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The Show Must Go On: Customs Facilitation for International Events

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The Building that Never Slept

Custom House, the former headquarters of Singapore Customs from 1932 to 1989, was recently marked the 88th historic site in Singapore by the National Heritage Board. At a private ceremony held on 8 October 2010, former officers and invited guests paid tribute to the building's rich history.

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inSIGHT

Welcome to the first issue of a new, revamped inSYNC and to the start of 2011. We would like to wish every one of you a warm and sincere Happy New Year.

The launch of our inaugural issue during this period is no coincidence. The new year represents a time for new beginnings and change. Singapore Customs remains committed to providing the trading community with easy access to relevant news updates and engaging stories. Towards that end, inSYNC is now available as both a print and online edition, and has been redesigned with a fresh new look to enhance your reading experience.

In this issue, take a look behind the scenes at Singapore Customs' facilitation of several major international events: the Formula 1 Singapore Grand Prix, the Singapore 2010 Youth Olympic Games and RoboCup 2010. Meanwhile, our latest anti-contraband cigarette campaign is underway. Discover the creative range of media strategies put to use in getting the message out. Or learn more about the rich history of the Custom House building and Customs' past as we bring you the unveiling of Singapore's 88th historic site.

For your convenience, we have also added a new regular feature at the end of each inSYNC issue: a calendar of the latest Customs training programmes and educational workshops.

We hope you have a good read, and wish you all the best in the year ahead.

PATRICIA BAY
Editor

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Please let us know what you think of the new inSYNC. We welcome your ideas on what you would like to see and how we can do better. Write in to the Editor at customs_media@customs.gov.sg

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The Show Must Go On: Customs Facilitation for International Events

2010 saw the thrills and glamour of the Formula 1 Singapore Grand Prix, the inspirational feats of the Singapore 2010 Youth Olympic Games and the creative exploits of RoboCup 2010. Learn how Singapore Customs facilitates the import and re-export of goods and equipment necessary for the staging of such major international events.

As Formula 1 racing teams, football-kicking robots and aspiring youth athletes from around the world prepared to enter Singapore for their turn to shine in the international spotlight, Singapore Customs worked a step ahead to ensure the smooth import and re-export of each event's goods and cargoes.

Hosting large-scale international events usually means bringing a significant amount of associated goods and cargo into the country. With imported goods usually requiring payment of duties and Goods & Services Tax (GST), Singapore Customs has remained flexible by having in place the Temporary Import Scheme (TIS).

With prior approval from the relevant Singapore authorities, goods under the TIS (with the exception of liquor and tobacco) are allowed to be brought in on a temporary basis for repairs and other purposes such as stage performances, testing or demonstration without incurring duties or GST. In general, these goods will have to be re-exported within three months from their date of import.

There are times however, when the massive and complex scale of a major international event calls for additional facilitation and support beyond the TIS.

BEFORE THE BIG RACE

The safe and smooth entry of all 24 Formula 1 (F1) racing cars marked just a fraction of the cargo brought in for the Singapore Grand Prix.

Accompanying them were 41 BMW and Porsche high-performance cars for the event's support races, over 2,000 tyres, spare parts, engines, nuts and bolts, as well as the various equipment and tools needed to maintain and repair the vehicles or for use at the race. Expendable items such as gasoline, engine oil, paint and aerosols also had to be accounted for, as did items related to the event's promotions and sales including brochures, pamphlets and merchandise.

F1 CARGO FACTOID

650 tonnes of air-freighted equipment and 150 tonnes of sea-freighted equipment including:

- 24 F1 racing cars
- 18 BMW cars and 23 Porsche cars
- 2640 tyres for all race cars



A member of the multi-agency F1 Traffic and Transport Sub-Committee chaired by the Land Transport Authority, Singapore Customs has stepped up to facilitate the imports and re-exports of all cargoes for the past three F1 races in Singapore.

Under the TIS, all F1 vehicles and authorised race equipment were allowed to be imported without payment of duties and GST. Singapore Customs also worked closely with the race organisers and the two appointed freight handling agents, Mega-Air and Asian Groupage Services, to clarify customs documentation requirements and operational procedures, as well as to address feedback and concerns.

Other measures taken to facilitate the speedy clearance of F1 cargoes included simplifying declarations, security lodgement requirements and checkpoint clearance procedures, and providing the appointed freight handling agents with a 24/7 contact for urgent customs inquiries.

