SINGAPORE POLICE FORCE
SAFEGUARDING EVERY DAY

Known Consignor Regime

Restricted

Scope of Presentation

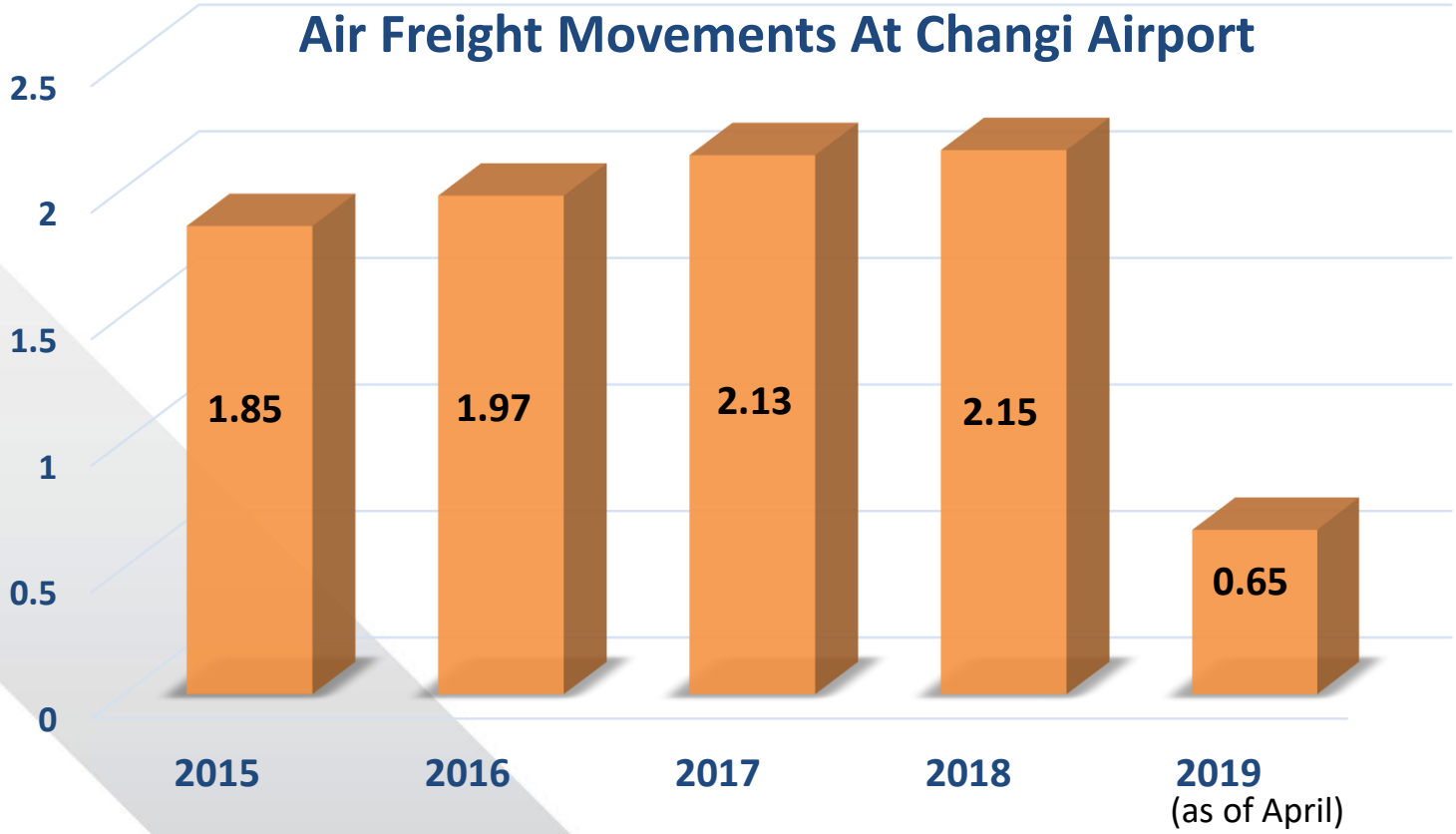
- Overview of Air Cargo Industry
- Background of Regulated Air Cargo Agent Regime (RCAR)
- Regulation of Consignors
- Known Consignor Regime (KCR)
- Next Steps
- Conclusion

