



Domestic Industry Outreach and International Collaboration

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19th Asian Export Control Seminar
7th – 9th February 2012, Tokyo

Outline

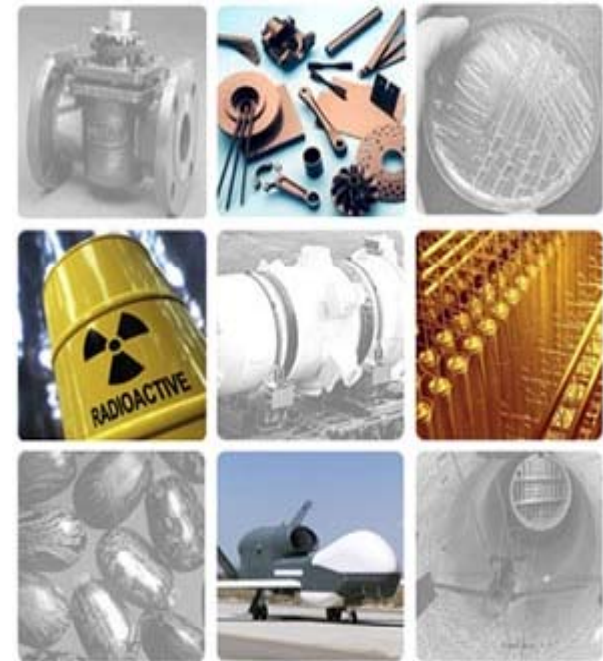
- Introduction to Strategic Goods Control
- Industry Outreach
 - Principles
 - Importance
 - Different Modes
 - Challenges
- International Cooperation
 - Objectives
 - Singapore's Experiences
- Conclusion

Introduction to Strategic Goods Control

- Strategic Goods (Control) Act (SGCA)
- Controlled transactions:

- Export/re-export
- Transshipment
- Transit
- Brokering
- Intangible transfer of technology
- Basis of control:

Control List (*ML, DL Lists*) or
WMD end-use (*'relevant activity'*) – 'Catch-All'



Industry Outreach

Principles of Outreach



Awareness



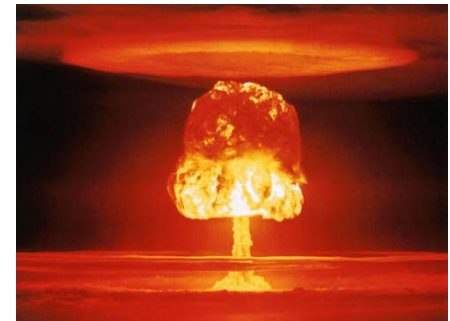
**Up-to-date on
International
Developments**



**Promote Internal
Compliance**

Importance of Outreach

- Incidences of “innocent” errors ↓
- Encourage traders to exercise due diligence
- Enables Singapore Customs to focus our attention on less compliant companies
- Encourages them to support our initiatives to curb WMD proliferation



Different Modes of Outreach

Seminars

WA Outreach
Visit, 30 May
2011



Joint Outreach
Seminar (US, Japan, Hong Kong,
Malaysia & EU),
23 May 2011



US-SG Export Control Seminar,
17 Jan 2011

Strategic Goods Control Brochures

What is Strategic Goods Control?

It is a system to regulate trade in or transfer of strategic goods and related software and technology in order to curb the proliferation of weapons of mass destruction (WMD). Strategic goods relate to the development, production, and use of nuclear, chemical or biological weapons, and conventional arms and military equipment, as well as certain "dual-use" goods that have both civilian and sensitive military applications or that can potentially be used as precursors or components for WMD.

Why Control Strategic Goods?