Feedback from both the appointed agents has been positive. Said Ms Kris Teo, Import Manager for Asian Groupage Services, "Over these three years, Singapore Customs has been supportive with prompt action on the problems that we faced. We really appreciate the great help that makes this event successful every year."

The 2010 F1 Singapore Grand Prix was successfully held from 24 to 26 September 2010.

SEND IN THE ROBOTS

Jointly organised by Singapore Polytechnic (SP), Science Centre Singapore, the Economic Development Board (EDB) and supported by the Ministry of Education, RoboCup 2010 was an international event featuring robot competitions, workshops, exhibitions and conferences.

The event took place for the first time in Singapore from 19 to 25 June 2010 at the Suntec International Convention and Exhibition Centre. With approximately 3,500 participants from 42 countries, SP requested Singapore Customs' assistance to facilitate the process of bringing the hundreds of robots into Singapore.

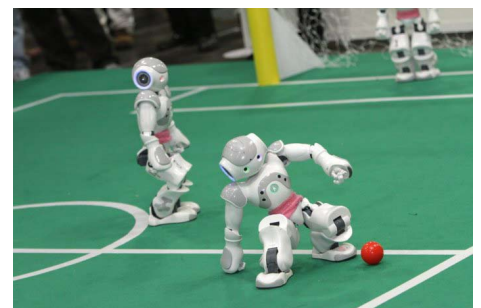
Recognising the robots as equipment temporarily imported into Singapore for the sole purpose of the competition, and also their non-commercial nature, Singapore Customs allowed the temporary import and granted GST relief for all the hand-carried robots under the TIS.

Even under TIS, however, an inward permit would still need to be declared.

Considering the large number of 500 participating teams, Singapore Customs offered to use a simplified document to better facilitate the process and to avoid having the teams pay extra to engage freight forwarders to take up the permit.

RoboCup teams were only required to produce the simplified Singapore Customs document, together with other documents from SP, for clearance by checkpoint officers. To ensure things went smoothly, Singapore Customs made it a point to communicate the RoboCup-specific clearance procedures to the checkpoints in advance.

In a letter of appreciation, Mr Jonathan Kua, Director of EDB's New Business Group, conveyed how all RoboCup participants had a good experience, with the President of RoboCup and the Trustees commenting that this was the best RoboCup thus far, and a hard one to beat for years to come.





Peh Kay Koon (top), Michelle Chan (middle) and William Yen (bottom).

HOLDING THE YOUTH OLYMPIC FLAME HIGH

Singapore Customs' own Peh Kay Koon, Michelle Chan and William Yen were among the 2,400 torchbearers selected to take part in the 6-day torch relay of the Youth Olympic Flame around Singapore.

Calling the opportunity a "once in a lifetime" experience, Mr Peh described the 100m distance as "the slowest and yet most memorable run" in his entire life.

Ms Chan shared similar sentiments, recalling the "amazing, indescribable" feeling of running with the torch. "Memories of the short 'one minute of fame' will forever be etched in my mind," she added.

"By accomplishing this run, I hope I can inspire everyone in Singapore Customs to embrace, embody and express the Olympic values of Excellence, Friendship and Respect," said Mr Yen.

BLAZING AN OLYMPIC TRAIL

From giving inputs during the initial bid and planning phase in August 2007 to ensuring the smooth clearance of event-related cargo into Singapore three years later in August 2010, Singapore Customs was involved the entire way as the country played host to the world's first-ever Youth Olympic Games (YOG).

To prepare for Singapore's hosting of the YOG, the Singapore Youth Olympic Games Organising Committee formed nine working groups. Singapore Customs co-chaired the Freight Forwarding & Customs Clearance Working Group and also played a role in the Arrival & Departure Operations Working Group.

Establishing the duty and GST treatment for YOG goods and the customs procedures to authenticate the right goods for duty exemption and GST relief was only one part of Singapore Customs' efforts. There was the Freight Document and the Arrival and Department Document, comprehensive procedural guides that Singapore Customs helped draft to circulate to the National Olympic Committees.

Mindful that importers and declaring agents might be confused when declaring YOG goods, Singapore Customs also went the extra mile in drawing up a

table outlining seven broad scenarios for easy understanding. On the other end, Singapore Customs collaborated with various controlling agencies to make sure documentation procedures were streamlined and executed correctly.

To expedite operations on the ground, Singapore Customs worked with the Inland Revenue Authority of Singapore to set up dedicated GST Refund Counters specifically for YOG officials and athletes at each Changi Airport terminal.

