

**Implementing a more
Robust Strategic Goods Control
System
for Singapore**

New legislative, administrative and organisational frameworks

LEGISLATION

- control list
- catch-all
- trade permits
- greater enforcement
- international co-operation

ORGANISATION

- national authority
- central enforcement agency

ADMINISTRATION

- permit requirements for
- export, transshipment and transit
 - brokering of strategic goods
 - intangible technology transfers

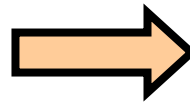
Our proposed export control system is a significant departure from our current regime



LEGISLATION

Current System

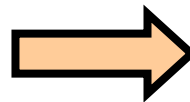
Several legislation to deal with arms, munitions, chemical weapons, nuclear related items



Enhanced System

Single legislation to govern export control in strategic goods

Limited cooperation with foreign authorities



Active co-operation with foreign authorities against illicit trade in strategic goods

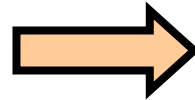
Enhanced, all-encompassing legislation with more comprehensive control



LEGISLATION

Current System

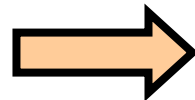
Limited control list



Enhanced System

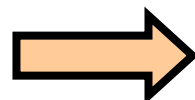
Consolidated & expanded control list: munitions, dual-use, incl components, software, technology

No controls on ITT or brokering



New controls on ITT & brokering

No “catch-all”



New catch-all provision

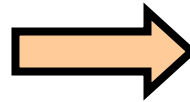
There will be more stringent administrative controls for trade-in strategic goods



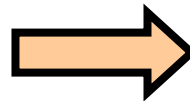
ADMINISTRATION

Current System

Coverage focus on import & export



Simple declaration of limited list of controlled goods



Enhanced System

Coverage expanded to include transit and transshipment

More info in declarations incl. product specs, end-use/ end-user

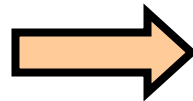
New legislative and administrative framework supported by the National Authority



ORGANISATION

Current System

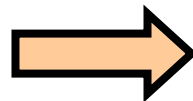
Several agencies empowered by different legislation to administer separate systems



Enhanced System

Set up of a National Authority (IE Singapore) to oversee all export control matters and to act as a single point of contact

Different enforcement agencies



Central enforcement for export control (CED)

Declarations on physical-trade in controlled goods and all other WMD goods



- **Controlled goods will be gazetted**
 - Based on UN (international) conventions
 - Based on export control regimes
- **Continually review control list**

‘Catch-All’ provision: Ensures comprehensive coverage and system robustness



- **Not possible to have an exhaustive list, thus ‘Catch-All’ provision - integral part of system**
- **To control items not in the Control List but declarant knows or suspects that they are meant for WMD purposes.**
- **Applies to**
 - **Export / re-export**
 - **Transshipment / transit**
 - **Intangible transfer of technology**
 - **Brokering**

Detailed information required for TRADENET declarations



Traders, freight forwarders, cargo agents, shipping lines, carriers/agents to apply for TradeNet Permit to:

- export, re-export, tranship or transit

Declarants will need to include these information:

- Detailed product description and technical specifications
- End use or end-user information
- Consignor and consignee details

Additional documentary evidence will be sought, where necessary.

New controls on the intangible transfers of sensitive technology

- **Permit - for electronic transfers via e-mail/internet**
- **Singapore has a growing R&D industry**
- **Need to prevent illicit transfer of sensitive technology to rogue parties**



All brokers of strategic goods will also be licensed and regulated



Brokers dealing in arms and explosives must:

- **register with National Authority**
- **apply for a Permit from National Authority - when dealing in WMD end-use goods**
- **keep records for 5 years**

The export control legislation and areas of new control will be supervised by the National Authority



IE Singapore will be appointed as the National Authority

- Administer the legislation
- Process the registration and permit applications
- Co-ordinate multi-agency effort
- Generate public awareness/industry dialogues