Overview of Air Cargo Industry

➢ Air Cargo Statistics

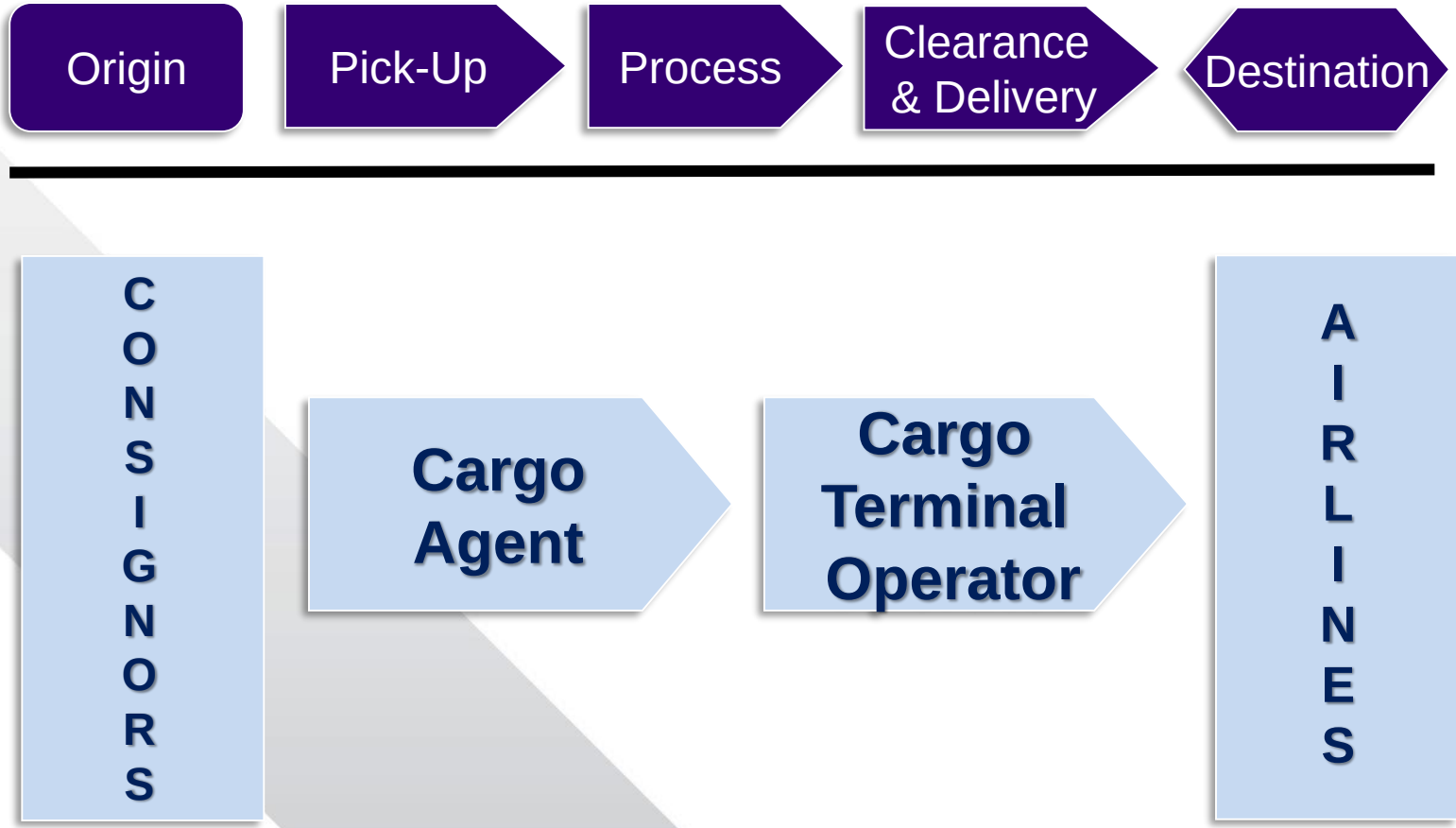
Year	Total Tonnage (estimated)	Passenger Aircraft	Freighter Aircraft
2015	1.85 million	68%	32%
2016	1.97 million	69%	31%
2017	2.13 million	71%	29%
2018	2.15 million	72%	28%
2019	0.65 million (up to April)	72%	28%

