

Singapore's Experience in Implementing Strategic Goods Control

STGCC Singapore
Strategic Goods Control



Global Transshipment and Enforcement Seminar:
Synergies of Strategic Trade Control Elements
Bangkok, Thailand
18-21 Jul 06



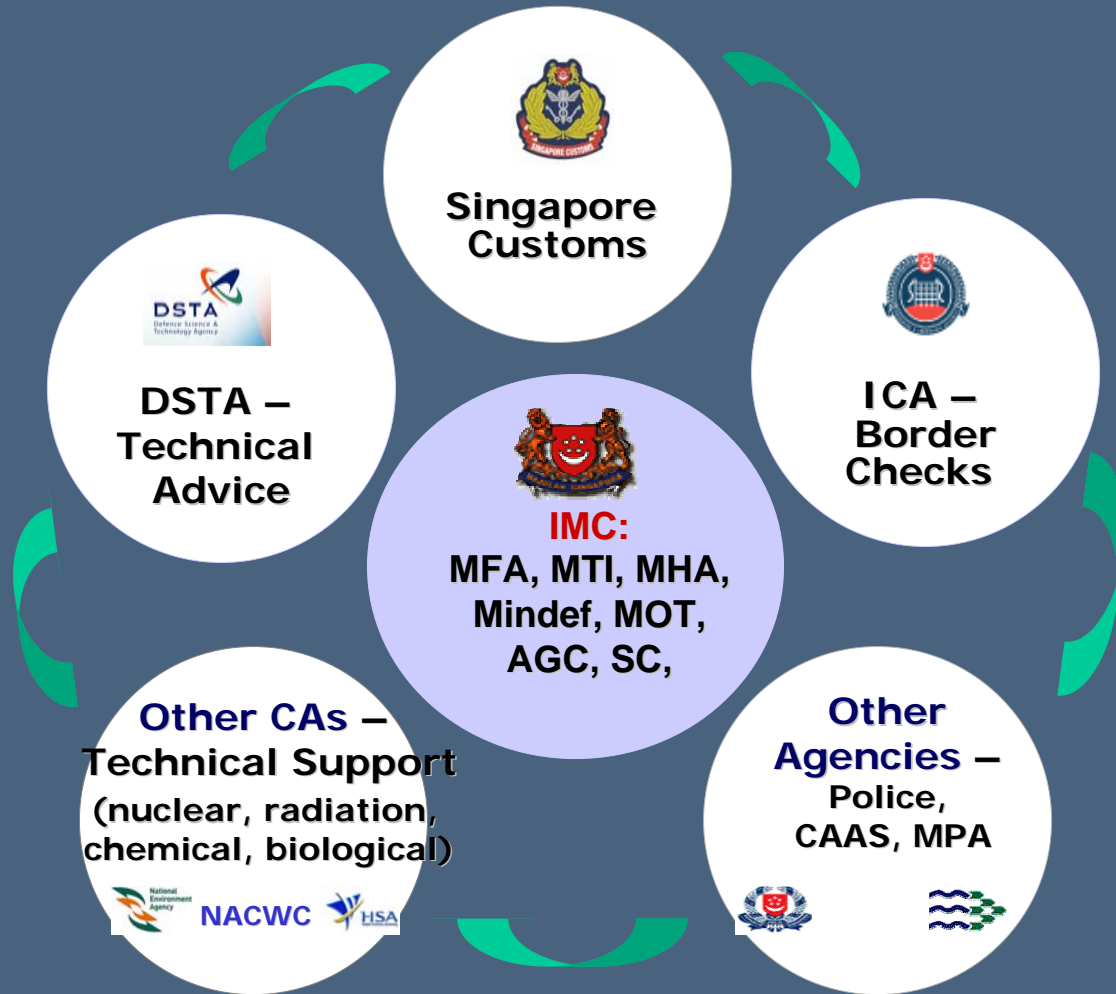
Our Vision: An Active and Valuable Partner for the Trading Community