Enforcement with stiff penalties imposed against offenders

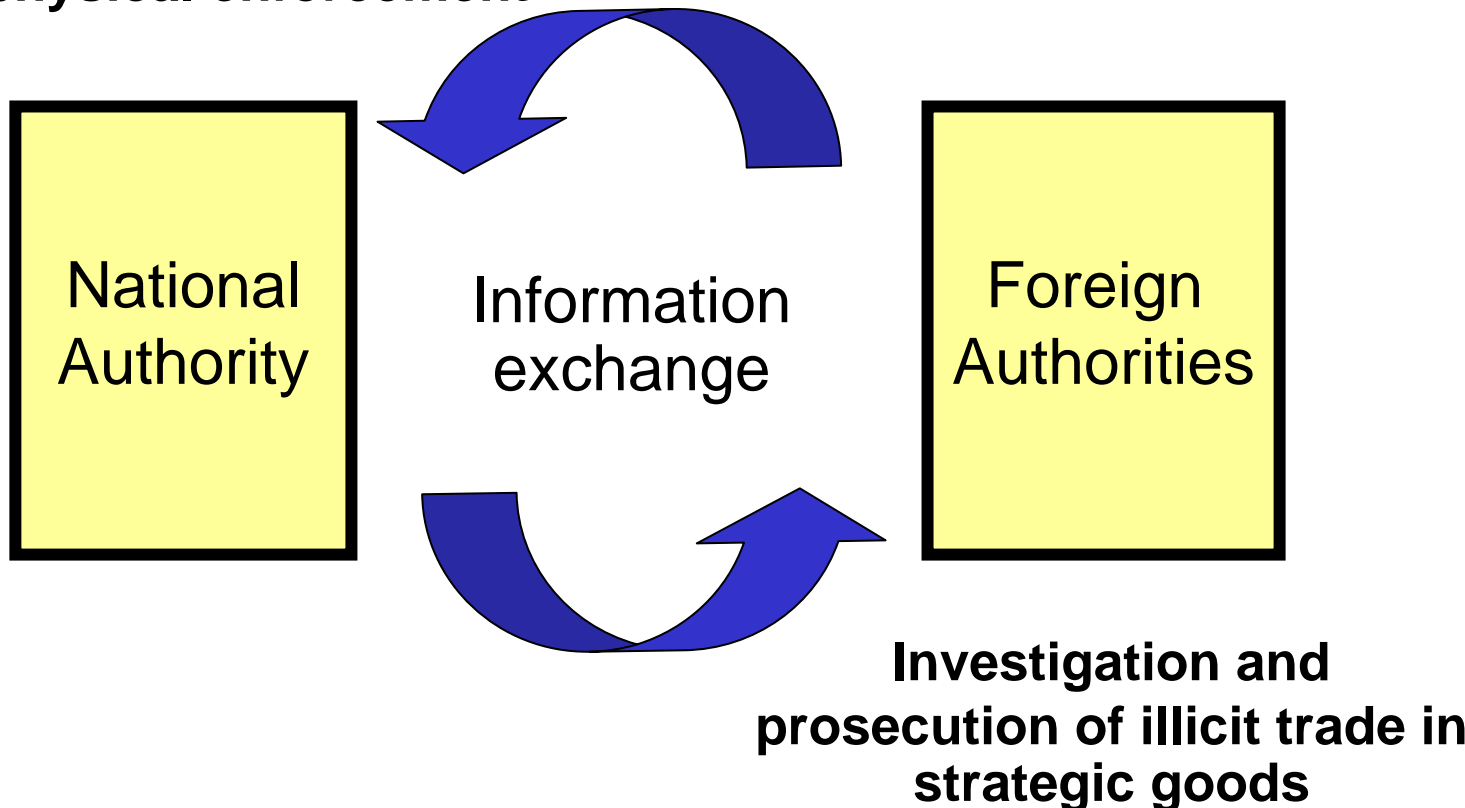


- **Enforcement - intelligence and risk profiling**
- **Empowered to search and seize**
- **Will scrutinise all permit applications**
- **Stiff penalties will be imposed**
 - \$100,000 fine or 3 times value & 2 years jail for first offences
 - \$ 200,000 fine or 4 times value & 3 years jail for subsequent offences