Overview of Air Cargo Industry



Overview of Air Cargo Industry

➢ Air Cargo Supply Chain



Background on Regulated Air Cargo Agent Regime (RCAR)

- Implemented on 1 April 2008 to secure processes for handling, transporting and storing of cargo from the time cargo is accepted by cargo agent until cargo is lodged at the airfreight terminals
- Governed by Air Navigation (Regulated Air Cargo Agents) Regulations 2017 [AN(RACA)Regs 2017]
- A voluntary programme
  - Administered to air cargo agents
  - Applicable for exported air cargo only

Background on Regulated Air Cargo Agent Regime (RCAR)

Known Consignor Criteria - RCA

Consignors may qualify as known consignors in 2 ways:

1) Industry-recognised security certifications:
   - **Singapore Customs** – Secure Trade Partnership (STP) / Secure Trade Partnership Plus (STP-Plus);
   - **Transported Asset Protection Association** (TAPA) Air Cargo Security Standards Level 1;
   - **United States** – Customs-Trade Partnership Against Terrorism (C-TPAT) Tier 2 or Tier 3

   OR

2) Commercial relationship

Background on Regulated Air Cargo Agent Regime (RCAR)

Known Consignor Criteria - RCA

Consignors may qualify as known consignors in 2 ways:

1) Industry-recognized security certifications:

OR

2) Commercial relationship:
   - Has consigned with the regulated air cargo agent
     - at least 3 times in the preceding 12 months with the 3rd shipment transacted in the preceding 6 months without incident; and
     - at least once every 6 months thereafter

Background on Regulated Air Cargo Agent Regime (RCAR)

Known Consignor Criteria - AEC

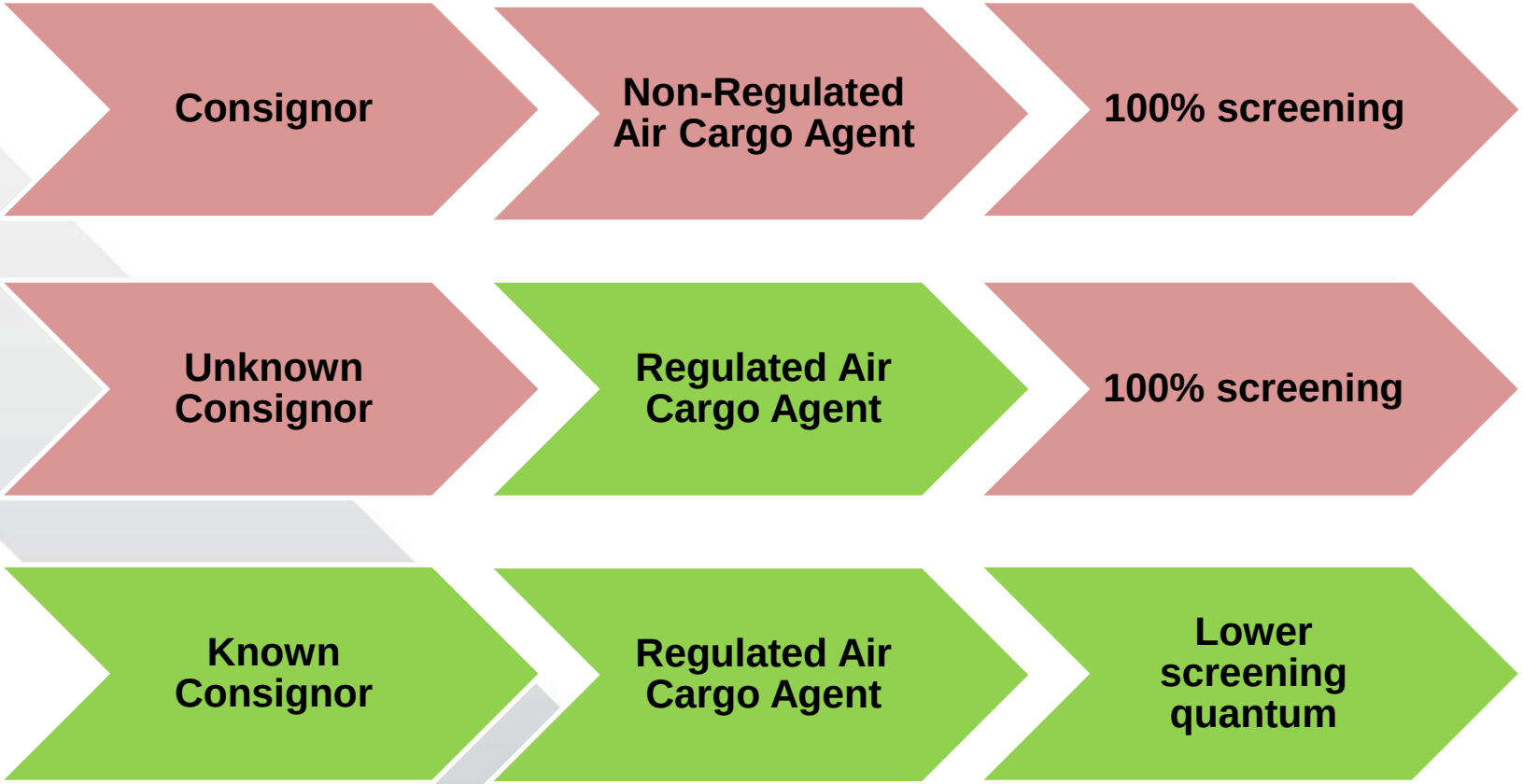
- Consignors may qualify as consignors with the AECs if:

  a) Has Accounting and Corporate Regulatory Authority (ACRA) documentation to proof registration as a company, partnership or sole proprietorship

  b) consignor's premise has been inspected by AEC and satisfied that there is no unusual activity therein

Background on Regulated Air Cargo Agent Regime (RCAR)

Screening Criteria



Regulation of Consignors

- Consignors will be regulated in compliance with Annex 17 SARPs:
  - Annex 17 Standards 4.6.3 and 4.6.5 governing security supply chain for all cargo transported on board aircraft requires Contracting State's Appropriate Authority (AA) to adhere to two principles:
    - Must have oversight of entities in secure supply chain
    - Must have approved/revocation process for entities in secure supply chain
  - Phasing out of Consignors not subject to approval by Airport Police Division (Approval Authority) by Jun 2021
  - Implementation of Known Consignor Regime

Known Consignor Criteria - RCAs

- Consignors may qualify as known consignors in 2 ways:

Current	After implementation of Known Consignor Regime
Industry-recognised security certifications: 1. **Singapore Customs:** Secure Trade Partnership (STP) / Secure Trade Partnership Plus (STP-Plus) 2. **Transported Asset Protection Association (TAPA):** Air Cargo Security Standards Level 1 3. **United States:** Customs-Trade Partnership Against Terrorism (C-TPAT) Tier 2 or Tier 3	States Quo
Commercial relationship: ➢ Consignors must ship with the RCA: ▪ at least 3 times in the preceding 12 months with the 3rd shipment transacted in the preceding 6 months without incident; and ▪ at least once every 6 months thereafter	Not Applicable

Known Consignor Criteria - AECs

Current	After implementation of Known Consignor Regime
Consignors may qualify as consignors with the AECs if: a) Has Accounting and Corporate Regulatory Authority (ACRA) documentation to proof registration as a company, partnership or sole proprietorship; b) Consignor's premise has been inspected by AEC and satisfied that there is no unusual activity therein	Not Applicable

Known Consignor Regime (KCR)

- Secure the processes for handling, transporting and storing of cargo from the time cargo originates from the consignor until the cargo is handed over to a cargo agent/freight forwarder
- Legislative powers will be provided for in a subsidiary legislation of Air Navigation Act
- A voluntary programme
  - Administered to consignors
  - Applicable for exported air cargo only
- No registration cost

Known Consignor Regime (KCR)

❖ Key Thrust

- State involvement to regulate & define security standards
- Audit & inspection on the consignors
- All unknown cargo will be 100% screened
- Known cargo will be subjected to lower screening quantum

Known Consignor Regime (KCR)

❖ Who Will Be Affected?