Outline

- Scope of strategic goods controls – implemented since 2003
- Impact on Economy
- Complementary Measures
- Way Forward



Inter-agency Coordination



Our Vision: An Active and Valuable Partner for the Trading Community

*Scope of Singapore's
Strategic Goods Control*

Legislation – Strategic Goods (Control) Act

SGCA

1 Jan 2003

Control export, transshipment, transit, brokering, intangible transfer of technology (ITT)

Control list – Munitions List, Chemical and Biological List, Dual-use List

Catch-all – “relevant activity” controls

Greater enforcement powers and enhanced cooperation

KEY CLAUSES

S5 - export, transshipment, transit, ITT controls

S6 - brokering controls

S7 - permit requirements

S8 - brokering registration

S10 & 11 - information & documents (record-keeping)

S12 – confidentiality of information

Schedule (Control List)



Supporting Legislation – Strategic Goods (Control) Regulations

SGCR

7 Jan 2004

Stipulate conditions of permit approval, revocation or suspension

Implement the bulk permit

Stipulate record-keeping requirements

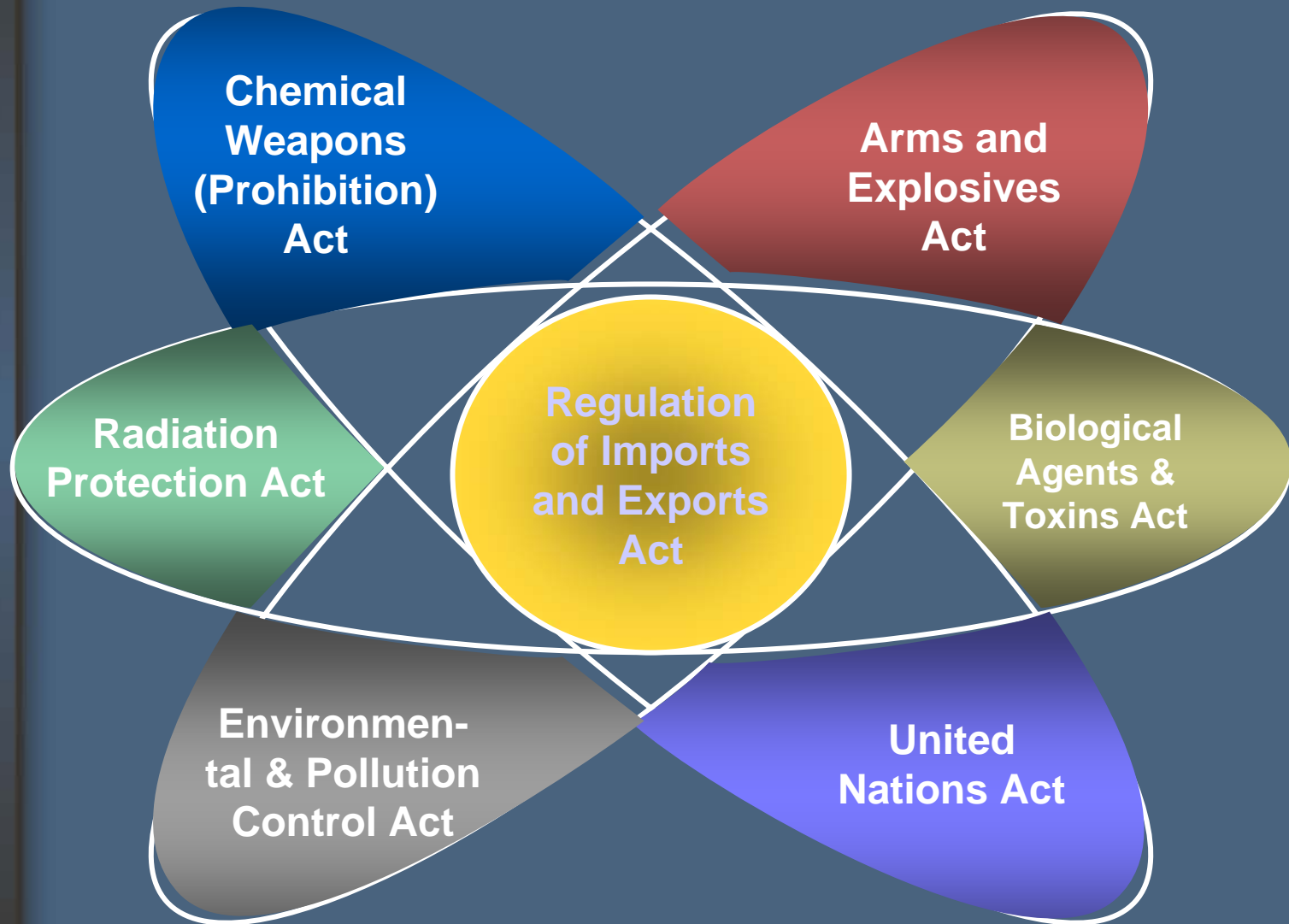
Impose composition fines for technical offences

