equally important?

Yes. All the assessment criteria are equally important as these are identified based on the basic attributes of what a competent declaring agent should possess. Some assessment criteria areas are highlighted in **RED** in *Section 4 of the Assessment Criteria Guide* to reflect the basic qualities that a declaring agent MUST minimally possess. In this regard, the declaring agent must pay special attention to these areas and take proactive steps to ensure compliance, especially if they have self assessed to be lacking in these areas. The rest of the assessment criteria areas are desirable qualities that a declaring agent should strive and aspire to achieve. See below for a diagrammatic representation.

Declaring Agent Governance Framework Assessment Criteria

Personnel Management	A.1 Does your company conduct pre-employment verification checks on prospective employees / declarants? A.2 Does your company have procedures to handle resignation and termination of your employees / declarants?
Training on Customs Procedures	B.1 Does your company provide in-house training on customs procedures for newly hired employees / declarants? B.2 Does your company send newly hired employees / declarants to attend external courses on customs procedures? B.3 Does your company send employees / declarants for trainings at regular intervals to keep them up-to-date on latest customs procedures?
Company's Processes & Procedures	C.1 Does your company have procedures to screen and select business partners and customers? C.2 Does your company have procedures to identify controlled or dutiable goods and comply with the relevant Singapore Customs' or Controlling Agencies' requirements? C.3 Does your company have procedures to check and verify the documents received for the purposes of submitting trade declarations? C.4 Does your company have procedures to ensure that information declared in the trade declaration is complete and correct? C.5 Does your company have procedures to report or flag out suspicious activities to the attention of supervisors or Singapore Customs, as appropriate?
Company's SOP Documentation	D.1 Does your company maintain Standard Operating Procedures (SOPs) for all procedures and processes identified under the Declaring Agent Governance Framework? D.2 Does your company disseminate and communicate the Standard Operating Procedures (SOPs) to employees / declarants? D.3 Are these Standard Operating Procedures (SOPs) reviewed on a regular basis?
Company's Information Management & Controls	E.1 Does your company have an information management policy to classify and store information? E.2 Does your company have procedures to control access to and protect information? E.3 Does your company have procedures to conduct regular audit checks to detect discrepancies (e.g. unauthorised access, tampering or alteration of business data)? E.4 Does your company have procedures to inform Singapore Customs whenever there are any changes in your company's or declarants' information? E.5 Does your company have procedures to ensure the confidentiality of the TradeNet® Account and ID issued to employees / declarants? E.6 Are your company's IT systems protected against unauthorised access? E.7 Does your company retain Customs permits and supporting documents for at least 5 years? E.8 Does your company have procedures to back up the information and data?

Company's Compliance Records with Singapore Customs

Criteria in **RED** are basic qualities **LEGEND** Criteria in **BLACK** are desirable qualities

3.6 Can Singapore Customs provide more details of the assessment criteria proposed under the Declaring Agent Governance Framework such that it would be easier for the declaring agents to understand and comply with?

The assessment criteria are not prescriptive and allow declaring agents the flexibility to implement the framework according to their operations and circumstances. To help the declaring agent industry to better understand the 6 assessment criteria, please refer to *Section 4 of the Assessment Criteria Guide*.

3.7 Does a company need to engage a consultant to assist in the conduct of the company's assessment process?

It is not a requirement under the Declaring Agent Governance Framework for a company to engage a consultant to assist in the company's assessment of the criteria.

3.8 When and how would a company know that it is required to conduct self assessment under the Declaring Agent Governance Framework?

Declaring agents will need to conduct the required assessment process by answering a set of questionnaire (i.e. conduct self assessment) relating to its internal control procedures and processes at the time of first registration or renewal, via https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct. Renewal notice will be sent at least 1 month prior to the expiry date with reminders to inform the key personnel of the declaring agents to renew the status.

3.9 Generally, the tendency to make mistakes will increase with the volume of permits declared. Does Singapore Customs take this into consideration when assessing the compliance level of a declaring agent?

Singapore Customs will take into consideration the volume of the permits applied, the nature as well as the severity of the offence committed when assessing the compliance levels of the declaring agents.

3.10 What are the evidences / supporting documents that a company is expected to maintain under each of the assessment criteria?