No matter however small was overlooked, such as the liquor consumed during official YOG events. After several discussions with the organising committee, Singapore Customs devised a special procedure to track the liquor inventory, one which was convenient for the organisers to implement yet uncompromising on revenue risk.

More prominent shipments for the YOG included torches for the torch relay, timing equipment for the sports events and official Olympic broadcasting equipment.

A momentous undertaking, the successful YOG stands testament to the close coordination among Singapore Customs' various internal branches and their professional commitment.



Photo: XINHUA/SYGOC-Pool/Qi-Heng

Spreading the Message: Don't Get Burnt!

Focusing on the consequences of dealing with illegal cigarettes, Singapore Customs' latest anti-contraband public outreach campaign "Don't Get Burnt" employs a wide range of traditional and new media platforms as well as creative outreach strategies to reach greater levels of public awareness.



Unadorned except for the iconic image of a cigarette burn mark, a mysterious truck roving around the island first made its appearance in August 2010, attracting attention and sparking curious discussions from netizens on STOMP and in the local newspapers.

The truck's full meaning was eventually unveiled when it was transformed into a full-fledged mobile roadshow stage at Causeway Point in October 2010 for the "Don't Get Burnt" campaign roadshow launch, the latest in Singapore Customs' ongoing efforts against contraband cigarettes.

A metaphor for the harmful consequences of dealing with illegal cigarettes, the campaign's burn mark icon and tagline "Don't Get Burnt" seek to warn the public about the dangers and stiff penalties for activities involving duty-unpaid cigarettes as well as to foster a greater sense of civic responsibility. Members of public are encouraged to report any illegal cigarette activities to avoid getting "burnt" by them.

Public outreach continues to be a key focus in Singapore Customs' anti-contraband efforts. "While we have achieved some success in eradicating illegal cigarettes, having the collective will from the public to say no to illegal cigarettes is the long-term sustainable solution to win this fight against illegal cigarettes," said Mr Fong Yong Kian, Director-General of Singapore Customs.



The second phase of the "Don't Get Burnt" roving truck where more of the campaign is revealed (top) and a member of the public participating in the "Wheel of Knowledge" game at the campaign roadshow (bottom).

DRIVING HOME THE MESSAGE

Doubling as both a fully-equipped stage and an exhibition area fitted with informative panels for the public to learn about the dangers of illegal cigarettes, the iconic “Don’t Get Burnt” truck is at the heart of the campaign’s series of 25 public outreach roadshows, which ends in July 2011.

Besides adding a more interesting dimension, the customised vehicle allows for greater mobility, giving the roadshows an even wider demographic reach with scheduled stops at polytechnics, student and foreign worker dormitories, and various heartland areas.

Encouraged by positive feedback since their debut in 2009, these public outreach roadshows have been further enhanced to provide a conducive, interactive platform for Singapore Customs to engage with the community and to promote the campaign’s key messages on an individual basis.

During the launch and subsequent roadshows, participants are invited to take part in educational games with the chance to win prizes. Fun activities such as “Wheel of Knowledge”, “Shoot and Win” and the familiar favourite “Spot the Difference” are given a twist to convey the key messages concerning illegal cigarette and their harmful consequences.

ADOPTING A HOLISTIC APPROACH

While the direct community engagement of the mobile roadshows lends a human touch in encouraging public cooperation and support, Singapore Customs also employs the use of traditional media to effectively communicate the campaign’s key messages to the wider public.

“Don’t Get Burnt” anti-contraband cigarette commercials will air on free-to-air and cable television, radio networks and in local cinemas over various periods during the year-long campaign. Outdoor and newspaper print advertisements bearing the iconic burn mark visual will also convey the “Don’t Get Burnt” public advisory messages.

Bringing its public awareness efforts to the next level, Singapore Customs has further reached out to potential risk groups online. Members of the public are invited to visit the campaign’s website, www.dontgetburnt.sg, for more information on issues involving illegal cigarettes, campaign news updates as well as access to free educational games.

Public outreach efforts are paying off. Since 2009, increased public awareness and enforcement efforts have contributed to a 30.4% decrease in the number of illegal cigarette buyers caught. A significant number of public tip-offs have also resulted in a greater number of peddlers arrested.



WHACK A PEDDLER

Launched in November 2010, “Whack a Peddler” is a web-based game that takes a fun, innovative approach to bring across the anti-contraband cigarette message to the cyber generation.