KEY CLAUSES

- ❖ R3 - grant or renewal of single-use & bulk permit
- ❖ R14 - brokering registration
- ❖ R8, 11 & 16 - conditions of permit approval, revocation or suspension/cancellation for permits and brokering registration
- ❖ R20 - record-keeping requirements
- ❖ R24 - compoundable offences



Other Implementing Legislation



Our Vision: An Active and Valuable Partner for the Trading Community



Scope of Control

Control List

- Munitions List
- Chemical & Biological Lists
- Dual-Use List

Continually Reviewed

Transactions Controlled

- Export/ Re-export
- Transshipment
- Transit
- Intangible Transfer of Technology (ITT) – email/fax/internet
- Brokering

Catch-all

- Other goods or technology which are known or suspected to be used in a nuclear, chemical or biological weapons programme, or missiles capable of delivering these weapons

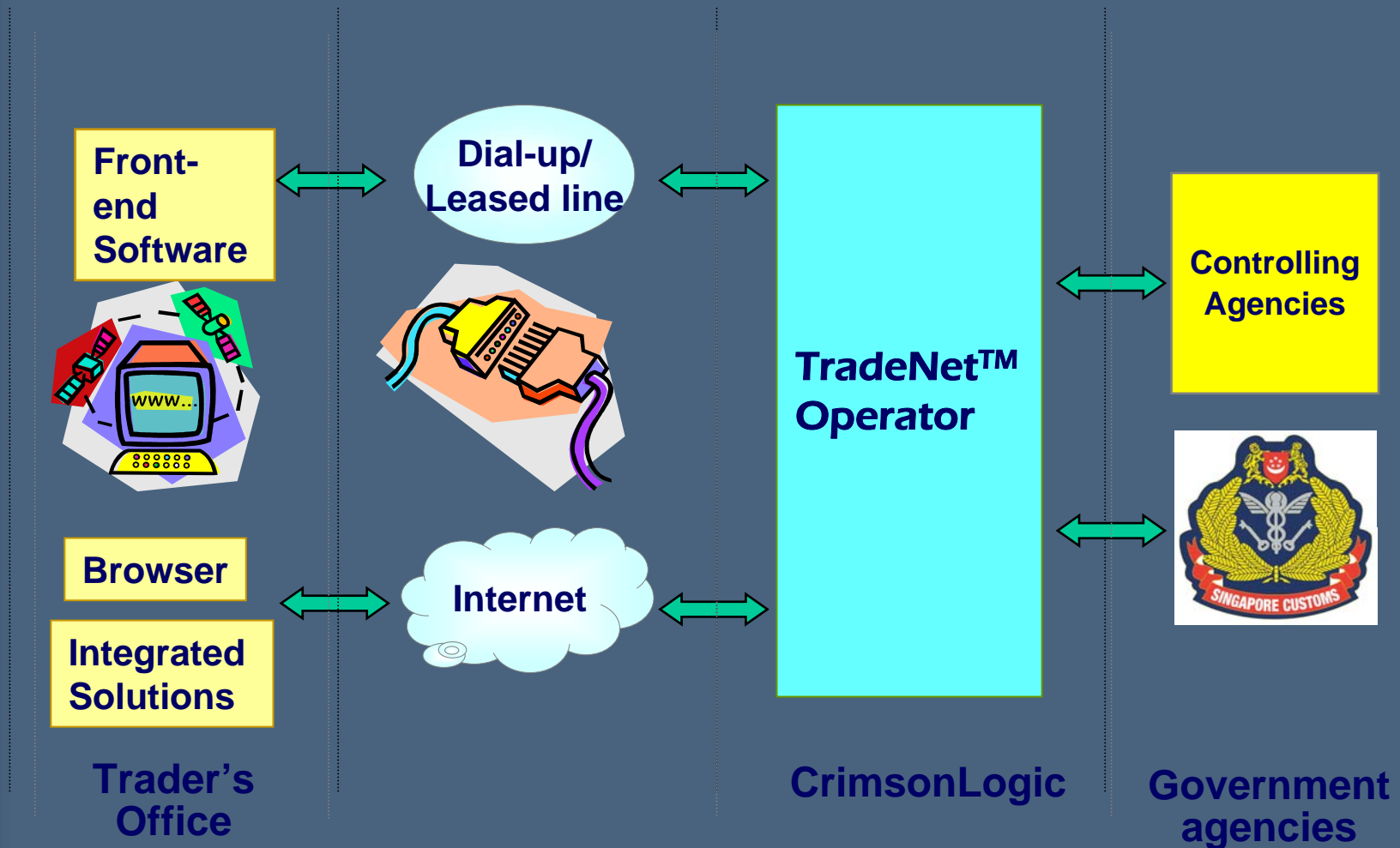


Permit / Registration Requirements

Transaction Type	Permit Type	Submission	Validity Period	Other requirements
Export/ Re-export (Per transaction)	Individual permit	Apply at least 3 days in advance	14 days	Supporting Documents
Transshipment (Per transaction)	Individual Permit	Apply at least 3 days in advance	30 days	Supporting Documents
Transit (Per transaction)	Individual permit	Apply at least 3 days in advance	30 days	Supporting Documents



Leveraging on Technology - Single window/TradeNet



Our Vision: An Active and Valuable Partner for the Trading Community



Complementary Measures - ICDV

3 stages



