



Circular No: 01/2016  
15 Jan 2016

*We Make Trade Easy, Fair & Secure*

To Traders and Declaring Agents

Dear Sir/Madam

## **REVISION TO SINGAPORE CUSTOMS' SECURITY REQUIREMENTS FOR LIQUOR AND TOBACCO PRODUCTS**

Traders or their appointed declaring agents are currently required to furnish security to Singapore Customs (Customs) for the importation or payment of duty of dutiable goods. With effect from 1 Apr 2016, traders or their declaring agents will also be required to furnish security to Customs for certain other cargo movement types involving liquor or tobacco products.

2 The additional requirements are outlined in Table 1. Declaring agents are reminded to take note of the “*BG Indicator*” field to be declared in the TradeNet<sup>®</sup> Frontend Solution. Selecting options, other than those allowed, would result in the rejection of the TradeNet<sup>®</sup> permit application.

**Table 1: Additional movement types subject to security requirements  
with effect from 1 Apr 2016**

<b>Movement Type</b>	<b>Amount of Security Required</b>	<b>Who Can Lodge the Security?</b>	<b>Message Type</b>	<b>Declaration Type</b>	<b>Place of Receipt</b>	<b>What to Select for “BG Indicator”?</b>
(i) Movement between Licensed Warehouses (LWs)	50% of potential duty	Importer <u>or</u> Declaring Agent	TNP	REM	LWxxx (Any LW)	“I”: to use Importer’s security  “D” or blank: to use Declaring Agent’s security

**Table 1 (continued): Additional movement types subject to security requirements  
with effect from 1 Apr 2016**

<b>Movement Type</b>	<b>Amount of Security Required</b>	<b>Who Can Lodge the Security?</b>	<b>Message Type</b>	<b>Declaration Type</b>	<b>Place of Receipt</b>	<b>What to Select for "BG Indicator"?</b>
(ii) Export from Licensed Warehouse <u>by Sea or Air</u> [see also item (vi) for export <u>by road</u> ]	50% of potential duty	Exporter <u>or</u> Declaring Agent	OUT	APS	All except to LHQ and THQ	"I": to use Exporter's security  "D" or blank: to use Declaring Agent's security
(iii) Import for Re-Export <u>by Road</u>	Highest of: (a) average weekly potential duty  or (b) 50% of potential duty  or (c) \$10,000	Exporter only	INP	REX	LHQ or THQ	"I": to use Exporter's security
(iv) Transshipment under " <b>Through</b> " Bill of Lading or Airway Bill through Customs Territory with outward movement <u>by Road</u>		Declaring Agent only	TNP	TTI		"D" or blank: to use Declaring Agent's security
(v) Transshipment under " <b>Non-Through</b> " Bill of Lading or Airway Bill through Customs Territory with outward movement <u>by Road</u>		Importer only	TNP	IGM		"I": to use Importer's security
(vi) Export from Licensed Premises <u>by Road</u>		Exporter only	OUT	APS		"I": to use Exporter's security

3 Security is not required for the movement of unmanufactured tobacco. In addition, security is not required for movement types (iii) to (vi) of undenatured ethyl alcohol of alcoholic strength by volume of 80% or more.

4 Traders and declaring agents (including those which have existing security lodged with Customs) which are required to lodge new or additional security due to this new requirement will be notified before end of Jan 2016. The notification will be sent either by email or fax, based on the contact particulars of the Primary Contact and Secondary Contact registered in their [Customs Account](#).

5 In the event that the amount of security required for a TradeNet® permit application exceeds the amount lodged by traders or declaring agents with Customs, they will be required to lodge additional security before Customs can process the TradeNet® permit application. Hence, to ensure timely processing, traders or declaring agents are strongly encouraged to ensure that sufficient security is lodged with Customs by 1 Apr 2016 to cover the TradeNet® permit application.

### Clarifications

6 The updated details on the security requirements can be found on our [Customs Website](#) (under Businesses > Registering to Trade > Registration Procedures > Security Lodgement). A list of frequently asked questions (FAQs) is attached as **Annex A** for your reference. If you require further clarification, please email your enquiries to [customs\\_documentation@customs.gov.sg](mailto:customs_documentation@customs.gov.sg) or contact Customs Call Centre at 6355 2000.

Yours faithfully

Teh Thiam Siong  
Head Procedures & Systems  
for Director-General of Customs  
Singapore Customs

*(This is a computer-generated circular. No signature is required.)*

We hope that this circular has been written in a way that is clear to you. If not, please let us have suggestions on how to improve this circular at [customs\\_documentation@customs.gov.sg](mailto:customs_documentation@customs.gov.sg).

**FAQS – REVISION TO SINGAPORE CUSTOMS’ SECURITY REQUIREMENTS FOR LIQUOR AND TOBACCO PRODUCTS**

**1. Why is a new security requirement being imposed on liquor and tobacco products?**

This is to align the security requirements for such movement types with that for the importation of duty-suspended liquor and tobacco products, duty-paid releases of liquor and tobacco products for local consumption.