Reaffirming the campaign’s key idea of “Don’t Get Burnt”, the gameplay and rules are simple: locate and click to hurl a slipper at any illegal cigarette peddler loitering on the screen to score points.

“Whack a Peddler” can be found on the official Singapore Custom Facebook page.



PRE-CAMPAIGN BLITZ

The roving truck was not alone in getting people curious and talking about the iconic burn mark.

Before the launch of the campaign, anti-illegal cigarette “ambassadors” took to the streets at Raffles Place and Woodlands wearing t-shirts with the same burn mark.

Meanwhile, paper slips were also handed out to smokers printed with an enigmatic telephone number. Curious callers discovered that it led to a public education message, highlighting the dangers of dealing with illegal cigarettes.

The Building that Never Slept

Singapore Customs' former headquarters from 1932 to 1989, Custom House was recently marked the 88th historic site in Singapore by the National Heritage Board (NHB). At a private ceremony held on 8 October 2010, former officers and invited guests paid tribute to the building's rich history.



Director-General Mr Fong Yong Kian welcoming guests and staff at the event.



Veteran Customs officer Mr K Chandran (right) sharing interesting historical nuggets about the building with NHB Dy CEO Mrs Elaine Ng and retired Customs officers.



Customs Director-Generals past and present viewing the former Director-General's office with its iconic dome-shaped roof - from right, Mr Tan Sin Ghee, Mr K P Sandrasegara, Mr Fong Yong Kian and Mr Koh Chong Hwa.

"It was a building that never slept," recalled former Director-General K.P. Sandrasegara at the launch ceremony to unveil the heritage marker. "We worked around the clock... it was not a nine-to-five office," he said with a chuckle.

Mr Sandrasegara was one of a number of officers in attendance who had served when Singapore Customs had its headquarters in the Custom House building. Other invited guests at the event included retirees and public officers from the Immigration & Checkpoints Authority, the Ministry of Finance and NHB.

In his welcome address, Director-General Mr Fong Yong Kian expressed his hope that the younger officers would take the opportunity to learn from the veterans present, and draw inspiration from Custom House, a long-standing reminder of Customs' dedication, pride and excellence.

During its period as Customs headquarters, the colonial building has seen the department contribute to the funding of World War II, establish the first Free Trade Zones in 1966 and, together with the Police and Central Narcotics Bureau, form the first Narcotics Detector Dog Unit in 1977. In 1989, the world's first nationwide single-window trade documentation system TradeNet was also implemented within its walls.

"Historical sites are places that play an important part in Singapore's social, political and economic history including security and defence. They therefore serve as constant reminders of our shared heritage," explained NHB's Deputy Chief Executive Officer Mrs Elaine Ng.

She added, "We are pleased to include the Custom House building to our list of marked historic sites and hope that the public will be reminded of the important role Customs has played in shaping the history of Singapore."

CUSTOM HOUSE THROUGH THE YEARS

Built between 1930 and 1933 by the Public Works Department (PWD), the style of Custom House is representative of the works of PWD Chief Architect Frank Dorrington Ward, who also designed the old Supreme Court, the Hill Street Police Station (the current Ministry of Information, Communications and the Arts Building) and the old Traffic Police Headquarters Building (today's Red Dot Museum).

Like many buildings commissioned by the PWD to house administrative offices, Custom House was meant to serve as the headquarters for Singapore Customs, known for the most part back then as The Department of Customs and Excise. It did so for 57 years, from June 1932 to August 1989. Other offices that shared the building include the Film Censor's Office and the Maxwell Road Post Office.



Photo: Urban Redevelopment Authority

Custom House in the 1970s.

During the Second World War in 1941, expatriate customs officers fleeing Malaya and their families sought refuge on the ground floor of Custom House. The building also sheltered Australian soldiers who had been rescued at sea after being attacked by Japanese forces.

In 1989, when the Customs headquarters relocated to the then World Trade Centre at Maritime Square, Custom House was re-designed for commercial use and renamed the White House.



Photo: Maxwell Chambers

The building today.

In recognition of its architectural and historical contribution to the area, the building was granted conservation status by the Urban Redevelopment Authority in 2007.

In 2010, the building was renamed once again as Maxwell Chambers and currently houses the world's first integrated dispute resolution centre for international arbitration cases.

