



THE STATUTES OF THE REPUBLIC OF SINGAPORE

FREE TRADE ZONES ACT

(CHAPTER 114)

(Original Enactment: Act 30 of 1966)

REVISED EDITION 2014

(31st May 2014)

Prepared and Published by

THE LAW REVISION COMMISSION
UNDER THE AUTHORITY OF
THE REVISED EDITION OF THE LAWS ACT (CHAPTER 275)

PRINTED BY THE GOVERNMENT PRINTER, SINGAPORE

2014

Free Trade Zones Act

ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title
2. Interpretation
3. Declaration of free trade zones and appointment of authority
4. Appointment of Free Trade Zone Advisory Committee

PART II

OPERATIONS PERMITTED WITHIN FREE TRADE ZONE

5. Dealing with or disposal of goods in free trade zone
6. Manipulation or manufacture in free trade zone
7. Calculation of duty
8. Retail trade
9. Written permission required for use or consumption of dutiable goods
10. Manufacture

PART III

RESPONSIBILITIES AND FUNCTIONS OF AUTHORITY

11. Authority to provide facilities
12. Authority may permit erection of private buildings, etc.
13. Exclusion of certain goods or discontinuance of operations
14. Annual reports and accounts

PART IV

MISCELLANEOUS PROVISIONS

15. No person shall enter or reside within zone without permission
16. Public servants
17. Action of officers no offence
18. Appeal from decision of authority or Director-General

PART V

PROVISIONS AS TO TRIALS AND PROCEEDINGS

Section

19. Who may prosecute
20. Burden of proof

PART VI

OFFENCES AND PENALTIES

21. Penalty for offences not otherwise provided for
22. Attempts and abetments
23. Offences by bodies of persons and by servants and agents

PART VII

REGULATIONS

24. Minister to make regulations
-

An Act to provide for the establishment of free trade zones in Singapore and for matters incidental thereto.

[1st September 1969]

PART I

PRELIMINARY

Short title

1. This Act may be cited as the Free Trade Zones Act.

Interpretation

2. In this Act, unless the context otherwise requires —

“authority” means any statutory body or department of the Government or company which has been appointed under section 3(2) to administer, maintain and operate any free trade zone which has been so declared under section 3(1);

“Committee” means the Free Trade Zone Advisory Committee appointed under section 4;

- “Director-General” means the Director-General of Customs appointed under section 4(1) of the Customs Act (Cap. 70);
- “customs duty” means any customs duty or excise tax imposed under the Customs Act;
- “customs territory” means Singapore and the territorial waters of Singapore but excluding any free trade zone;
- “dutiable goods” means any goods subject to the payment of customs duty on entry into customs territory or manufactured in Singapore including any free trade zone and on which customs duty has not been paid and includes goods manufactured in a free trade zone from materials of a class dutiable on entry into customs territory for consumption within the customs territory;
- “free trade zone” means any area declared to be a free trade zone under section 3(1);
- “goods” includes animals, birds, fish, plants and all kinds of movable property;
- “manufacture”, with its grammatical variations and cognate expressions, means the process of converting materials into a new product or article, whether or not by power-operated machinery, whereby a change in tariff classification has been effected; except that the Director-General may, in his discretion, determine that the result of any manufacture is not a new product or article and a change in tariff classification has not been effected;
- “officer of customs”, “proper officer of customs” and “senior officer of customs” have the same meanings as in the Customs Act.

[11/97; 33/2000; 4/2003]

Declaration of free trade zones and appointment of authority

3.—(1) The Minister may, by notification in the *Gazette*, declare any area in Singapore to be a free trade zone and every such notification shall define the limits of that free trade zone.

(2) The Minister may appoint any statutory body or department of the Government or company as the authority to administer, maintain and operate any free trade zone which has been so declared under subsection (1).

Appointment of Free Trade Zone Advisory Committee

4. The Minister may, by notification in the *Gazette*, appoint a Free Trade Zone Advisory Committee to advise him on all matters connected with free trade zones.

PART II

OPERATIONS PERMITTED WITHIN FREE TRADE ZONE

Dealing with or disposal of goods in free trade zone

5.—(1) Goods of any description, except such as are specifically and absolutely prohibited by any written law, may be brought into a free trade zone.