- Goods must be imported into Singapore within 1 year
- Goods cannot be disposed before they have been imported in Singapore
- Goods cannot be re-exported after they have been imported into Singapore, unless permitted
- No amendment is allowed on the IC issued
- Keep records for verification



Enforcement Powers

- Power to search conveyances & premises
- Power to access information & documents
- Power to access computer information
- Power to seize



Key Penalties

<ul style="list-style-type: none">● Illegal transfer, brokering of strategic goods & technology● Failure to apply permit or register	<ul style="list-style-type: none">■ Up to S\$100,000; 2 years jail for the 1st offence■ Up to \$200,000 fine; 3 years jail for 2nd / subsequent offence
<ul style="list-style-type: none">● Breach of condition of permit or registration● Furnishing false or misleading document or info	<ul style="list-style-type: none">■ up to S\$50,000 fine; 12 months jail
<ul style="list-style-type: none">● Failure to provide info & records● Failure to prepare & provide reports● Obstruction of officer	<ul style="list-style-type: none">■ up to S\$10,000 fine; 6 months jail
<ul style="list-style-type: none">● Technical offences	<ul style="list-style-type: none">■ Composition fines up to S\$10,000



E.g. of Prosecution Cases

Singaporean tried to supply 20,000 rifles to Syrian
By Khushwant Singh Jun 27, 2006
The Straits Times

A 30-YEAR-OLD Singaporean pleaded guilty yesterday to trying to supply 20,000 assault rifles to a shady Syrian arms dealer last year.