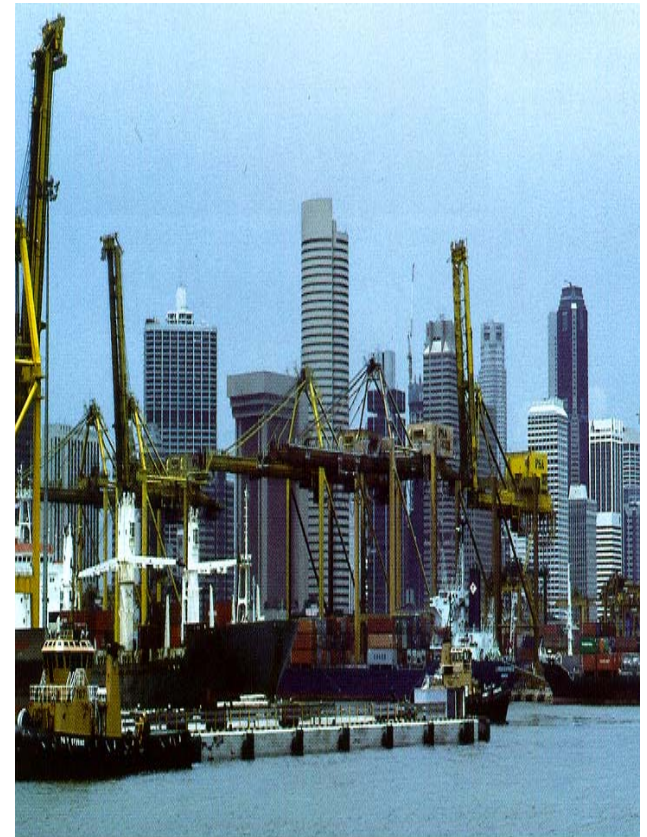
The National Authority empowered to co-operate closely with foreign authorities

Intelligence for targeted physical enforcement



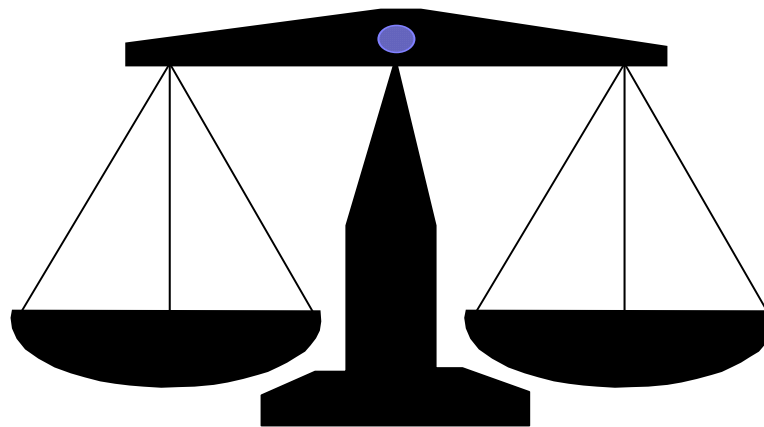
The enhanced system will affect our trading activities

- Incur additional administrative costs
- Imposes uncertainty and risk on our status as a trade & transshipment hub
- Incur additional compliance costs to businesses
- Companies and businesses can easily migrate elsewhere



We will try to ameliorate the adverse impact of these new controls on trade

- **Need to balance controls with trade facilitation**
- **Twin objective of maintain hub status and curbing proliferation of WMD**



More robust regime

Trade facilitation

Container Security Initiative

Container Security Initiative (CSI)

- Singapore – 1st port in Asia to sign CSI on 20 Sep 02.
- CSI further reinforces measures undertaken to boost security at our ports.
- Customs - secured additional x-ray scanners for CSI implementation.

THANK YOU