Depending on the complexity of a company's business operations, a declaring agent can maintain evidences or supporting documents such as policies, Standard Operating Procedures, instructions, guidelines, flowcharts in any form that is suitable for its operational needs. For more information on the possible supporting documents that a company needs to maintain for the set of assessment criteria, you may refer to *Section 4 of the Assessment Criteria Guide.*

3.11 Does a company need to submit write-ups, evidences and supporting documents at the point of registration / renewal application?

Declaring agents may be requested to provide additional information / documentation such as internal control procedures and processes, to demonstrate sufficient capability to conduct their business in a responsible manner in accordance to the assessment criteria. This information does not have to be submitted with the registration / renewal application, but may be requested at any time during the application processing process or post-application process by Singapore Customs. The declaring agent shall furnish the information / documentation, in such form at the specified customs office or station or other place, as determined by Singapore Customs.

3.12 Will Singapore Customs conduct validation checks at a company's site?

Singapore Customs will conduct selective validation checks at a declaring agent's premises. Singapore Customs may also request for the submission of the company's internal control procedures and processes when necessary. The declaring agent must extend the fullest cooperation to Singapore Customs when requested to produce such records / documents. Punitive and / or revocation actions may be taken against any declaring agent who provides false information.

3.13 How and when will the results of the assessment process be communicated to the company by Singapore Customs?

Singapore Customs will issue a letter via email or fax to inform the key personnel of the company of the approval or rejection of its declaring agent account registration / renewal application. The letter will contain information on the declaring agent's banding and its registration validity period. To ensure that the key personnel receives timely alerts, the declaring agent is encouraged to update its contact details regularly.

3.14 What are the consequences for a company who fares badly in the assessment under the Declaring Agent Governance Framework?

Under the framework, no declaring agent will fail the assessment. A declaring agent who does not fare well will be placed under the "DA Basic" band.

4 Banker’s Guarantee Requirements

4.1 Why is there a need to lodge a Bankers’ Guarantee (BG)? My company is currently not lodging a BG with Singapore Customs. Is this a new requirement under the Declaring Agent Governance Framework?

Generally, BG is required for revenue protection purposes, and such security is required for certain types of import shipments (e.g. for shipments involving dutiable goods or for temporary importation of goods). If your company does not handle transactions that require BG, you are not required to lodge a BG under the Declaring Agent Governance Framework.

4.2 How will the amount of Bankers’ Guarantee (BG) be derived under the Declaring Agent Governance Framework? Is it based on the size of the company?

Generally, BG is required for revenue protection purposes, and such security is required for certain types of import shipments (e.g. for shipments involving dutiable goods or for temporary importation of goods). With the introduction of the Declaring Agent Governance Framework, there is no change to the BG requirement and how the quantum of BG amount to be lodged is computed. More details can be found in our website (http://www.customs.gov.sg/leftNav/trad/reg/Security+Requirements+and+Procedure.htm). Companies, however, will get to enjoy lower or waiver of BG requirement if they score well under the framework.

5 Customs Courses & Competency Test for Declarants under the Declaring Agent Governance Framework

5.1 Is it mandatory for all declarants (both new and existing) to sit and pass the competency test?

Only **new declarants** (i*.e. individuals who just entered the industry* ***on and after 7 Jan 2013****, has never submitted a trade declaration before, and was never issued with a TradeNet® User ID)* are **required** to sit for and pass the mandatory competency test with effect **from 7 Jan 2013**. **Existing declarants** (*i.e. individuals who is experienced in trade declaration submissions, customs procedures and documentation, and issued with a TradeNet® User ID* ***before 7 Jan 2013****)* are **not required** to sit for and pass the mandatory competency test. However, if a **declarant** has **poor compliance records** with Singapore Customs, they may also be **requested** to sit for and pass the competency test.

5.2 Is it mandatory for all declarants to attend courses conducted by Singapore Customs prior to them sitting for the competency test?

No. It is not mandatory. Besides attending such courses conducted by Singapore Customs, declarants can acquire the necessary customs documentation and procedural knowledge at their own pace by either visiting our website (http://www.customs.gov.sg/topNav/hom/), accessing the eLearning Courseware (http://www.customs.gov.sg/elearning/main.htm) or learning electronically at their own pace by accessing the animated lessons or webcasts available at our Virtual Academy (https://www.customsacademy.gov.sg/reception-area.aspx).

5.3 I was a declarant in my former company, and recently, I joined another company as a declarant. Do I still need to sit for the mandatory competency test?

