



SINGAPORE CUSTOMS

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Circular No.: 26/2011
Date: 27 December 2011



All Traders and Declaring Agents

IMPOSITION OF EXCISE DUTY ON COMPRESSED NATURAL GAS (CNG) FROM 1 JAN 2012

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, a licence from Singapore Customs is required for the manufacture of CNG. The licence fee is \$2,600 per year. The manufacturers would have to be assessed by our account managers using the TradeFIRST assessment framework before the licence can be granted. The assessment areas include the company's compliance level, its internal control systems as well as supply chain security measures. Our account managers will contact these manufacturers to kick-start the assessment. Information on TradeFIRST can be found at the following link:
<http://www.customs.gov.sg/leftNav/trad/TradeFIRST.htm>

3. Under the licensing requirement, all CNG manufacturers have to account for the quantity of CNG fuel produced, dispensed and sold, and be subjected to periodic audits. The duty payment to be made to SC would be on a monthly consolidated basis via the application of a duty payment permit in TradeNet.

Exemptions from CNG Duty

4. Currently, certain persons and organisations enjoy duty exemption on petrol. As both petrol and CNG will be dutiable motor fuels, Singapore Customs will extend these duty exemptions to CNG. The exempted persons and organisations are listed in the **Appendix**.

5. For further clarification, please send your enquiries to
Customs_Documentation@customs.gov.sg.

Yours sincerely,

WINSTON TAY
HEAD PROCEDURES & SYSTEMS
for DIRECTOR-GENERAL OF CUSTOMS

Organisations/persons enjoying exemptions from CNG duty

1. The President.
2. Embassy, High Commission, Consulate or accredited Trade Mission in Singapore and persons who have been accorded diplomatic and consular privileges and immunities by the Singapore Government.
3. Organisation declared under section 2 (1) of the International Organisations (Immunities and Privileges) Act (Chapter 145) by an Order of the President to be an organisation of which the Singapore Government and the government or governments of one or more sovereign Powers are members.
4. Non-locally domiciled person working in Singapore for the United Nations, the Colombo Plan, foreign quasi-government organisation or an approved private foundation.
5. Commonwealth Armed Forces serving in Singapore.
6. Navy, Army and Air Force Institute (NAAFI) and any other approved organisation providing similar services for ANZUK forces.
7. Educational and research establishments, Government departments, statutory bodies and any company with research and development facilities.
8. Person in charge of any motor vessel, motor vehicle, railway locomotive or self-propelled railcar entering Singapore with CNG in the fuel tank.