Singapore shares the concerns of the international community on the proliferation of WMD. As a major trading and logistics centre, our robust strategic goods control regime would provide greater confidence to our trading partners in granting us access to their high-end equipment and technology because they know that any shared technology will remain in safe hands. This is in line with the United Nations Security Council (UNSC) Resolution 1540 adopted in April 2004 which stipulates that all States should implement domestic legislation to prohibit any form of support

- ▶ Category 0 - Nuclear Materials, Facilities & Equipment
- ▶ Category 1 - Special Materials & Related Equipment
- ▶ Category 2 - Materials Processing
- ▶ Category 3 - Electronics
- ▶ Category 4 - Computers
- ▶ Category 5 - Telecommunications & Information Security
- ▶ Category 6 - Sensors & Lasers
- ▶ Category 7 - Navigation & Avionics
- ▶ Category 8 - Armaments
- ▶ Category 9 - Aerospace & Propulsion

Each category is further divided into different sub-categories as follows:

- ▶ Sub-Category A - Systems, Equipment & Components
- ▶ Sub-Category B - Test, Inspection & Production Equipment
- ▶ Sub-Category C - Material
- ▶ Sub-Category D - Software
- ▶ Sub-Category E - Technology

There are three types of permits viz. Tier 1, Tier 2 and Tier 3 Permits. Generally, the level of facilitation and flexibility accorded to a company will be contingent upon the quality of the company's ICP and its bonding under TradeTRIS (Trade Facilitation & Integrated Risk-based System). The framework holistically assesses and grants facilitations to a company according to a single set of assessment criteria applied across all schemes.

Permit Type	Type of Trade	Nature of Transaction	Qualifying Criteria
Tier 1	Export, Re-export, Intangible Transfer of Technology	Pre-approved multi-exports to pre-qualified destinations (under M.C.S. Bond - pre-approved)	Implement an effective Internal Compliance Programme (ICP) with ALL 7 criteria Achieve at least the "Enhanced" level under TradeTRIS
Tier 2	Export, Re-export, Transshipment, Intangible Transfer of Technology	Multi-exports to specific end-user / specific product to multi-exports	Implement an effective ICP that falls at least the "Key" status Achieve at least the

STRATEGIC GOODS CONTROLS

Export, Transshipment, Transit, Intangible Transfer of Technology & Brokering

A Brief Guide



RED FLAGS - CHECKLIST

Do you know your Customer?

- Is he acting suspiciously? Is his identity dubious?
- Is he reluctant to disclose the end-use of the product?
- Is the shipping route to the final destination unusual?
- Is he paying cash for extremely expensive item(s)?
- Are the product's capabilities incompatible with his business?
- Is the item incompatible with the technical level of the country to which it is being shipped to?
- Does the customer have title or no business background?
- Is the freight forwarding firm listed as the product's final destination?
- Has he declined provision of routine installation, training or service maintenance?
- Is the product packaging inconsistent with the method of shipment or the destination stated in his submission?

IF THE ANSWER IS "YES" TO ANY OF THE ABOVE, ABOUT THE TRANSACTION, YOU SHOULD CONDUCT FURTHER END-USER AND END-USE SCREENINGS TO SATISFY YOURSELF THAT IT IS A LEGITIMATE TRANSACTION BEFORE CONSIDERING TO PROCEED WITH THE TRANSACTION.

If you suspect any violation of the SGCA/SGCR, please report to Singapore Customs.
Tel: 1800 233 0000
Email: customs_intelligence@customs.gov.sg



Trade Division, Singapore Customs
55 Newton Road, #07-02, Revenue House, Singapore 307987

This pamphlet is designed for information only and has no force in law. Where legal advice is required, please seek advice from your own legal advisers. Information in this pamphlet is valid at the time of printing.