- KCR will have impact on the following stakeholders:
  - ➢ Consignors of goods (individuals, consolidators, manufacturers as well as logistics companies)
  - ➢ 3rd party service providers
  - ➢ Cargo agents / freight forwarders
  - ➢ Airfreight Terminal Operators / AECs

Known Consignor Regime (KCR)

❖ What is in for You?

- Lower screening quantum
- Lower operating cost
- Flexibility in engagement of regulated air cargo agents
- Increase customer's confidence

Known Consignor Regime (KCR)

❖ Main Components

- Known Consignor Regime (KCR) implementation covers the following areas:

  ✓ Legislation (required to implement KCR)

  ✓ Registration

  ✓ Security Programme / Industry-Recognised Security Certifications

  ✓ Audit & Inspection

Known Consignors Regime (KCR)

❖ Legislation

- KCR is a State legislated regime
- New subsidiary legislation will be promulgated
- Provides statutory powers for the Appropriate Authority
- Covers areas such as registration of known consignors and security requirements
- Spells out offences and stipulated penalties for non-compliance

Known Consignor Regime (KCR)

❖ Registration & Certification

(For those with Industry-Recognised Security Certification)

- Upon roll out of KCR, consignors will be given 5 months to submit:
  - ➢ Application form;
  - ➢ ACRA business profile; and
  - ➢ Valid industry-recognised security certificate

- Upon approval, a 5-year KC Certificate will be issued to successful applicants after the registration period
  - ➢ KC will be assigned with a unique identification number e.g. KC/XXXX/YYYY

Known Consignor Regime (KCR)

❖ Registration & Certification

(For those with Industry-Recognised Security Certification)

- List of KCs will be published on KCR website (https://www.police.gov.sg/kcr)
- Subject to ad-hoc inspections on a regular basis throughout the 5-year KC certification period
- Process for renewal of KC Certificate kicks in 3 months prior to expiry of KC certification

Known Consignor Regime (KCR)

❖ Registration & Certification

(For those without Industry-Recognised Security Certification)

- Upon roll out of KCR, consignors will be given 5 months to submit:
  - Application form;
  - ACRA business profile; and
  - Security Programme
- Upon approval, a 3-year Provisional Certificate will be issued to successful applicants after the registration period
  - KC will be assigned with a unique identification number e.g. KC/XXXX/YYYY
- List of KCs will be published on KCR website (https://www.police.gov.sg/kcr)

Known Consignor Regime (KCR)

❖ Registration & Certification

(For those without Industry-Recognised Security Certification)