No, you are not required to sit for the mandatory competency test if you have previously been issued with a TradeNet® User ID when you were working in your former company. For the company that you will be working for, the company needs to indicate that you have previously been issued with a TradeNet® User ID when it is applying to become a declaring agent or updating / renewing its existing declaring agent account.

5.4 Will Singapore Customs be charging fees for the mandatory competency test for declarants?

A fee of $29.96 (inclusive of GST) is payable for each round of participation in the competency test held at Singapore Customs.

5.5 What is the format of the competency test and where will it be held?

The modalities of the competency test are as follows:

Format:	50 MCQs
Venue:	Singapore Customs Academy
Duration:	1 hour (Weekdays)
Style:	Open book (*Individuals are required to bring a calculator and are free to bring in any hardcopy reference materials on the actual test day. A copy of Singapore Trade Classification, Customs and Excise Duties 2012 will be provided for reference.*)

(Note: Singapore Customs reserves the right to review the modalities of the competency test. Advance notice of the changes will be communicated to the industry.)

5.6 What areas / topics will the declarants be tested on?

The aim of the competency test is to equip new declarants with adequate knowledge on customs procedures so that they are proficient in the declaration of permits. Hence, generally, the declarants will be tested on the following areas:

1. Introduction to Customs Procedures
   - Overview of Customs import, export and transhipment procedures
   - Overview of TradeNet® system
   - Registration procedures
   - Controlled / Prohibited / Dutiable items
   - Customs duty, excise duty and Goods and Services Tax (GST)
   - Duty / Tax rates and calculations

2. TradeNet® Declarations
   - Different types of permit declarations
   - Relevant permit conditions
   - Amendments and cancellations of permit declarations
   - Refunds

3. Valuation
   - Introduction to World Trade Organisation (WTO) Valuation Agreement
   - Methods of valuation
   - Incoterms
   - Common valuation issues

4. Classification
   - Purpose of Harmonized System (HS)
   - Structure of HS
   - General Interpretation Rule

5. Rules of Origin (ROO)
    - Purpose of ROO and Certificate of Origin (CO)
    - ROO methodology
    - CO application procedures
    - Free Trade Agreements (FTAs)

6. Specialised Procedures
    - Temporary importation / exportation procedures
    - ATA Carnets
    - Manifest procedures
    - Duty Exemption / GST Relief
    - Strategic Goods / Chemical Weapons Convention
    - Customs Schemes and Licenses e.g.
        - ➢ Licensed Premises Scheme
        - ➢ Zero GST Warehouse Scheme

5.7 How can a declarant acquire the necessary customs documentation and procedural knowledge to sit for the competency test?

To facilitate learning, Singapore Customs has made available several avenues for declarants to acquire the necessary customs documentation and procedural knowledge. Declarants can either visit our website (http://www.customs.gov.sg/topNav/hom/), attend courses held at our Customs Academy or learn electronically at their own pace by accessing the animated lessons (http://www.customs.gov.sg/elearning/main.htm) or webcasts available at our Virtual Academy (https://www.customsacademy.gov.sg/reception-area.aspx).

5.8 How frequent is the competency test being conducted by Singapore Customs?

For a start, Singapore Customs will be conducting 1 to 2 runs of the competency test on a monthly basis. Singapore Customs will gauge the intake volume and assess if there is a need to increase or decrease the frequency of the runs where necessary.

5.9 How do I enrol for the competency test?

You may enrol for the Competency Test via Singapore Customs - Customs Academy website (https://www.customsacademy.gov.sg/reception-area.aspx).

5.10 My new declarant is based in Malaysia. Is he required to sit for the mandatory competency test in person?

Yes. The declarant has to bring along his Identity Card / Passport to sit for the test personally at the Singapore Customs Academy. This is to ensure that the TradeNet® User ID will be issued to the same declarant who has passed the test.

5.11 What are the consequences if a declarant fails the mandatory competency test?

If an individual fails the competency test, he / she will not be allowed to be registered as a declarant. However, he / she may re-take the competency test, whenever he / she is ready. The relevant fees will be payable every time he / she re-takes the test.