Interpretations

- ▶ *Export/re-export* includes shipments consigned to local parties.
- ▶ *Transshipment* refers to goods that are on through bill of lading (B/L) or air waybill (AWB) and are reloaded onto the same or another conveyance in Singapore i.e. without being consigned to a Singapore party.
- ▶ *Goods brought into transit* refers to the goods that are on through B/L or AWB and stay on board the conveyance headed for another foreign destination. These goods are not unloaded at the port and do not have a local consignee.
- ▶ *Intangible transfer or electronic transmission* of controlled strategic goods technology refers to any transmission done in Singapore by electronic means (fax, internet or email), or the act of making the controlled technology available in Singapore on a computer, so that it becomes accessible to a person in a foreign country.
- ▶ *Brokering* refers to arranging or negotiating, or carrying out any act to facilitate the arrangement or negotiation of a contract for the acquisition or disposal of any controlled goods or technology if that person knows or has reason to believe that such a contract will or is likely to result in the removal of those goods and technology from one foreign country to another foreign country.

Import Certificate and Delivery Verification (ICDV)

Some strategic goods transactions require endorsements by Singapore Customs for verification on whether the strategic goods will be used in Singapore, or for re-export to a third country, or to export authorization from the supplying country. The application form is available at http://www.customs.gov.sg/sgcr/infonav/imp/import_certificate.htm. Singapore Customs may also require a Letter of Declaration by the foreign exporter or a Letter of Confirmation by the exporting country. A delivery verification may be required by the supplying country upon arrival of the goods into Singapore. Upon importation of the ICDV item, the ICDV Approval No. must be keyed into the Import Permit. The process is summarised below.



Enforcement

Singapore Customs officers are empowered to search, seize and to request for or access information and documents concerning any strategic goods shipments or transfers. With assistance from relevant agencies, such as the Singapore Police Force, Immigration and Checkpoints Authority, port authorities, relevant competent authorities and technical agencies, we conduct regular compliance audits and physical examination of suspected shipments and sensitive consignments at air board carriers, on board carriers, based on risk assessment, targeted profiling and specific intelligence.

Penalties

All parties have the responsibility to exercise due diligence and ensure that any transfer of strategic goods and related technology are accompanied with a valid permit. When in doubt, always seek for more information on the technical specifications and military expertise of the goods, its end-user, as well as the end-user, and request for applicable licences from the relevant supplying and importing countries. The maximum penalty for offences under the SGCA is:

- a fine not exceeding \$5100,000 or 3 times the value of the goods or technology in respect of which the offence was committed, whichever is higher, or to an imprisonment for a term not exceeding 2 years, or to both, on a first conviction; or
- a fine not exceeding \$3200,000 or 4 times the value of the goods or technology in respect of which the offence was committed, whichever is higher, or to an imprisonment for a term not exceeding 3 years or to both, on a second or subsequent conviction.

Other Competent Authorities (CA)

Strategic goods such as arms and explosives, chemical weapons, precursors and certain other chemicals, which are also controlled by other CAs will continue to be subject to those agencies' licensing and other regulatory requirements stipulated under their relevant legislation. Traders only need to apply for a single TradePermit Permit processed by the respective CAs and Singapore Customs. For more information, please visit www.tradeexchange.gov.sg

Other Legislation

Other implementing applicable legislations include the United Nations Act and Regulations, the Regulation of Imports and Exports Act and Regulations, the Chemical Weapons (Prohibition) Act and Regulations, the Arms and Explosives Act and Regulations, and the Radiation Protection Act and Regulations.

International Cooperation

Singapore Customs actively supports our trading partners and international export control regime's capacity building efforts through our participation in international export control fora. For effective enforcement, Singapore Customs works closely with foreign governments in intelligence gathering efforts and information exchange on related strategic goods offences.

Public Awareness

Singapore Customs conducts regular industry outreach activities which includes conducting briefings, seminars and company visits. We also conduct courses and seminars for traders on the SGCA/SGCR compliance. For more information on our courses and seminars, please refer to the respective URLs: <http://www.customs.gov.sg/sgcr/infonav/cou/> and <http://www.customs.gov.sg/sgcr/infonav/cou/seminars.htm>

Strategic Goods Control Website

Visit our strategic goods control website at <http://www.customs.gov.sg/sgc> to obtain a comprehensive overview of our strategic goods control system with links to other countries' and international export control regimes. You are encouraged to register to our website to enable us to get timely and regular updates on our regulatory procedures and on upcoming courses and seminars. You could also submit your views and feedback through the contact details on our website.