Colin Mak Yew Loong admitted to conspiring with B.R. Chaandrran, 45, to move the AKMS assault rifles, valued at US\$3.4 million (S\$5.4 million), from Bulgaria to Syria.

Chaandrran is denying the charges. In court yesterday, it was revealed that Chaandrran was an employee of Dannhauser, a company registered to deal in strategic goods such as weapons and ammunition.

When his company refused to supply a shady arms dealer in Syria, Chaandrran is alleged to have pulled off the deal on his own.

He roped in Mak, the managing director of a Swiss-based firm specialising in computer software, who helped broker the deal between the Bulgarian seller and the Syrian buyer and hid the transaction with false documents.

Acting on a tip-off, Customs officers moved in and found incriminating e-mail messages, exchanged between May and September last year, in Mak's computer. They also found that he had acted as broker for the cargo without having first registered with Customs.



NEWS RELEASE

FAR EASTRON (S) CO. PTE LTD FINED FOR EXPORTING STRATEGIC GOODS WITHOUT PERMIT

1. On 17 May 05, Far Eastron (S) Co. Pte Ltd was charged in the Subordinate Court for exporting strategic goods without the required permit in violation of the Strategic Goods (Control) Act (SGCA). The company had exported a consignment of controlled dual-use integrated circuits valued at US\$21,736 on 23 Dec 2003 without first obtaining the required strategic goods "Joint Declaration 3" TradeNet permit from Singapore Customs.
2. On 15 July 2005, Far Eastron was fined a total of \$20,000 after pleading guilty to the charge.



Permit / Registration Requirements

Brokering

Registration

- Registration for arms brokering (E-filing)
- Min 7 working days prior to brokering
- Valid for 5 years
- Supporting documents
- Audit

Permit

- WMD Brokering Permit (E-filing)
- Min 7 working days prior to brokering
- Supporting documents
- Audit

