



## Summary of the U.S. - Singapore Free Trade Agreement

The information presented on this website is meant to serve as a guide. Only the agreement text and the customs regulations issued to implement the agreement are definitive.

If you have any questions about this Agreement, please contact Maria D'Andrea-Yothers, Office of Textiles and Apparel, (202) 482-1550.

Status: Entered into force January 1, 2004

### **How U.S. Textile and Apparel Companies Benefit**

The elimination of duties under the U.S.-Singapore Free Trade Agreement (USSFTA) promotes new opportunities for the U.S. textile, apparel, footwear and travel goods industries. In addition, through the elimination of a variety of non-tariff barriers, the agreement further opens the Singapore market to U.S. products. The USSFTA also affords substantial benefits in a broad range of service sectors, enhances the protection of intellectual property, and facilitates U.S. investments through predictable access and a stable business environment. An innovative enforcement mechanism includes monetary penalties to enforce commercial, labor, and environmental obligations of the trade agreement. The USSFTA also includes extensive textile-specific monitoring and anti-circumvention commitments to ensure that textile and apparel goods are not subject to fraud or circumvention, such as transshipment.

### **Tariff Elimination**

Under the USSFTA, duties on qualifying U.S. textile, apparel, footwear and travel goods products entering into Singapore were bound at zero on January 1, 2004. The duty-free status of these goods is affirmed by HTS number in the Singapore FTA tariff elimination schedule. Under the USSFTA, all qualifying imports of textile, apparel, footwear, and travel goods from Singapore enter the United States duty-free. For imports of Singapore goods into the United States, see the U.S. FTA tariff schedule.

Also see the [FTA Tariff Tool](#) for the duty-free status or reduced duties that apply to products eligible under U.S. free trade agreements.

### **Rules of Origin**

#### **Textiles and Apparel**

In general, the rule of origin for textile and apparel products is referred to as "yarn forward," which requires that the yarn production and all operations forward occur in either Singapore or the United States, but the fiber may be from anywhere. Exceptions to the USSFTA "yarn forward" rule of origin include brassieres and silk and linen apparel goods made from fabric that is cut or knit to shape, sewn, and finished in the territories. Other exceptions to the general rules of origin are discussed below.

**De minimis:** If a textile or apparel product does not meet the rule of origin requirements as set out above, it might be considered originating if all non-originating fibers and yarns make up less than a "de minimis" seven percent of the total weight of the product.

Tariff Preference Levels (TPLs): The USSFTA allowed for a certain quantity of apparel goods that did not meet the rules of origin to come in under a preferential tariff rate. These limited allowances for the use of yarn and fabric from a nonparty, referred to as TPL, allowed U.S. apparel exporters some flexibility in their inputs. The TPL was set at an initial level of 25,000,000 square meters equivalent (SME) for the first year, and was reduced over the next seven years, until it was eliminated on January 1, 2012.

## **Footwear**

There are two different rules of origin that cover footwear in the USSFTA:

- *This Rule Applies to All Footwear Except for the Specific Rubber/Fabric & Plastic/Protective Footwear Items Listed Under #2 below--*A change to HTS headings 6401 through 6405 from any heading outside that group, provided there is a regional value content of not less than 35 percent based on the "build-up method" or 45 percent based on the "build-down method". There are no restrictions on the use of imported uppers. The regional value content requirement can be comprised of a combination of value from Singapore and the United States.
- *This rule applies to the following specific rubber/fabric and plastic/protective footwear items:* HTS 6401.10, 6401.91, 6401.92, 6401.99, 6402.30, 6402.91, 6402.99, 6404.11 and 6404.19--A change to HTS headings 6401 through 6405 from any heading outside that group, except from subheading 6406.10, provided there is a regional value content of not less than 55 percent based on the "build-up method". Under this rule of origin, to qualify for the duty benefits, uppers can only be made in the United States or Singapore.

NOTE: The regional value content determined by the "build-up method" is:

$$RVC = \frac{VOM}{AV} \times 100$$

Where RVC is the regional value content, expressed as a percentage; AV is the adjusted value (value without Cost, Insurance, Freight); and VOM is the value of originating materials used by the producer for the production of the good.