Transmit or Hand-Carry Software and Technology

If you carry any strategic goods, you must submit an Application for Permit to Export Strategic Goods Related Software and Technology to Singapore Customs for its prior to any such act.

Broker Goods under the Permit (Brokering) Order

Persons listed under the Strategic Goods First Register with Singapore Customs, to Broker Goods under the Strategic Order 2007, form with supporting least 7 working days prior to the

Fit to Broker WMD Related Technology

Persons who and technology must submit an WMD Related Goods and Technology Fit to Broker Goods under the Strategic Order 2007, form with supporting least 7 working days prior to the

is available from

<http://sgcr/infonav/imp/Permits.htm>

UNSC Resolutions

United Nations (UNSC) resolutions sanctioning strategic countries and/or entities, will permit requirements provided under will instead be enforced. www.un.org/sgcr/infonav/imp/

Website: <http://www.customs.gov.sg/sgc>
Tel: 651 6355 2000
Fax: 651 6352 2136 (Tier 1 permits, ICDV)
651 6357 9556 (Tier 2 & Tier 3 permits)
Email: customs_tgc@customs.gov.sg



Strategic Goods Control Courses



Website

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Strategic Goods Control (STGC)
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Highlights

Strategic Goods Control List
20 Apr 10 Gazette of the Strategic Goods (Control) Order 2010 (Compendia). [More](#)

15 Mar 10 Gazette of the Strategic Goods (Control) Order 2010. [More](#)

12 Feb 10 Highlights of Key Changes to the Strategic Goods Control List (effective from 1 Apr 2010). [More](#)

Handbook on Strategic Trade Scheme
25 Jan 11 Update to Handbook on Strategic Trade Scheme (STS). [More](#)

Press Releases
29 Oct 10 Singapore Tightens Controls on Strategic Trade with North Korea and Iran. [More](#)

20 Oct 09 Singapore and Japan Reinforce Export Controls for Strategic Goods & Technology. [More](#)

15 Jul 09 Singapore Customs and US Department of Commerce in bilateral talks to foster closer cooperation on export controls for strategic goods. [More](#)

Circulars
27 Oct 10 Prohibition of Imports, Exports and Goods in Transit from the Democratic People's Republic of Korea and Iran. [More](#)

30 Jul 10 Reminder on Declaration Procedures for Strategic Goods Permit Applications. [More](#)

30 Jul 10 Changes to the Strategic Goods Control Branch. [More](#)

Upcoming Events

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DID YOU KNOW?
The advance submission period for strategic goods permit applications with complete supporting documents is 5 working days.

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United Nations Security Council (UNSC) Sanctions

Country/Entity	Items
Alghanidan Reference: Resolution 1333 (2000) (DOC 57KB)	Exports of: a. Arms and related materiel of all types including - i. weapons; ii. ammunition; iii. military vehicles and equipment; iv. paramilitary equipment; b. Spare parts for items listed in (a); and c. The chemical acetic anhydride.
Democratic Republic of Congo Reference: Resolution 1533 (2004) (DOC 35.1KB)	Exports of: a. Arms and related materiel of all types including - i. weapons; ii. ammunition; iii. military vehicles; iv. military equipment; v. paramilitary equipment; b. Military aircraft of all types; and c. Spare parts of any items falling under paragraph (a) or (b).
Cote D'Ivoire Reference: Resolution 1572 (2004) (DOC 38.3KB)	Exports of: a. Arms and related materiel of all types including - i. weapons; ii. ammunition; iii. military vehicles; iv. military equipment;

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STGC Home > Sanctioned Lists & Red Flags > Other Red Flags Indicators

Other Red Flags Indicators

Every member in the trading community plays an important role in ensuring that the strategic goods you trade in do not land in the wrong hands, and used for weapons of mass destruction purposes.