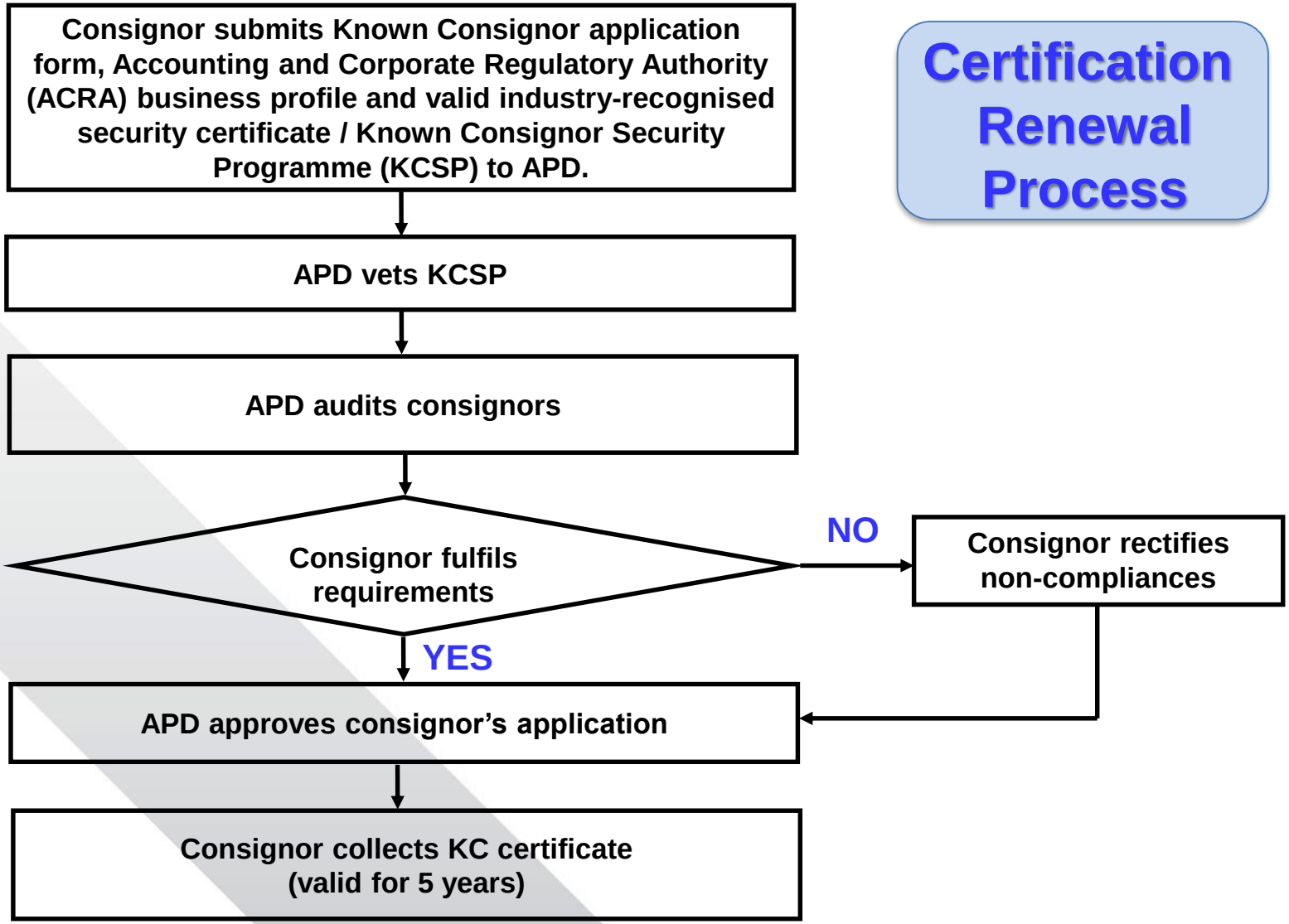
- During the 3-year provisional period, Security Programmes (SPs) will be vetted and ground audits conducted to ensure compliance with SP

- Upon completion of ground audits, KC will be issued with the KC certificate which is valid for 5 years from issuance date
  - ✓ this will supersede provisional certificate

- Subject to ad-hoc inspections on a regular basis throughout the 5-year KC certification period

- Process for renewal of KC Certificate kicks in 6 months prior to expiry of KC certification

Known Consignor Regime (KCR)



Certification Renewal Process

Known Consignor Regime (KCR)

❖ Known Consignor Security Programme (KCSP)

- Consignors without Industry-Recognised Security Certification are required to submit KCSP
  - ✓ Legally binding
- A written document that specifies measures and procedures employed by KCs in respect of exported air cargo
- KCSP can be:
  - ➢ Self drafted; or
  - ➢ Drafted by accredited Security Consultants
    - ✓ Engaged by Consignors
    - ✓ Fees/Charges to be borne by Consignors
- All SPs must be vetted and approved by APD