(2) Goods in a free trade zone may —

- (a) be removed from the free trade zone, destroyed, or sent into customs territory or into another free trade zone in the original package or otherwise; and
- (b) unless otherwise directed by the authority, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed, or otherwise manipulated, or be manufactured in accordance with the provisions of this Act,

except that when any goods of a class dutiable on entry into customs territory whether in their original condition or after manufacture or as part or ingredient of any goods manufactured in a free trade zone are sent from a free trade zone into the customs territory, the goods shall be subject to the provisions of the Customs Act (Cap. 70) and any regulations made under that Act.

(3) Goods, except such as are prescribed under subsection (4), which have been brought into a free trade zone from customs territory

shall be deemed to be exported for the purpose of drawback under the Customs Act.

(4) Subsection (2)(b) shall not apply to such goods as may be prescribed from time to time by the Minister by notification in the *Gazette*, save that such prescribed goods may be stored in a free trade zone for the purpose of transshipment or survey and repacking before removal into customs territory, and that such survey and repacking shall not be carried out except with the prior permission of a senior officer of customs and shall be subject to such conditions as he may think fit to impose.

Manipulation or manufacture in free trade zone

6.—(1) Any person who intends to assemble, mix or otherwise manipulate any goods or to carry out such manufacture as is permitted under section 10(1) for entry into customs territory, where either the manufactured goods or the materials used in the manufacture of the goods are dutiable, shall give the Director-General notice in writing of his intention and obtain his prior written permission to do so.

(2) Permission under subsection (1) shall be granted or withheld as the Director-General in his discretion shall think fit; except that, if permission is granted, such manipulation or manufacture shall be carried out under customs supervision.

(3) Subject to subsection (4), any manipulation or manufacture permitted under this section shall be subject to the regulations made under this Act and to such conditions as the Director-General may think fit to impose.

(4) The Director-General may, in his discretion, give an allowance for recoverable and irrecoverable waste, but if recoverable waste is sent into customs territory, it shall be dutiable in its condition and quantity and at its weight at the time of entry.

Calculation of duty

7.—(1) The rate of customs duty and the valuation, if any, applicable to any goods subject to customs duty shall be —

- (a) in the case of goods lawfully brought into or manufactured in a free trade zone —

- (i) if there has been no manipulation or manufacture effecting a change in tariff classification, the rate and valuation in force on the day on which the goods are sent into customs territory;
 - (ii) if the goods are used in the manufacture of any product which is not of a class dutiable on entry into customs territory, the rate and valuation in force on the day on which the goods are removed for manufacture; and
 - (iii) if the goods are manufactured from materials which are not subject to customs duty, the rate and valuation in force on the day on which the entry of the manufactured goods into customs territory is authorised by the proper officer of customs; and
- (b) in the case of uncustomed goods, the rate and valuation in force on the day on which the goods became uncustomed goods, if known, or the rate and valuation in force on the day of seizure, whichever is the higher.

(2) The rate of exchange to be used for determining the equivalent in Singapore currency of any foreign currency shall be the current selling rate in Singapore as last notified before the time the goods are removed for the purpose of manufacture or entry into customs territory.

(3) The valuation applicable to any goods subject to customs duty shall be ascertained in accordance with the Customs Act (Cap. 70).
[11/97]

Retail trade

8. No retail trade shall be conducted within a free trade zone unless authorised in writing by the authority and subject to such conditions as the authority may impose.

Written permission required for use or consumption of dutiable goods

9.—(1) Subject to sections 5, 6, 8 and 10, no dutiable goods shall, without the written permission of a senior officer of customs not

below the rank of Assistant Director-General of Customs, be used or consumed in a free trade zone.

[4/2003]

(2) Subject to subsection (3), any person who contravenes subsection (1) shall be punished —

- (a) on the first conviction with a fine of not less than 10 times the amount of the customs duty or tax or \$5,000 whichever is the lesser amount, and of not more than 20 times the amount of the customs duty or tax or \$5,000 whichever is the greater amount; and
- (b) on a second or subsequent conviction with such fine as prescribed in paragraph (a) and with imprisonment for a term not exceeding 2 years.

(3) When the amount of customs duty or tax referred to in subsection (2)(a) cannot be ascertained, the penalty may amount to a fine not exceeding \$5,000.