Know Your Customer

Knowing both your customer and the end-use application of your product or the strategic goods you are dealing with, ensures that your business dealings comply with Singapore law, and that they do not pose a threat to Singapore and global security.

To help you avoid becoming involved with an illegal export order or shipment, we have provided a checklist called "Alert!" to give you some warning signals to keep in mind.

Alert!

If you find yourself in any of these situations, you may be dealing with an illegal strategic goods transaction.

- You are approached by a customer whose identity is not clear.
- The customer has little or no business background.
- The customer or its address is similar to one of the parties listed in the UNSC sanctioned entity list.
- The customer usually involved in military related business.
- The customer or purchasing agent is reluctant to offer information about the end-use of the item.
- Delivery dates are vague, or deliveries are planned for out of the way destinations.
- The product's capabilities do not fit the
- When questioned, the buyer is evasive

Circulars and News Releases

1 S 614/2010

First published in the Government Gazette, Electronic Edition, on 27th October 2010 at 5:00 pm.

No. S 614

REGULATION OF IMPORTS AND EXPORTS ACT (CHAPTER 272A)

REGULATION OF IMPORTS AND EXPORTS (AMENDMENT NO. 2) REGULATIONS 2010

In exercise of the powers conferred by section 3 of the Regulation of Imports and Exports Act, the Minister for Trade and Industry hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Regulation of Imports and Exports (Amendment No. 2) Regulations 2010 and shall come into operation on 1st November 2010.

Deletion and substitution of Seventh Schedule

2. The Seventh Schedule to the Regulation of Imports and Exports Regulations (Rg 1) is deleted and the following Schedule substituted therefor:

"SEVENTH SCHEDULE Regulation 6(2)(d)

PROHIBITED IMPORTS FROM AND EXPORTS TO (INCLUDING GOODS IN TRANSIT BOUND FOR) COUNTRY OR TERRITORY

First column Country or territory	Second column Prohibited imports	Third column Prohibited exports and goods in transit
Democratic People's Republic of Korea	(1) Any arms or related matériel.	(1) Any arms or related matériel, except for small arms and light weapons.



SINGAPORE CUSTOMS
55 Newton Road #07-01 Revenue House Singapore 307987
Tel: (65) 6355 2000 Fax: (65) 6355 2156
Email: customs_documentation@customs.gov.sg
http://www.customs.gov.sg



Circular No.: 18/2010
Date: 27 Oct 2010

To: All Traders and Declaring Agents

PROHIBITION OF IMPORTS, EXPORTS AND GOODS IN TRANSIT FROM/TO THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND IRAN

We wish to inform you that we have rescinded our Customs Circular No. 02/2010 dated 19 Feb 2010, and replaced it with this new circular, with effect from 1 Nov 2010.

Democratic People's Republic of Korea (DPRK)

2. In accordance with the United Nations Security Council (UNSC) Resolutions 1718 (2006) and 1874 (2009), the importation into Singapore, exportation from or transit through Singapore to the DPRK of the following items is prohibited under Regulation 6(2)(d) and the Seventh Schedule of the Regulation of Imports and Exports Regulations (Rg 1) with effect from 1 Nov 2010:

(a) Prohibited Imports:

Any arms or related matériel.

(b) Prohibited Exports and Goods in Transit:

(i) Any arms or related matériel, except for small arms and light weapons.

(ii) Any of the following luxury items viz. cigars; wines and spirits; fur products; leather bags and clothes; perfumes and cosmetics; plasma televisions; personal digital music players; luxury cars; luxury motorboats and yachts; watches of metal clad with a precious metal; carpets; works of art, collectors' pieces and antiques; precious jewellery; and musical instruments.