6 Penalties under the Declaring Agent Governance Framework

6.1 Will there be any penalties imposed on a company for non-compliance under the Declaring Agent Governance Framework?

Non-compliance to the registration requirements, substantial contravention of any provisions of the Customs Act, Regulation of Imports and Exports Act or any regulations made thereunder or material breach of any terms and conditions issued under the Declaring Agent Governance Framework constitutes as an offence. Penalties in the form of (i) suspension or revocation of a company's status, (ii) downgrading of banding and the associated benefits, (iii) fines and / or (iv) jail term may be imposed by Singapore Customs.

6.2 When will a company be suspended or terminated under the Declaring Agent Governance Framework?

A company can have its banding under the Declaring Agent Governance Framework suspended or terminated by Singapore Customs if:

a. The company has substantially contravened any provision of the Customs Act, Regulation of Imports and Exports Act or any regulations made thereunder or it has materially breached any condition imposed under these Acts and regulations; or

b. Declaring entity, declaring agent or declarant ceases to be 'fit and proper'; or

c. The declaring agent or declarant fails to renew its declaring agent status within the stipulated renewal window.

7 Others

7.1 Are declaring agents and declarants bound by any terms and conditions?

Yes. Declaring agents and declarants who are registered with Singapore Customs are to, at all times, abide by a set of terms and conditions which they sign and acknowledge during their initial registration and renewal. Please click here to access the terms and conditions for declaring agents and click here to access the terms and conditions for declarants. These terms and conditions broadly set out the responsibility and due diligence expected from declaring agents and declarants. Any material breach or substantial non-compliance may result in (i) suspension or revocation of the declaring agent's and declarant's registration status, (ii) fines and /or (iii) jail term imposed by Singapore Customs.

7.2 My company has been outsourcing the trade declaration functions to an external party. Is this practice allowable?

This is a commercial business decision. However, Singapore Customs wishes to reiterate that no sharing of TradeNet® User ID is allowed and this is in accordance to the terms and conditions issued to declaring agents and declarants, and Customs Circular No. 10/2010 issued on 22 July 2010.

7.3 My company is a declaring agent, and has been outsourcing the trade declaration functions to another party. We will not be able to ensure that the party has robust internal control procedures and processes to meet Singapore Customs' requirements under the Declaring Agent Governance Framework. Is this acceptable?

When outsourcing the trade declaration functions to another party, the outsourcing company has to be accountable for the trade declarations which are submitted by the outsourced party.

7.4 Can a declarant share his TradeNet® User ID with other individuals?

All declarants must keep their TradeNet® IDs and passwords confidential. No sharing of TradeNet® User ID is allowed and this is in accordance to the terms and conditions issued to declaring agents and declarants, and Customs Circular No. 10/2010 issued on 22 July 2010. Any substantial contravention with the terms and conditions and circular is an offence and may result in suspension or revocation of TradeNet® User ID and password of the declarant.

7.5 Is there an appeal process under the Declaring Agent Governance Framework?

A company can lodge an appeal against a decision of Singapore Customs with regard to the company's banding under the Declaring Agent Governance Framework. The company has to write in to lodge its appeal, providing explanations, to Singapore Customs within 14 calendar days from the date of receipt of the decision communicated. Please note that any decision after appeal by Singapore Customs will be final.

7.6 Will Singapore Customs be able to inform companies who have outsourced their permit declaration functions to an external declaring agent party when this specific declaring agent party has been suspended or terminated to prevent hindrance to their business functions?

No. Singapore Customs will not be able to inform companies who outsource their trade declaration functions to an external declaring agent party when this specific external declaring agent party has been suspended or terminated. When the declaring agent has been suspended or terminated, it will not be able to submit any trade declarations for itself or on behalf of other companies.

7.7 Who will have access to business documents / information provided in companies' applications under the Declaring Agent Governance Framework?

The business documents / information submitted are for Singapore Customs' purposes only and will not be disclosed to a third party without the companies' prior written consent. All business documents / information provided by the companies will remain confidential.

7.8 How will a declaring agent know what are the new requirements arising from the Declaring Agent Governance Framework?

Singapore Customs will be conducting several rounds of awareness outreach sessions to guide you through the requirements under the Declaring Agent Governance Framework. Individual invitation letters will be sent to the key personnel of the declaring agents and it will be held tentatively between Feb 2013 and Mar 2013. More information will be shared subsequently.

7.9 Contact information

Should you need further information, clarifications or advice, please contact our Procedures & Systems Branch Officers via:

a. email to customs_documentation@customs.gov.sg; or

b. phone to our Call Centre at 6355 2000.