MEMORIES OF CUSTOMS PAST

"Officers sitting among piles and piles of manifests, checking through each one. Some even had to wear rubber thumbs to help with the flipping."

MS ONG WEE WEE

Senior Compliance Officer

"All procedures were done manually and traders had to visit us to submit their declarations over the counter. There was a lot of face-to-face interaction. It's certainly a very different world today where we have automation with TradeNet."

MR LEE NEE CHIAT

Deputy Head (Schemes & Licensing)

"The roadside hawker push carts around Custom House that served very good food. And the antique lift in Custom House with its unique configuration of doors that opened on two sides."

MS KAREN WOON

Deputy Human Resource Officer



Permits counter at Custom House in the 1980s, where traders submitted their trade declarations to Customs for processing manually over the counter.

"We moved to World Trade Centre in August 1989. It was the Hungry Ghost month. Some said it was not a good month to shift but we had to. It was sad leaving my cramped and cosy old office. The antique furniture, the wood and glass ones, had to go. They were of a different era."

MR MOHAN SINGH

Deputy Head (Prosecution)

Singapore Tightens Controls on Strategic Trade with North Korea and Iran

Reaffirming its commitment to the international community, Singapore has brought its regulatory controls on the movement of strategic goods and related technologies in line with the United Nations Security Council's recent sanctions imposed on North Korea and Iran. The new prohibitions came into effect on 1 November 2010.



Besides the facilitation of legitimate trade, Singapore Customs continues to play a vital role in putting in place regulatory controls on the movement of strategic goods and related technologies. Since 2003, Singapore's Strategic Goods (Control) Act has been in force and updated accordingly to reflect changing security needs.

Strategic goods cover conventional arms and military equipment, as well as items linked to the development or operation of

nuclear, chemical or biological weapons that are capable of mass destruction, or missiles that can deliver such weapons. This includes commonly traded items for civilian purposes such as certain electronic parts, cryptography software, vacuum pumps, machine tools, lasers, and chemicals which, in the wrong hands, could be used for military or nuclear purposes.

In accordance with United Nations Security Council (UNSC) Resolutions,

Singapore's list of prohibited trade items for North Korea and Iran has been expanded under the Seventh Schedule of the Regulation of Imports and Exports Regulations. In addition to the previously included military arms and related materials as well as luxury goods such as cigars, wines and spirits, and plasma televisions, the revised list contains new prohibitions on any arms as defined by the United Nations Register of Conventional Arms, and related materials.

Other related activities such as transporting and financing, directly or indirectly, to North Korea and Iran goods sanctioned under the UNSC Resolutions are regulated under the United Nations Regulations, which is administered by the Ministry of Law.

Singapore's trade transactions with North Korea and Iran include commodities as well as agricultural, tobacco and consumer products. In 2009, this accounted for less than 0.4% of the country's total trade value of \$747 billion.

The full details on the revised list of prohibited imports, exports and goods in transit to or from North Korea and Iran are available in Circular No. 18/2010 at www.customs.gov.sg.

Making an Exception: Motorised Bicycles and Motor Vehicle Manufacture

Duty exemption for motorised bicycles and a new streamlined licensing regime for motor vehicle manufacture are just two examples of how Singapore Customs reviews and updates its rules and licensing requirements to meet changing lifestyle and business needs.

As the key authority on trade regulatory matters, Singapore Customs plays a proactive role in keeping its laws and regulations robust and relevant to today's society. Initiating engagement with stakeholders and regular reviews are an essential part of this continuous process.

Last June, Singapore Customs reviewed the duty treatment for motorised bicycles. Motorised bicycles are bicycles fitted with an electric or petrol-driven motor. Such bicycles, and electric ones in particular, are fast gaining popularity in Singapore. In 2008, a total of 958 electric bicycles were imported, marking a leap of 850% from the previous year.

While conventional bicycles remain non-dutiable, motorised bicycles were classified under the same tariff nomenclature as motorcycles and scooters, which made them dutiable at the current duty rate of 12% ad valorem.

The rationale behind imposing duties on motorised vehicles has mainly been to reduce traffic congestion and air pollution. Recognising that electric bicycles actually represent a cleaner alternative form of transport while petrol-driven bicycles can only be used in private compounds and do not add to traffic congestion, Singapore Customs has decided to exempt all duties payable on motorised bicycles.

Such a move also makes trade regulations consistent with the road transport policy of the Land Transport Authority (LTA), which treats approved low-powered motorised bicycles much like conventional bicycles in being exempt from LTA registration for use on public roads, and encourages cycling as a viable transport option.