Intangible Transfer of Technology

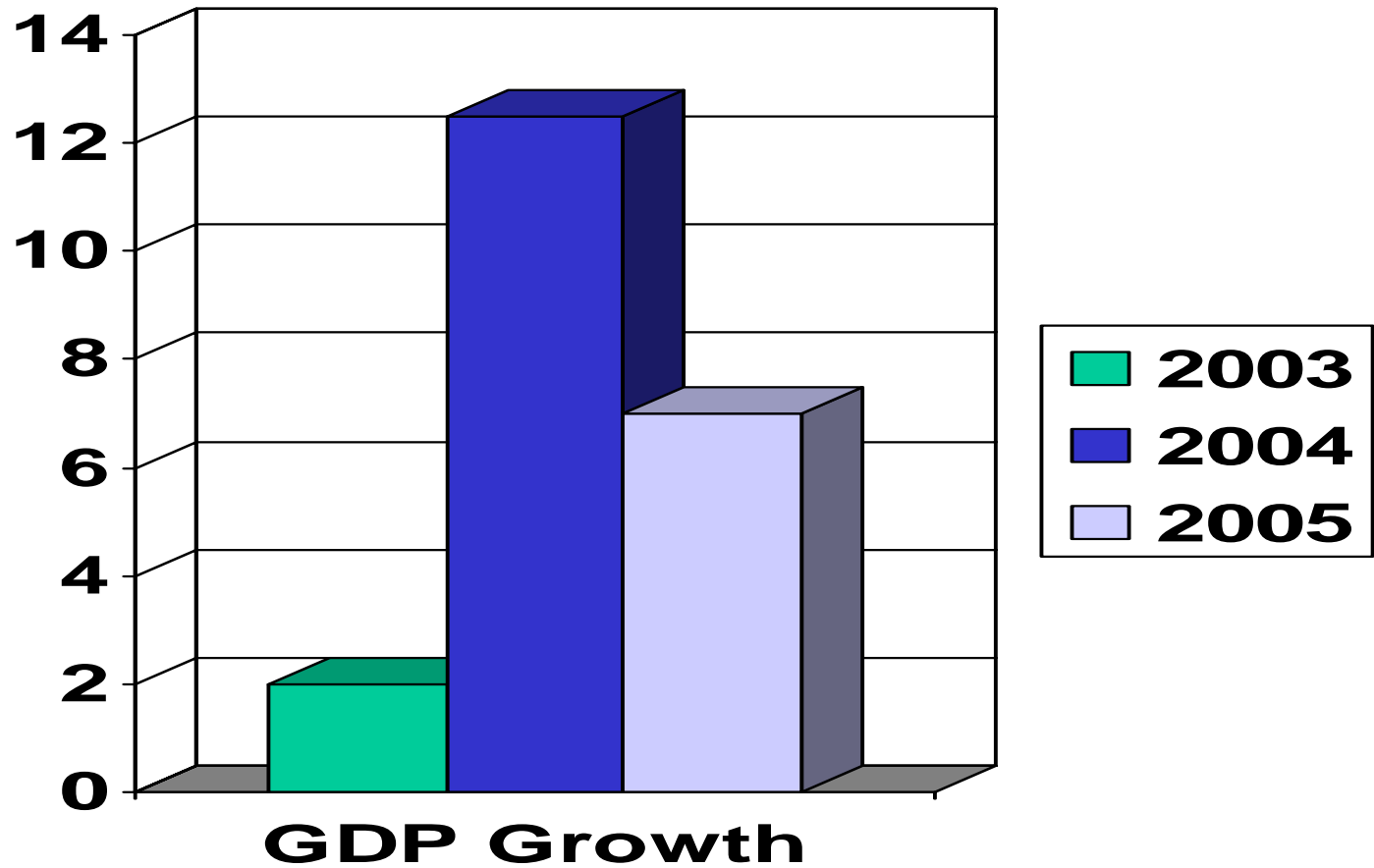
Permit

- Permit prior to any ITT transfer (E-filing)
- Min 7 working days prior to transmission
- Supporting documents
- Audit



Impact on Economy

Economic Growth



Largest & busiest ports (2005)

- Singapore - 23.19 mil TEUs
- Hong Kong - 22.43 mil TEUs
- Shanghai - 18.08 mil TEUs
- Shenzhen - 16.19 mil TEUs
- Busan - 11.84 mil TEUs