**2. Which companies have to lodge security for these additional movement types?**

Only the type of company(s) listed under the “Who Can Lodge the Security?” column of Table 1 of this circular may lodge the required security. For movement types where either the exporter/importer or declaring agent may lodge the security, an exporter or importer which wishes to allow its declaring agent to use its security may authorise the declaring agent to do so using the [“Application for the Authorisation of Declaring Agent\(s\)”](#) e-Service. The Key Personnel\* [for example, owner, partner or the director, based on records of the Accounting and Corporate Regulatory Authority (ACRA)] or the Authorised Personnel\*\* of the company has to log in with his/her SingPass to perform such authorisation.

\*Key Personnel: Person who is registered with ACRA

\*\*Authorised Personnel: Person who is authorised by a company’s Key Personnel with certain rights

**3. My company has already authorised a declaring agent to use my security as an importer. Do I need to authorise the declaring agent again to use my security as an exporter?**

No, the existing authorisation of declaring agent can be used regardless of whether your company is declared as an importer or exporter.

**4. My company has been using a declaring agent’s security for my TradeNet<sup>®</sup> permit applications. Why must my company now lodge a security as an importer/exporter for those movement types in Table 1 of this circular that indicates “importer only” and “exporter only”?**

Customs has assessed that the likelihood of non-compliance involved in these additional movement types is greater. This warrants the importer/exporter to be accorded with greater responsibility to ensure that such movement of goods is compliant with the regulatory requirements of Customs.

5. What is the amount of security that my company is required to lodge for these movement types?

Please refer to Table 1 of this Circular for the amount of security your company is required to lodge for the respective transactions.

In the event that the amount of security required for a TradeNet<sup>®</sup> permit application exceeds the amount lodged by your company with Customs, your company will be required to lodge additional security before Customs can process the TradeNet<sup>®</sup> permit application. Hence, to ensure timely processing of your company's TradeNet<sup>®</sup> permit applications, you are strongly encouraged to ensure that sufficient security is lodged with Customs.

6. How can my company lodge the required security with Customs?

Please refer to the "How to Lodge Security?" section in our [Customs Website](#) (under Businesses > Registering to Trade > Registration Procedures > Security Lodgement) for the procedure to lodge the required security.

7. My company has already lodged a security with Customs for our transactions with Customs. Does my company need to lodge additional security under the new security requirements?

Your company is not required to lodge additional security if the security lodged with Customs is sufficient to cover the new security requirements. Customs will take into account all existing security(s) lodged by your company with Customs and notify you by Jan 2016 if your company is required to lodge any additional security with Customs.

However, if the security lodged with Customs is insufficient to cover the new security requirements, your company's TradeNet<sup>®</sup> permit applications for these movement types submitted from 1 Apr 2016 will not be processed. Your company will be required to lodge additional security before Customs can process the TradeNet<sup>®</sup>

permit application. Hence, to ensure timely processing of your TradeNet<sup>®</sup> permit applications, your company is strongly encouraged to ensure that sufficient security is lodged with Customs.

8. What should I select for the “BG Indicator” field when submitting a TradeNet<sup>®</sup> permit application for these movement types?

For TradeNet<sup>®</sup> permit applications involving the outward movement of liquor and tobacco products by road, you should select the correct “BG Indicator” value as listed in Table 1 of this circular. If you select an incorrect “BG Indicator” value, your company’s TradeNet<sup>®</sup> permit application will not be processed.

9. According to Table 1, I am required to select “I” for the “BG indicator” to use the exporter’s security for certain OUT (APS) and INP (REX) permits. Why is “I” used to indicate the exporter’s security?

The BG Indicator “I” refers to either the importer or exporter as the case may be. For movement types (ii), (iii) and (vi) as listed in Table 1 of this circular, a selection of BG indicator “I” denotes the usage of the exporter’s security. For all other movement types, the selection denotes the usage of the importer’s security.

10. Customs currently imposes a security requirement of 50% of potential duty on the import of liquor and tobacco products for re-export. This security requirement is imposed on the import leg. What is the amount of security that my company is required to lodge for such movement types with the introduction of the new security requirements?

For a TradeNet<sup>®</sup> permit application involving the import of liquor and tobacco products for subsequent re-export by road, the exporter is required to lodge the highest of:

- a. your company’s average weekly potential duty involved in the outward movement of such goods by road;
- b. 50% of potential duty involved; or
- c. S\$10,000.

This new security requirement for the export leg now supersedes that of the import leg.

## Additional Information

The web addresses of the aforementioned websites are as follows:

- TradeNet<sup>®</sup> - Activation of Customs Account and/or Application of Declaring Agent Account:  
[https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init\\_acct](https://www.tradenet.gov.sg/TN41EFORM/tds/sp/splogin.do?action=init_acct)
- Security Lodgement:  
<http://www.customs.gov.sg/businesses/registering-to-trade/registration-procedures/security-lodgement>
- TradeNet<sup>®</sup> - Application for the Authorisation of Declaring Agent(s):  
[https://www.tradenet.gov.sg/TN41EFORM/tdsui/authdeclaringagent/addanddelete.do?doAction=INITIALIZE&APPLICATION\\_ID=TXWP](https://www.tradenet.gov.sg/TN41EFORM/tdsui/authdeclaringagent/addanddelete.do?doAction=INITIALIZE&APPLICATION_ID=TXWP)