Manufacture

10.—(1) No manufacture shall be carried out in a free trade zone without the approval of the Minister, and such approval shall be published in the *Gazette*.

(2) The Minister may make regulations governing manufacture within a free trade zone.

PART III

RESPONSIBILITIES AND FUNCTIONS OF AUTHORITY

Authority to provide facilities

11.—(1) The Minister shall require the authority to provide and maintain in the free trade zone such facilities as he may consider necessary for the proper and efficient functioning of the free trade zone.

(2) The Minister shall give to the authority such directions as are necessary to ensure compliance with the provisions of this Act and for

the purpose of protecting the revenue, and the authority shall comply with those directions.

(3) The authority shall permit customs offices to be established in a free trade zone and shall provide adequate facilities for officers of customs whose duties require their presence within or at the perimeter of the zone.

(4) The authority shall provide adequate enclosures to segregate the free trade zone from customs territory for the protection of the revenue, together with suitable provisions for the movements of persons, conveyances, vessels and goods into and from the free trade zone.

Authority may permit erection of private buildings, etc.

12.—(1) Subject to subsections (2) and (3), the authority may permit any person to erect such buildings and other structures within the free trade zone as may be required.

(2) Such permission shall not constitute a vested right as against the authority or the Government.

(3) Such permission shall not be granted on terms that conflict with the proper use of the free trade zone.

(4) The authority may, after consultation with the Director-General for the protection of the revenue, lease to or allow any person to take, hold or enjoy movable and immovable property of every description in a free trade zone upon such terms and conditions and for such period as the authority may determine.

Exclusion of certain goods or discontinuance of operations

13.—(1) The authority may at any time in its discretion order the exclusion or removal from the free trade zone of any goods, or the discontinuance of any operations, which in its opinion are dangerous or prejudicial to the public interest, health or safety.

(2) Any person aggrieved by such an order may appeal to the Minister within 14 days of the service of the order, and the decision of the Minister shall be final and shall not be questioned in any court.

(3) An order by the authority as to the exclusion or removal of any goods which in its opinion are dangerous or prejudicial to the public interest, health or safety shall, notwithstanding an appeal to the Minister, be complied with immediately, but an order as to the discontinuance of operations shall not take effect, if an appeal has been made to the Minister, until the determination of the appeal in favour of the authority.

Annual reports and accounts

14.—(1) The authority shall present to the Minister annually and at such other times as the Minister may prescribe reports containing a full and correct statement of all operations, receipts and expenditure and such other information as the Minister may require.

(2) The Minister shall prescribe the form and the manner of keeping the accounts of the free trade zone.

(3) The accounts of the authority, together with its annual report, shall, in accordance with such directions as may be given by the Minister, be presented to Parliament.

PART IV

MISCELLANEOUS PROVISIONS

No person shall enter or reside within zone without permission

15. No person shall enter or reside within a free trade zone without the permission of the authority.

Public servants

16. The members of the authority shall be deemed to be public servants within the meaning of the Penal Code (Cap. 224).

Action of officers no offence

17. Nothing done by an officer of customs or a member or employee of the authority in the course of his duties shall be deemed to be an offence under this Act.

Appeal from decision of authority or Director-General

18. Where it is provided in this Act or any of its regulations that the decision on any matter rests with the authority or the Director-General, then unless it is specifically provided that the decision is at the discretion of the authority or the Director-General, any person aggrieved by the decision may appeal to the Minister.

PART V**PROVISIONS AS TO TRIALS AND PROCEEDINGS****Who may prosecute**

19. Prosecutions in respect of offences committed under —

- (a) section 9 may, with the authorisation of the Public Prosecutor, be conducted by a senior officer of customs or any officer of customs specially authorised in writing in that behalf by the Director-General; and
- (b) any other provisions of this Act or any of its regulations may, with the authorisation of the Public Prosecutor, be conducted by an officer of the authority specially or generally authorised in writing in that behalf by the Minister.

[15/2010]

Burden of proof

20. If in any prosecution in respect of any goods seized for non-compliance with the provisions of this Act or any of its regulations or for any other cause of forfeiture or for the recovery of any penalty or penalties under this Act, any dispute arises as to whether the goods have been lawfully brought into a free trade zone or lawfully landed, or lawfully manipulated or manufactured in a free trade zone, or whether the goods have been lawfully used or consumed, then and in every such case the burden of proof shall lie on the defendant in such prosecution.