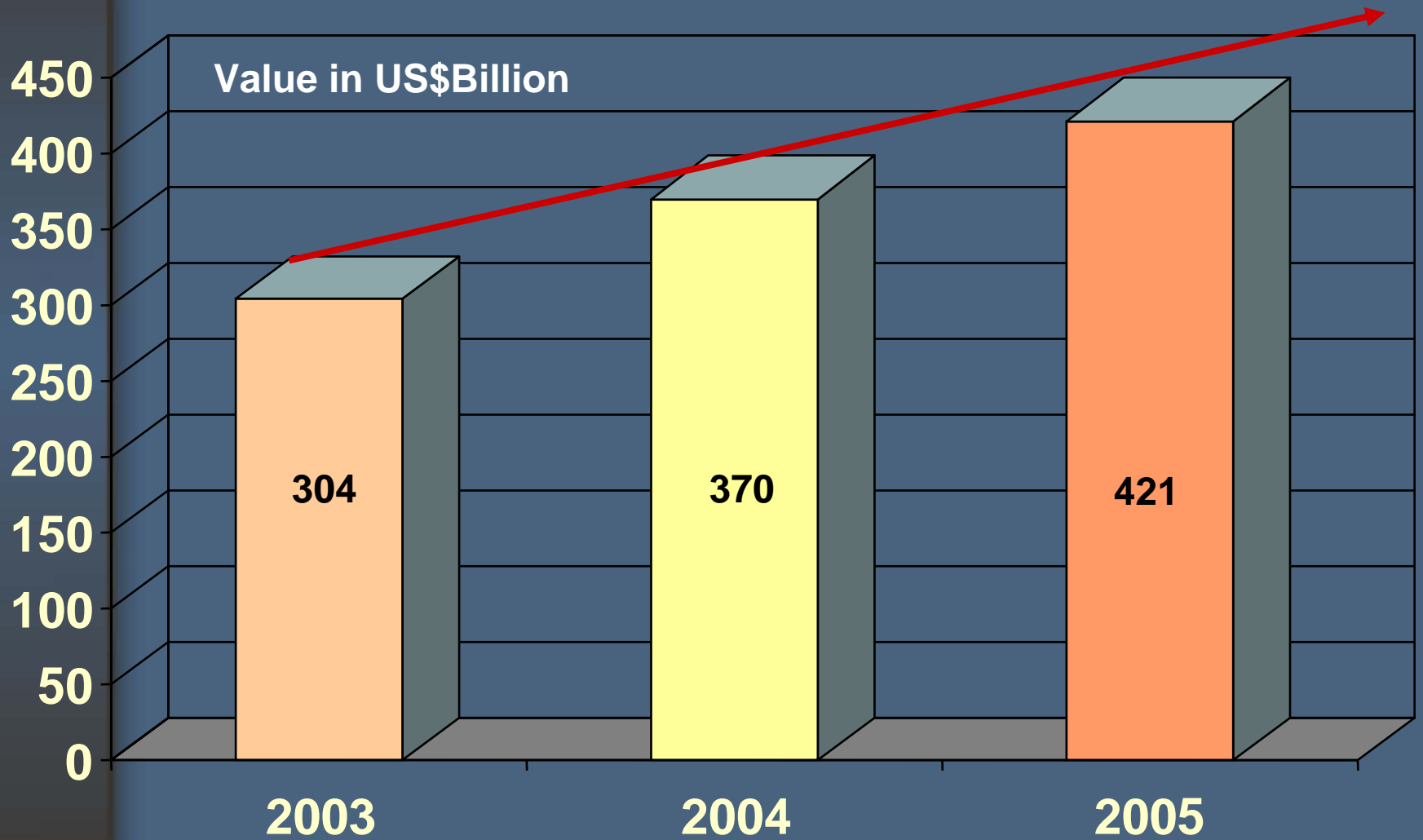
World's Busiest Port

- Manages 130,000 vessel arrivals annually
- Manages 1,000 vessel movements daily
- Port facilities - ISPS certified

