



SINGAPORE CUSTOMS 新加坡关税局 **KASTAM SINGAPURA** சிங்கப்பூர் சுங்கத்துறை

MEDIA RELEASE

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Handbag retailer fined \$190,000 for fraudulent evasion of Goods and Services Tax

A retailer of branded handbags and wallets was sentenced by the State Courts on 27 April 2016 to a fine of \$190,000 or in default a total of 11 months and 240 days of imprisonment for fraudulent evasion of Goods and Services Tax (GST).

Between October 2011 and October 2013, Yu Chung Tan, 47, a partner of LovethatBag LLP, imported 2,338 branded handbags by parcel post on 41 occasions. He instructed his suppliers to indicate the value of the goods imported as below \$400 in the import documents submitted to Singapore Customs, in an attempt to avoid the payment of GST. Goods imported by parcel post, except dutiable goods, are not subject to GST when the value of the goods is below \$400.

Investigations also revealed that between April 2012 and February 2014, Yu had travelled overseas on 14 occasions and purchased 519 items, which included branded bags, wallets, shirts, umbrellas and shoes, for sale in Singapore. Despite knowing that goods imported for sale in Singapore are subject to GST, Yu did not declare the goods for GST payment when he arrived at the Changi Airport.

Yu's intention was to save on the cost of goods so as to price his goods more competitively to generate more sales.

The total amount of GST he evaded on these goods exceeded \$54,460. Yu pleaded guilty to 18 charges. Another 37 charges were taken into consideration in the sentencing.

“We are keeping a close watch on such illegal practices by retailers,” said Ms Fauziah Abdul Sani, Head of Trade Investigation Branch, Singapore Customs. “Those who attempt to evade duty and taxes will be dealt with severely.”

Under the Customs Act, any person found guilty of fraudulent evasion of GST will be liable to a fine up to 20 times the amount of tax evaded and/or be jailed for up to two years.

Members of the public with information on smuggling activities or evasion of customs duty or GST can contact Singapore Customs on 1800-2330000, email customs_intelligence@customs.gov.sg, or use the Customs@SG mobile app (which can be downloaded from the Apple Store or Google Play) to report on these illegal activities.

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