The regional value content determined by the "build-down method" is:

$$RVC = \frac{AV - VNM}{AV} \times 100$$

Where RVC is the regional value content, expressed as a percentage; AV is the adjusted value, and VNM is the value of non-originating materials that are acquired and used by the producer in the production of the good.

## **Non-Textile Travel Goods**

The rule of origin for non-textile travel goods is a change to HTS subheading 4202.11, 4202.19-4202.21, 4202.29-4202.31, 4202.39-4202.91, or 4202.99 from any other chapter. The rule of origin for Textile travel goods (HTS numbers: 4202.12, 4202.22, 4202.32, and 4202.92) products is a change to HTS subheading 4202.12, 4202.22, 4202.32 or 4202.92 from any other chapter except from HTS headings 5407, 5408 or 5512 through 5516 or tariff items 5903.1015, 5903.1018, 5903.1020, 5903.1025, 5903.2015, 5903.2018, 5903.2020, 5903.2025, 5903.9015, 5903.9018, 5903.9020, 5903.9025, 5906.9920, 5906.9925, 5907.0005, 5907.0015, 5907.0060.

### **Commercial Availability**

Article 3.18.4 of the Agreement provides for a consultation mechanism to consider whether the rules of origin applicable to a particular textile or apparel good should be revised to address issues of availability of supply of fibers, yarns, or fabrics in the territories of the Parties.

For information on commercial availability requests and modifications to the rules of origin, see the [Singapore Commercial Availability](#) webpage.

### **Measures to Prevent Circumvention of the Agreement's Rule of Origin**

The USSFTA contains additional measures to ensure that textile and apparel goods are not subject to fraud or circumvention, such as transshipment. The Parties agree that the exporting Party, at the request of the importing Party, shall conduct verification procedures to determine that a claim for origin of a textile and apparel good is accurate, allows the exchange of information between parties when suspicion occurs, and permits the importing party to suspend preferential tariff treatment to the textile and apparel good under suspicion or any textile and apparel good produced or exported by a specific company. Each Party shall take necessary and appropriate measures, including administrative, judicial and enforcement action, to aggressively enforce its laws relating to circumvention, to actively cooperate with the other Party in the enforcement of the other Party's laws relating to circumvention, and to prevent circumvention. In addition, the Government of Singapore maintains a monitoring and registry program, and each year provides to the U.S. a written report summarizing the results of twice-yearly on-site inspections of all enterprises engaged in textile and apparel production claiming Singapore origin. For more information on these provisions, please see Articles 5.2-5.8 of the Chapter 5 - Textiles and Apparel.

### **Documentation Requirements**

For qualifying goods for which USSFTA duty benefits are requested, the importer must make a claim of preference. The agreement does not require that the importer provide a Certificate of Origin in support of the claim of preference. However, it is the importer's responsibility to declare in writing in the importation document that a good qualifies as originating. It is recommended that U.S. exporters declare on the commercial invoice "the goods are of U.S. manufacture and comply with the USSFTA".

### **Intellectual Property Rights (IPR)**

In line with its USSFTA commitments, Singapore has developed one of the strongest IPR regimes in Asia. To implement its commitments under the agreement, Singapore amended Section 31 of the Import/Export Act in November 2003 to facilitate information sharing with U.S. Customs and Border Protection and officials from other countries with which Singapore has relevant trade agreements.

### **Government Procurement**

Under the USSFTA, U.S. suppliers are granted non-discriminatory rights to bid on contracts to supply Singapore's Government entities, including major procuring entities and administrative and public bodies. The FTA also provides additional government procurement access to U.S. firms by expanding the contracts covered by Singapore's WTO Government Procurement Agreement (GPA) commitments, in part by subjecting additional contracts to FTA disciplines.

### **Supporting Documentation**

[Full Text of Agreement](#)

[Product-Specific Rules of Origin \(Annex 3A\)](#)

[U.S. Tariff Elimination Schedule](#)

[Singapore Tariff Elimination Schedule](#)

[U.S.-Singapore Free Trade Agreement Implementation Action \(Public Law 108-78\)](#)

[ISAC 8 \(Footwear\) Advisory Committee Report on the USSFTA](#)

[ISAC 15 \(Textiles\) Advisory Committee Report on the USSFTA](#)