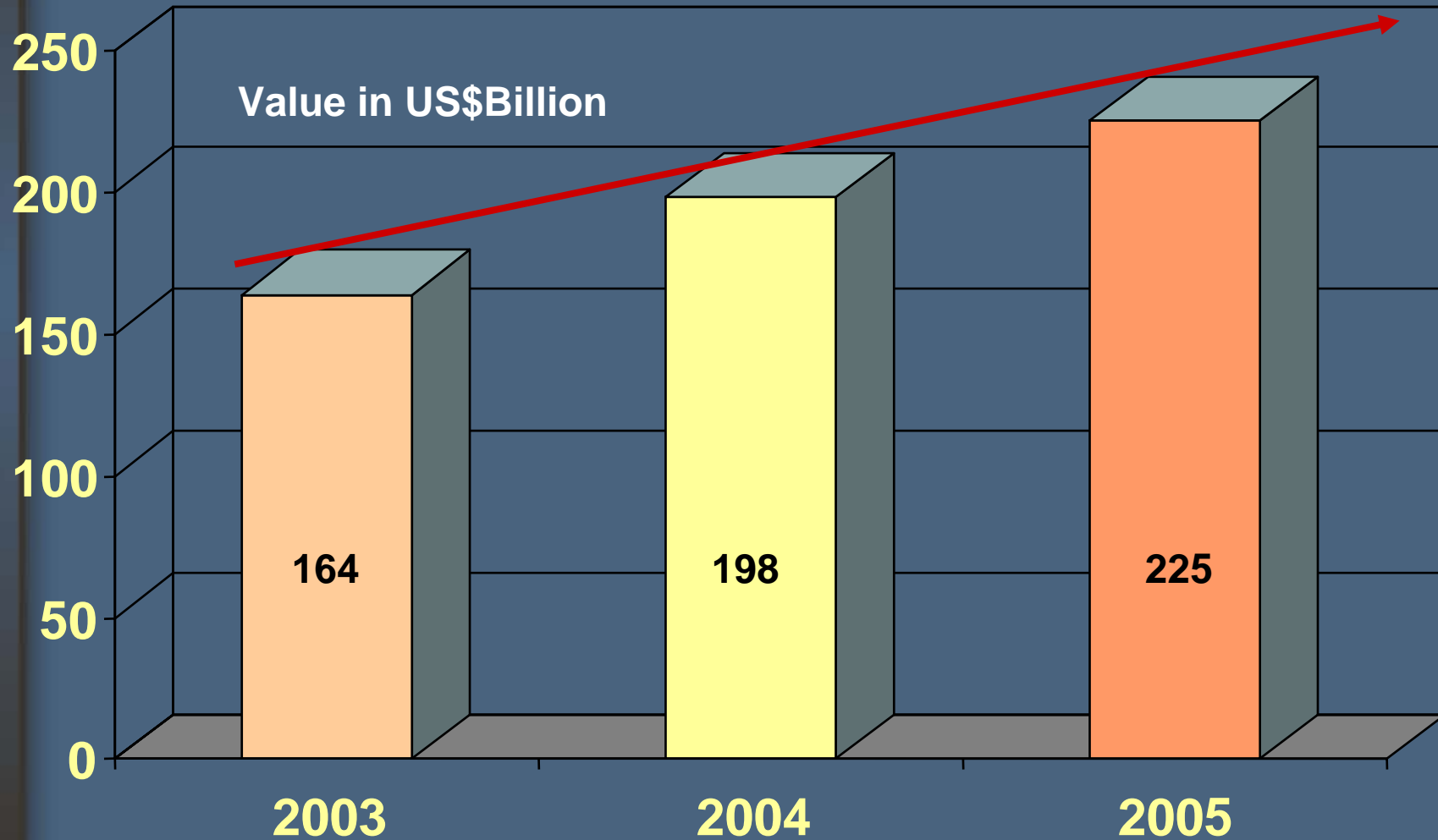


Our Vision: An Active and Valuable Partner for the Trading Community

Trade Growth



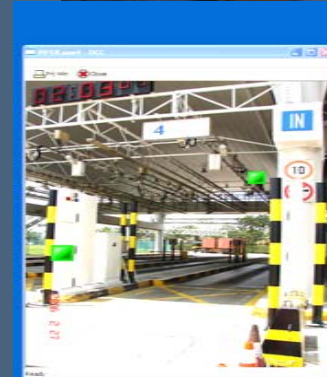
Increase in Exports



Complementary Measures

Our Counterproliferation Efforts

- Singapore signed up to the Container Security Initiative (CSI) with the US on 20 Sep 2002
- Proliferation Security Initiative (PSI) complements existing counter-terrorism efforts
- Singapore signed on to the Radiation Detection Initiative (RDI) with the US on 10 Mar 2005
- UN/ASEAN/APEC/ARF Fora



Our Vision: An Active and Valuable Partner for the Trading Community

Key Challenges Faced

- How to implement a robust system without affecting trade
 - Major Transshipment Hub
 - 23 Mil TEUs (2005)
- Limited expertise in controlled items
 - Not a nuclear producing country
 - Not a member of 4 export control regimes (AG, MTCR, NSG , WA)
- Industry concerns – divert to other ports with no or less stringent controls



Way Forward

Supply Chain Security – WCO FoS :

- Attend international profiling/exchange meetings
 - To keep abreast of international developments
 - Establish networks to exchange information & pick up best practices
- Build up technical capabilities
 - Upgrade knowledge, skills, technical understanding of both enforcing officers & trading industry
- Address industry concerns
 - Explore more facilitative measures (non-sensitive legitimate trade) / regional outreach



To send strong signal:

*“We do not condone illegal activities”
but need
careful balancing . . .*



THANK YOU