

## Singapore's Strategic Goods Control System

### Introduction

1. There is growing international concern in recent years that weapons and other sensitive strategic goods could fall into the hands of terrorists. As a major trading and logistics centre, Singapore sees it as our responsibility to the international community to play our part to help prevent the proliferation of Weapons of Mass Destruction (WMD). Towards this end, we have enacted the Strategic Goods (Control) Act (SGCA) on 1 Jan 03 to better regulate trade in strategic goods and related technology.

### The Strategic Goods Control System

#### 3 Key Frameworks

2. There are essentially three key frameworks in the Singapore's Strategic Goods Control (SGC) system which was implemented since 1 Jan 03.
  - a) Legislative framework: A new legislation was passed in Nov 02. The legislation embodies an expanded and consolidated control list, comprehensive regulatory requirements, and greater enforcement powers. It also has provisions for greater international co-operation on strategic goods offences.
  - b) Administrative framework: A permit declaration system is put in place for the export, transshipment and transit of strategic goods. The declaration requirement extended beyond the control of physical goods, where a permit is also required for the intangible transfer of strategic goods technology. Brokering of arms and WMD are also controlled under the SGC system.
  - c) Organisational Framework: For greater enforcement effectiveness, Singapore Customs has been designated as the National Authority to implement and enforce the SGC system. Singapore Customs' functions include processing of permits for export, transshipment and transit of strategic goods, and also for the electronic transmission and brokering of strategic goods technology.

#### The Control List

3. A list of strategic goods drawn mainly from the four international export control regimes, viz., Missile Technology Control Regime, Australia Group, Wassenaar Arrangement and the Nuclear Suppliers Group, was listed in The Schedule of the SGCA. There are basically three categories in the control list:
  - a) **Munitions List** that includes arms and explosives, military aircraft, vessels, components and related technology.
  - b) **Biological and Chemical List** which covers chemical precursors and biological toxins and viruses.

- c) **Dual-use items** that have both military and commercial applications.
- 4. Since it is not possible to have an exhaustive control list, a “catch-all” provision was also introduced in the SGCA. This is to help prevent the possible use of non-controlled items in a WMD programme.

#### Enforcement

- 5. As in international practice, enforcement is largely based on intelligence and risk profiling. Singapore recognises that international cooperation is a necessary element for effective enforcement. We have engaged in cooperation with related security and enforcement agencies of other foreign partners to interdict illegally diverted strategic goods.
- 6. As part of our cooperation efforts, Singapore Customs have signed a statement on strengthening bilateral export control cooperation with the Ministry of Economy, Trade and Industry (METI) of Japan on 22 Apr 04.
- 7. Stiff penalties are imposed for non-compliance. Strategic goods offenders may face the penalties of a maximum \$100,000 fine or 3 times the value of the goods, and/or 2 years’ jail for first offenders, and a maximum \$200,000 fine or 4 times the value of the goods, and/or 3 years’ jail for subsequent offenders.
- 8. To ensure better compliance, we conduct regular outreach programmes to brief traders on the requirements so that they will not unwittingly ship out strategic goods to undesirable parties.

#### **Conclusion**

- 9. The enhanced measures under the SGC system will make Singapore a strong link in the global chain of anti-terrorism and non-proliferation efforts. While we strengthen our control measures, we are also mindful that the stringent measures will not impede legitimate trade.
- 10. The details of the Strategic Goods (Control) Act and the list of controlled strategic goods can be found at the website: [www.stgc.gov.sg](http://www.stgc.gov.sg)

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