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CUSTOMS AND EXCISE DEPARTMENT

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All Traders and Declaring Agents

COMMON QUESTIONS ON CUSTOMS DECLARATIONS/PROCEDURES: HELPLIST 45

I am pleased to list below the questions and answers for List 45:

- Q1 I have a consignment of 150 cartons of liquors marked with the Legend "SDNP" which is meant for re-export to Thailand. The liquors are currently stored in a Licensed Warehouse. As the buyer is still unable to confirm the order, can I sell the liquors to the local market by deleting the SDNP marking and pay the customs duty on them?
- A Customs duty cannot be paid on liquors marked with the legend "SDNP" as these are meant for re-export only. The SDNP marking on the liquor is also not allowed to be deleted.
- Q2 Recently my company has exported a consignment of raw textile materials to Batam for our contractor to process them into finished trousers. The finished products will be imported into Singapore in two weeks with only the processing cost indicated in the contractor's invoice. Can I pay the GST based on the processing cost since the raw materials are provided by us?
- A The importation of the finished products (trousers) is subject to the payment of GST based on the CIF value (including the export freight and insurance for raw materials exported from Singapore to Batam as well as the processing and the raw material costs). Thus, you cannot declare the CIF value by omitting the raw material cost at the time of importation.
- Q3 I have earlier imported a grass cutting machine at the value of \$700. This machine was later found to be faulty. The import was effected by a Customs GST payment (IG) permit. Since the supplier has agreed to compensate me with a replacement machine free of charge, do I have to pay GST on the machine at the time of importation?
- A GST is payable on all commercial goods imported into Singapore regardless of whether they are replacement items given free of charge by the supplier. You are therefore advised to take out an IG permit to cover the importation of the said machine.

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