Before their exemption as a dutiable item, the manufacture of motorised bicycles, like all dutiable motor vehicles, required a \$30,000 annual licensing fee. The term "manufacture" however, was broadly defined to encompass a wide range of activities, from simple modifications to a full-scale assembly production line.

In recent years, Singapore Customs received many requests from tertiary institutions and hobbyists to assemble motor vehicles for academic or competition purposes, and from motor vehicle traders trying to meet evolving business demands. Acknowledging that the existing manufacturing licensing regime did not match the policy intent, Singapore Customs performed a holistic review of its licensing requirements in July 2010.

Balancing the need to regulate with promotion of innovation and entrepreneurship, Singapore Customs has since relaxed and streamlined the licensing regime. Certain small-scale motor vehicle manufacturing activities are now exempt from the license requirement.

With reduced administrative burden and cost savings, the new exemptions for manufacturing licences are expected to encourage innovation, promote new business as well as develop greater interest in motor-sports and automotive engineering.



The full details on the duty exemption for motorised bicycles and licensing exemption for manufacture of certain categories of motor vehicles are available in Circular No. 08/2010 and 15/2010 respectively at www.customs.gov.sg.

Easing Import GST Cashflow for Businesses

GST-registered businesses can now take advantage of a new scheme administered by the Inland Revenue Authority of Singapore (IRAS) to ease their import GST cashflow. The Import GST Deferment Scheme which came into effect on 1 October 2010 eliminates the time lag between payment of import GST and claiming of the import GST paid as input tax.

Goods and Services Tax (GST) is payable on goods imported into Singapore, as well as all supplies of goods and services in Singapore.

Currently, GST on imported goods is payable to Singapore Customs at the point of import. If the goods imported are for the purpose of making taxable supplies, GST-registered businesses are entitled to claim the import GST paid as input tax when they submit their GST returns for the accounting period in which the import GST was paid.

Under the Import GST Deferment Scheme, GST-registered businesses who qualify for the scheme can defer their

import GST payments until they submit their monthly GST return to IRAS, where they account for the deferred import GST and claim it as input tax in the same GST return. Hence, importers can enjoy up to two months' credit on the import GST payable on their goods.

The Scheme applies to the following categories of dutiable and non-dutiable goods:

- Direct imports into Singapore; and
- Imported goods released from a Zero-GST or Licensed Warehouse for local consumption.

Businesses will need to have a good compliance record with IRAS and

Singapore Customs to qualify for the Import GST Deferment Scheme, amongst other requirements.

The full details on the qualifying conditions and application procedure for the Import GST Deferment Scheme are available on the IRAS website at www.iras.gov.sg.

Importers registered under the Import GST Deferment Scheme may refer to Circular No. 16/2010 at www.customs.gov.sg for information on TradeNet declarations relating to the Scheme.

HOW THE IMPORT GST DEFERMENT SCHEME (IGDS) WORKS

1 Jan
START OF
ACCOUNTING
PERIOD

10 Jan
IMPORTS GOODS
with import GST
of \$10,000

– NON-IGDS BUSINESS
Pays import GST of
\$10,000 upfront to
Singapore Customs

– APPROVED IGDS
BUSINESS
Defers payment of
import GST of \$10,000

20 Jan
SELLS GOODS
with output GST
amounting to
\$15,000

31 Jan
END OF
ACCOUNTING
PERIOD

28 Feb
DUE DATE FOR GST
REPORTING &
PAYMENT TO IRAS

– NON-IGDS BUSINESS
Accounts \$15,000 output tax
Claims \$10,000 input tax
Pays \$5,000 net GST

– APPROVED IGDS BUSINESS
Accounts \$15,000 output tax
Accounts \$10,000 deferred
import GST
Claims \$10,000 input tax
Pays \$15,000 net GST

Law Catches Up with Tax Cheats among Car Traders

In September 2010, Lauren Sim Guan Heng of Crane Motor Enterprise was fined a total of \$526,000, or about 10 times the amount of duty and Goods and Services Tax (GST) he was convicted of dodging on car imports. Sim is the latest in a string of motor vehicle traders brought to court by Singapore Customs to face charges for fraudulent evasion of duty and GST.

Sim was convicted of evading duty and GST amounting to \$40,953.85 and \$12,286.15 respectively on 41 cars imported from Japan. He was arrested in June 2009 and faced 270 charges in total. Sim pleaded guilty to 24 charges and the remainder were taken into consideration by the court in meting out the sentence.

