



SINGAPORE CUSTOMS 新加坡关税局 KASTAM SINGAPURA சிங்கப்பூர் கங்கத்துறை

## MEDIA RELEASE

18 May 2022

### **Supplier of sea stores jailed 18 months for storing duty-unpaid cigarettes and fraudulent evasion of duty and GST**

A Singaporean man, Tan Tong Meng, 63, was sentenced by the State Courts on 12 May 2022 to 18 months' imprisonment for storing duty-unpaid cigarettes and for fraudulent evasion of duty and Goods and Services Tax (GST) by falsely stating the exported quantity of duty-unpaid cigarettes in the permits.

#### Facts of the Case

Tan is the sole proprietor of VSL Maritime Services and Supplies ("VSL"), which supplies ship spares and sea stores<sup>1</sup> to vessels berthed within Singapore's territorial waters. Tan would purchase cigarettes from Licensed Warehouses<sup>2</sup> when he received orders for cigarettes from the captain or shipping agent of the vessels. These cigarettes were meant to be supplied to the vessels as sea stores which are considered as exports and thus, exempted from payment of duty and GST. He would also liaise with the Licensed Warehouses to apply for export permits so that the cigarettes could be taken out of the Licensed Warehouses and delivered to the vessels.

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<sup>1</sup> Sea stores refer to goods supplied for consumption or use on board a vessel by the crew and passengers outside Singapore waters. The items range from food, cigarettes, liquor and other basic necessities.

<sup>2</sup> Licensed Warehouses are premises licensed by Singapore Customs for storage of dutiable goods, such as cigarettes, with the duty and GST suspended pending re-export or removal for local consumption. Duty and GST are payable if the goods are to be removed from the Licensed Warehouse for local consumption.

On multiple occasions between August 2020 and June 2021, Tan ordered more cigarettes than the actual quantity required by the vessels. After receiving the cigarettes from the Licensed Warehouses and delivering the required quantity to the vessels, Tan would divert the excess cigarettes inland and store them at VSL, for either resale or personal consumption.

On 2 July 2021, Singapore Customs officers checked the premises of VSL and found a total of 86 cartons and 3 packets of duty-unpaid cigarettes. The cigarettes were the left-over of excess duty-unpaid cigarettes from recent sea store shipments that had been diverted inland. Further investigations uncovered that Tan had similarly diverted duty-unpaid cigarettes on past occasions involving 14 other export permits. Tan had fraudulently evaded duty and GST by stating in the export permits that the quantity of duty-unpaid cigarettes involved were exported when in fact, they were diverted inland.

Tan pleaded guilty to one charge of storing duty-unpaid cigarettes and nine charges of fraudulent evasion of duty involving nine export permits. The total duty evaded for the 10 proceeded charges amounted to about \$67,820. Another similar charge of storing duty-unpaid cigarettes and 25 similar charges of fraudulent evasion of duty and GST involving 17 export permits were taken into consideration during sentencing. The total duty and GST evaded for the 26 charges amounted to about \$17,080 and \$7,110 respectively.

Buying, selling, conveying, delivering, storing, keeping, possessing or dealing with duty-unpaid goods are serious offences under the Customs Act and the GST Act. Offenders can be fined up to 40 times the amount of duty and GST evaded and/or jailed for up to six years.

Any person who is in any way concerned in any fraudulent evasion of, or attempt to fraudulently evade, any duty shall be guilty of an offence and will be liable on conviction to a fine of up to 20 times the amount of duty and GST evaded.

Members of public with information on smuggling activities or evasion of duty or GST can call the Singapore Customs hotline on 1800-2330000 or email [customs\\_intelligence@customs.gov.sg](mailto:customs_intelligence@customs.gov.sg) to report these illegal activities.

**Singapore Customs**  
**18 May 2022**

**###**

**ANNEX**



Duty-unpaid cigarettes found at Tan's firm.