(c) Prohibited Imports, Exports and Goods in Transit:

Any item, material, equipment, goods and technology related to nuclear programmes, ballistic missile programmes and other weapons of mass destruction programmes set out in the lists in the United Nations Security Council documents S/2006/814, S/2006/815 and S/2006/833, respectively, which documents are updated from time to time and made available on the

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



SINGAPORE CUSTOMS PRESS RELEASE

SINGAPORE CUSTOMS AND US DEPARTMENT OF COMMERCE IN BILATERAL TALKS TO FOSTER CLOSER COOPERATION ON EXPORT CONTROLS FOR STRATEGIC GOODS

Singapore Customs (SC) and Bureau of Industry and Security (BIS) of the US Department of Commerce engaged in a discussion on bilateral licensing issues relating to controls on strategic goods which can be used for both civilian and military purposes (dual-use) on 10 July 2009. This is the third annual dialogue session between the two agencies with the previous session held in Washington last year.

2. SC and BIS have been maintaining close cooperation on pre-licensing checks and post-shipment verifications on strategic goods exports from the US to Singapore. The licensed dual-use strategic goods made up US\$107.3 million (S\$151.3 million) of the total exports from the US to Singapore valued at US\$28.8 billion (S\$40.6 billion) in 2008.

3. During the recent dialogue session in July 2009, SC and BIS made further progress in its bilateral cooperation on the export controls for strategic goods. Both agencies discussed the possibility of simplifying the documentation required by SC for Singapore exporters shipping strategic goods to the US.

4. With the US being a key strategic trading partner of Singapore, such simpler documentation process would translate to savings in business costs and time incurred by local traders of strategic goods. In 2008, SC approved a total of 7,948 strategic goods permits, of which 780 were permits for strategic goods exports to the US. The strategic goods exports from Singapore to the US totalled S\$64.7 million last year, with 25% of these exports being dual-use products.

5. The regular dialogues between SC and BIS are mutually beneficial as the constant discussions help align the common objectives of curbing illicit diversions of controlled goods to sanctioned countries and rogue entities, whilst according greater facilitation to legitimate traders. Besides regular face-to-face talks, both agencies also co-organise industry outreach initiatives to Singapore-based companies on the export control laws of Singapore and the US. One example is the seminar on export controls for the local trade industry held jointly by the US, Japan and Singapore in June 2007. SC also participates in various overseas seminars held by its international partners of strategic goods controls on a regular basis.

6. SC's Director-General, Mr Fong Yong Kian (方永健) said, "Securing legitimate trade is every country's responsibility. Singapore Customs will continue to tap on bilateral cooperation platforms such as our annual talks with the US Department of Commerce to boost Singapore's efforts to counter the proliferation of weapons of mass destruction and controlled goods."

ISSUED BY: SINGAPORE CUSTOMS (新加坡关税局) (KASTAM SINGAPURA)

DATE: 15 JULY 2009

Briefings/Consultations

Academics

Industry
Sectors

Service
providers

Individuals/
General
public

General
briefings

Specific topics/
issues for
discussions

Inter-
agency
updates

Field Visits



Challenges

- Misperception that Strategic Goods Control hampers business
- Mismatch between participants attending seminars and the people doing the work on an operational level

International Cooperation

Objectives of International Cooperation

- Capacity Building for:
 - Regional countries
 - Singapore - ↑ national capacity
- Maintain a robust export control regime
- Networking
- Keeping up-to-date on international developments



International Cooperation



Compliance with UNSC resolutions and UN treaties & agreements

International Cooperation



PSI Deep Sabre II, 2009



IAEA Regional Seminar, 2011

International Cooperation

- Participate & Present in:
 - EXBS Conferences
 - Asian Export Control Seminars
- Partner Multilateral Regimes
- Host Study Visits



Building the Network of Non-Proliferators
24-26 May 2011 Singapore



Conclusion

- Both partnering the domestic industry as well as our international counterparts are critical factors to ensuring a successful export control regime.



Thank you