As the sole proprietor of Crane Motor Enterprise, Sim had purchased 310 cars from his suppliers in Japan between August 2006 and September 2007 and arranged for the commercial invoices to reflect lower values than what he actually paid. He then used the invoices to under-declare the value of the cars when he applied for import permits from Singapore Customs to bring the cars in. A total of 135 import permits were taken up by Sim over this period. The total duty and GST evaded was close to \$420,000.

LEVELLING THE PLAYING FIELD

As the lead agency on trade facilitation and revenue enforcement matters, Singapore Customs regulates the trading system to create a level playing field for all traders. It will take to task any trader who flouts customs regulations to defraud the state or to gain an unfair advantage over others.

Since June 2008, Singapore Customs has prosecuted 17 persons for motor vehicle-

related offences. The cases against 11 of them have been concluded. These cases resulted in the short payment of duty and GST amounting to \$4.3 million for more than 4,069 cars. The remaining cases are still pending in court.

The convicted car importers were fined between \$70,000 and \$10.8 million for under-declaring the values of the cars they brought in. Those who were unable to pay the court fines imposed on them were required to serve the default jail sentence.

Under the Customs Act, importers are responsible for ensuring the accuracy and completeness of the values and other related costs declared to Singapore Customs. Under-declaration of motor vehicle values is a serious offence as it will result in short payment of duty and GST. Anyone who is convicted of fraudulent evasion of duty and GST faces a fine of up to 20 times the amount of duty and GST evaded or imprisonment, or both. In addition to the penalties, offenders are required to make good the duty and tax shortfalls to the government.



Repositioning Trade Division for the Future

Singapore Customs revamped its Trade Division in 2010 to more effectively serve the needs of the trading community, engage its customers more holistically and position itself to better anticipate and respond to new challenges amidst a constantly changing global trading environment

One of six divisions within Singapore Customs, the Trade Division oversees all customs services for the trading community. The re-organisation is part of the agency's ongoing efforts to streamline its functions and better equip itself to tackle new demands so it can continue to effectively support Singapore as a secure trade hub, while fulfilling its dual roles of trade facilitation and revenue protection.

Said Senior Assistant Director-General for Trade Mr Lim Teck Leong, "In order for Singapore Customs to remain relevant and be effective partners of the trading community, we need to be forward looking and progressive, constantly innovating and improving the way we do things to stay ahead of the game. We also need to work in close partnership with the business community to keep abreast of new business models and constantly scan the horizon for strategic, emerging trends in the global landscape in order to do our job effectively."

"The restructured Trade Division provides the right conditions for specialisation as well as collaboration and teamwork across the various Trade branches to produce the best results."

While Trade Division was previously organised along "product lines" such as Supply Chain Security, Strategic Goods Control and Licensed Premise Operators, the new structure brings similar processes or functions together to create greater synergies across the division for better efficiency and effectiveness.

More significantly, a holistic, risk-based approach has been adopted to engage with and facilitate all businesses, providing them with greater consistency, predictability and certainty about the type and level of facilitation they are eligible for. This would reduce business cost, avail companies to potential new business opportunities and improve the trading industry's Customs competency over time.

Two new branches were also formed: the Client Relations Branch which spearheads Singapore Customs' drive towards developing more effective partnerships with key businesses and industries, and the Trade Strategy & Security Branch which formulates trade policies and strategies to meet changing business needs and international trends.

The five branches under the restructured Trade Division and their functions are as follows:



PROCEDURES & SYSTEMS BRANCH

Centralises all permits processing and procedures. Handles and processes trade documents including TradeNet permits, strategic goods permits, registration, refunds, etc.



TARIFFS & TRADE SERVICES BRANCH

Provides technical expertise to support all Customs matters relating to valuation, rules of origin and classification of goods, including strategic goods.



SCHEMES & LICENSING BRANCH

Administers all customs schemes and facilitations under a single holistic framework. This includes customs tax suspension schemes and licences, strategic goods control schemes and supply chain security schemes.



CLIENT RELATIONS BRANCH

Develops and administers mechanisms for effective engagement of businesses, including developing new schemes and fostering stronger partnerships with industries.



TRADE STRATEGY & SECURITY BRANCH

Formulates strategies to meet changing business needs and international trends for all trade matters including strategic goods control and supply chain security.