PART VI

OFFENCES AND PENALTIES

Penalty for offences not otherwise provided for

21. Every omission or neglect to comply with, and every act done or attempted to be done contrary to the provisions of this Act or any of its regulations shall be an offence and in respect of any such offence for which no penalty is expressly provided, the offender shall be liable on conviction to a fine not exceeding \$5,000.

Attempts and abetments

22. Whoever attempts to commit any offence punishable under this Act or any of its regulations or abets the commission of the offence shall be punished with the punishment provided for the offence.

Offences by bodies of persons and by servants and agents

23.—(1) Where an offence under this Act or any of its regulations has been committed by a company, firm, society or other body of persons, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer or a partner of the company, firm, society or other body of persons or was purporting to act in that capacity shall be deemed to be guilty of that offence, unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised, having regard to the nature of his functions in that capacity and to all the circumstances.

(2) Where any person would be liable under this Act to any punishment, penalty or forfeiture for any act, omission, neglect or default, he shall be liable to the same punishment, penalty or forfeiture for every such act, omission, neglect or default of any clerk, servant or agent, or of the clerk or servant of the agent provided that the act, omission, neglect or default was committed by the clerk or servant in the course of his employment or by the agent when acting on behalf of such person or by the clerk or servant of the agent when acting in the course of his employment in such circumstances that had

the act, omission, neglect or default been committed by the agent his principal would have been liable under this section.

PART VII
REGULATIONS

Minister to make regulations

24.—(1) The Minister may make regulations for or in respect of every purpose which is deemed by him necessary for the carrying out of this Act.

(2) All regulations and orders made under this Act shall be published in the *Gazette* and shall be presented to Parliament as soon as possible after publication.

LEGISLATIVE HISTORY
FREE TRADE ZONES ACT
(CHAPTER 114)

This Legislative History is provided for the convenience of users of the Free Trade Zones Act. It is not part of the Act.

1. Act 30 of 1966 — Free Trade Zones Act 1966

Date of First Reading : 17 August 1966
(Bill No. 29/1966)

Date of Second and Third Readings : 26 August 1966

Date of commencement : 1 September 1969

2. 1970 Revised Edition — Free Trade Zones Act (Chapter 140)

Date of operation : 30 April 1971

3. Act 50 of 1970 — Customs (Amendment) Act, 1970

Date of First Reading : 4 November 1970
(Bill No. 50/1970)

Date of Second and Third Readings : 30 December 1970

Date of commencement : 1 February 1971

4. 1985 Revised Edition — Free Trade Zones Act (Chapter 114)

Date of operation : 30 March 1987

5. Act 11 of 1997 — Customs (Amendment) Act 1997

Date of First Reading : 25 August 1997
(Bill No. 10/1997)

Date of Second and Third Readings : 7 October 1997

Date of commencement : 17 October 1997

6. Act 33 of 2000 — Customs (Amendment) Act 2000

Date of First Reading : 13 November 2000
(Bill No. 33/2000)

Date of Second and Third Readings : 22 November 2000

Date of commencement : 1 January 2001

7. Act 4 of 2003 — Customs (Amendment) Act 2003

Date of First Reading : 10 March 2003
(Bill No. 6/2003)

Date of Second and Third Readings : 21 March 2003

Date of commencement : 1 April 2003

8. Act 15 of 2010 — Criminal Procedure Code 2010

Date of First Reading : 26 April 2010
(Bill No. 11/2010)

Date of Second and Third Readings : 18 May 2010

Date of commencement : 2 January 2011

9. 2014 Revised Edition — Free Trade Zones Act (Chapter 114)

Date of operation : 31 May 2014

COMPARATIVE TABLE
FREE TRADE ZONES ACT
(CHAPTER 114)

The following provisions in the Free Trade Zones Act have been renumbered by the Law Revision Commissioners in this 2014 Revised Edition.

The Comparative Table is provided for the convenience of users. It is not part of the Free Trade Zones Act.

2014 Ed.	1985 Ed.
6 —(1) and (2)	6 —(1)
(3) and (4)	(2)
9 —(2) and (3)	9 —(2)
12 —(1) and (2)	12 —(1)
(3)	(2)
(4)	(3)