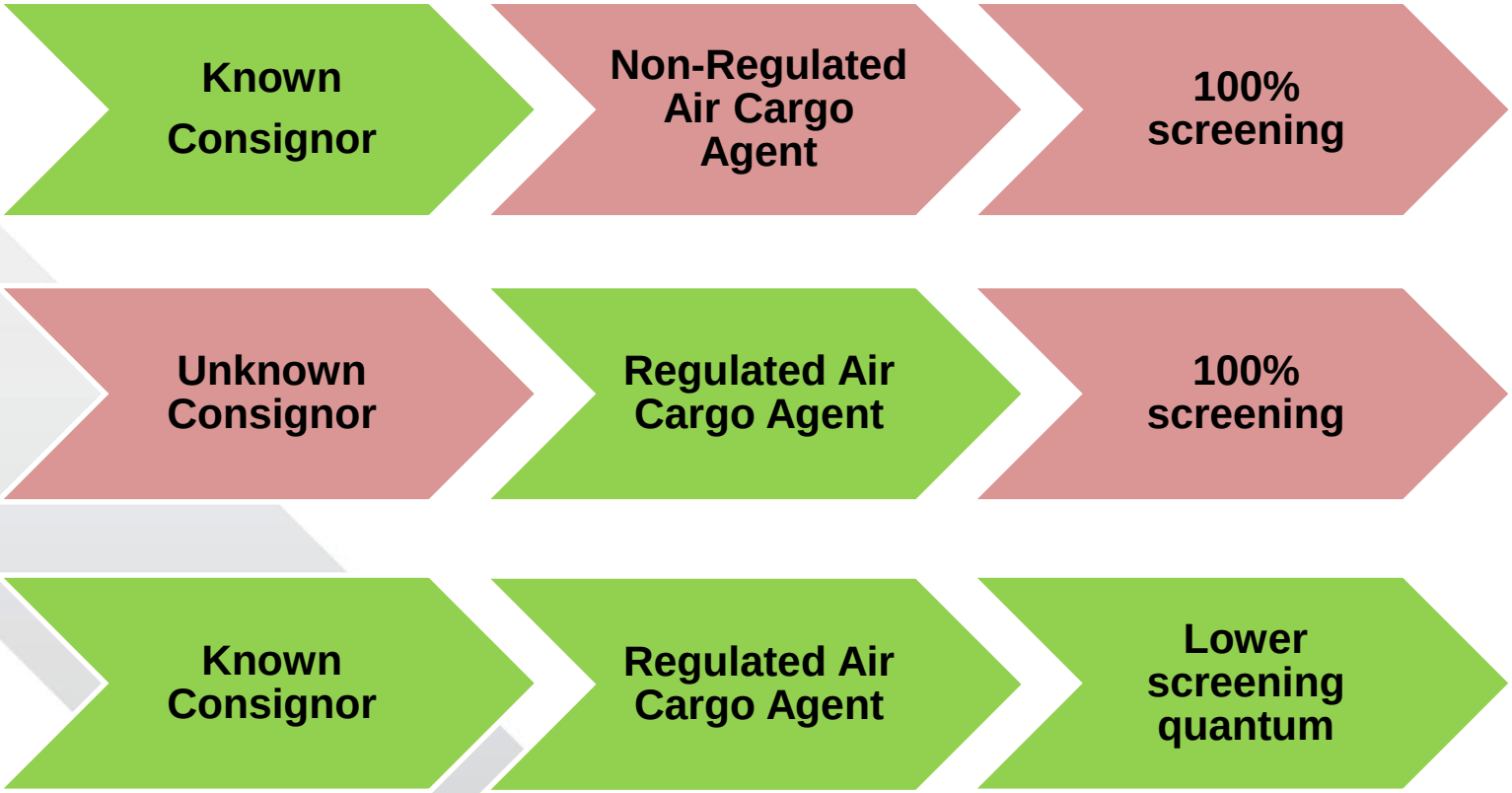
Known Consignor Regime (KCR)

❖ Security Programme Requirements

1) Details of Known Consignor
2) Scope of KCSP
3) Cargo Security Measures
4) Managing Security Measures
5) Audit of Security Measures
6) Physical Security and Access Control
7) Management of Controlled Exports
8) Security Personnel and Staff Training
9) Third-Party Service Providers
10) Measures for Heightened Security Alert

Known Consignor Regime (KCR)

❖ Screening Criteria



Next Steps

- Training and certification of Security Consultants – 3rd Qtr 2019
- Briefing to RCAs – 3rd Qtr 2019
- Conduct of KCSP Workshops for Consignors - 4th Qtr 2019 to 1st Qtr 2020

Conclusion

- Conform to ICAO's security standards
- A more secured air cargo supply chain is essential
- Importance of aviation industry to Singapore
- Contributes to competitive advantage
- Reduction in theft and pilferage

SINGAPORE POLICE FORCE

SAFEGUARDING EVERY DAY

Q & A

Restricted