The contact details for frequently used Customs services under the restructured Trade Division are available at www.customs.gov.sg under "Contact Info".

TRAINING CALENDAR

Programme	Dates
<p>CUSTOMS COMPETENCY PROGRAMME FOR BUSINESSES PART I</p> <p>This 2-day course provides an overview of customs procedures pertaining to import and export of goods, registration with Customs, the basic requirements for preparing TradeNet declarations, classification of goods under the Harmonised System, customs valuation and import of dutiable goods.</p>	<p>6 – 7 Jan 2011*</p> <p>17 - 18 Feb 2011</p> <p>10 - 11 Mar 2011</p> <p>7 - 8 Apr 2011</p>
<p>CUSTOMS COMPETENCY PROGRAMME FOR BUSINESSES PART II</p> <p>This 4-day course covers topics such as temporary importation, manifest procedures, rules of origin, warehousing regimes, strategic goods control, supply chain security, customs laws and international regimes. It is held over 3 full days and 2 half days.</p>	<p>11, 12, 17, 18 & 24 Jan 2011</p> <p>12, 13, 18, 19 & 25 Apr 2011</p>
<p>STRATEGIC GOODS CONTROL PROGRAMME FOR BUSINESSES</p> <p>This course comprises 3 modules held over 3 half days. It provides an overview of Singapore's strategic goods control system and covers the registration requirements and application procedures for strategic goods permits. Companies that are interested to set up an internal export control compliance programme and wish to be considered for export facilitation under the Strategic Trade Scheme for Tier 2 or Tier 3 permits may also attend the course. Traders may register for individual modules.</p>	<p>23 - 25 Feb 2011*</p> <p>4 – 6 Apr 2011*</p> <p>15 – 17 Jun 2011</p>
<p>TRADERS' CLINICS</p> <p>These monthly one-on-one consultation sessions provide an avenue for traders to seek advice and provide feedback on general customs procedures and services.</p>	<p>27 & 28 Jan 2011</p> <p>24 & 25 Feb 2011</p> <p>17 & 18 Mar 2011</p>
<p>OUTREACH PROGRAMME FOR NEWLY-REGISTERED TRADERS</p> <p>This quarterly programme is designed to equip new traders with a better understanding of customs documentation procedures, as well as the various customs schemes and services available. For enquiries, please call 6355 2000 or email customs_documentation@customs.gov.sg.</p>	<p>16 Mar 2011</p>
<p>US-SINGAPORE EXPORT CONTROL SEMINAR</p> <p>Jointly organised by Singapore Customs and the US Department of Commerce's Bureau of Industry and Security, this annual seminar aims to keep the trading community updated on the latest export control developments in both the US and Singapore. (See Event Highlights)</p>	<p>17 Jan 2011</p>

*registration closed

EVENT HIGHLIGHTS

SEMINAR ON US-SINGAPORE EXPORT CONTROLS

Singapore Customs will be organising its third US-Singapore export control seminar on 17 January 2011. The one-day seminar to be held at the DBS Auditorium will feature speakers from Singapore Customs, the US Department of Commerce's Bureau of Industry and Security and the US Department of Homeland Security's Immigration and Customs Enforcement.

Export controls aim to enhance global security by preventing strategic goods and technology from reaching sanctioned countries and rogue entities, while facilitating the needs of legitimate traders.

Strategic goods include not just conventional arms, military equipment and items that are intended or likely to be used for weapons of mass destruction purposes, but also commonly traded dual-use goods that have both civilian and military applications.

Examples of these goods are dual-use products such as integrated circuits with or without cryptography functions, software for controlled telecommunications and information security devices, switching devices, machine tools and machining centers, mass spectrometers, photo-masks and photo-resists, pumps and valves.

Strategic goods technology refers to the necessary know-how and technology for the development, production or use of any strategic goods.

The seminar will provide a good opportunity for the trading community to enhance their understanding of the export control systems of the US and Singapore, and the consequences of being non-compliant. Manufacturers, exporters, logistics providers, freight forwarders, researchers, and individuals dealing with strategic goods or strategic goods technology are encouraged to attend.

Seminar participants may also sign up to meet the speakers for one-on-one consultations about the export control systems of the US and Singapore.

REGISTRATION

For more information on the seminar and registration details, please visit www.customs.gov.sg/stgc.

Please note that dates are subject to change. For full programme and registration details, please refer to www.customs.gov.sg under "News & Events".



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