



## Singapore Customs Media Release

### IMPLEMENTATION OF EXCISE DUTY ON COMPRESSED NATURAL GAS (CNG)

As announced in Budget 2009 by the Minister for Finance, an excise duty of \$0.20 per kg will be imposed on compressed natural gas (CNG) with effect from 1 January 2012.

#### Impact on Traders: Manufacturing Licence for CNG Suppliers

2 With CNG being dutiable from 1 January 2012, manufacturers of CNG will need to apply for a licence from Singapore Customs.

3 CNG manufacturers will have to account for the quantity of CNG fuel produced, dispensed and sold, and pay duties on a monthly basis.

#### Impact on Motorists: Payment of Duty and 'Three-Quarter Tank' Rule for CNG vehicles leaving Singapore

4 With duty imposed on CNG, the CNG pump price will be inclusive of duty and GST from 1 January 2012.

5 Currently, the petrol fuel supply tanks of Singapore-registered motor vehicles leaving Singapore must be at least three-quarters full. This is commonly referred to as the three-quarter tank rule. With effect from 1 January 2012, the three-quarter tank rule will also apply to the CNG fuel supply tanks of CNG motor vehicles and petrol-CNG motor vehicles. A composition sum may be imposed on motorists who do not comply.

6 Singapore Customs has sent letters to owners of CNG vehicles to inform them of the changes.

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