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All Traders and Declaring Agents



COMMON QUESTIONS ON CUSTOMS DECLARATIONS/PROCEDURES: HELPLIST 1/2001

I am pleased to list below the questions and answers for List 1/2001 :

- Q1 As a declaring agent for my clients, how do I base the computation of freight charges if the goods are purchased on FOB and the freight charges are paid to a shipping company overseas directly appointed by the importer. The freight charges paid by the importer is at a lower rate than the market norm.
- A1 The actual freight charges paid by the importer, whether to the supplier or to the freight forwarding company, will be taken into account in the computation of import GST. If the freight charges are paid to a shipping company overseas and relationship between the importer and the shipping company does not influence the freight charges, the fee paid can be accepted for the computation of GST.
- Q2 My overseas supplier intends to give me an item that is free-of-charge (FOC) together with my next shipment of goods. Is GST payable on the FOC item? If not, how do we prove that the item is free?
- A2 Goods supplied by overseas seller to the importer in Singapore free-of charge (FOC) are still subject to import GST. If there is no value stated in the invoice, the value of the FOC item should be based on the price it would fetch in a sale in the open market.
- Q3 I have transmitted a Joint TDB Inward/Customs White transshipment declaration via the TradeNet system for a sea freight consignment. The place of release was keyed in as "Keppel Wharves". However, the declaration was rejected with an error message "Place of release". Why is this so?
- A3 You have keyed in the wrong place of release. For sea consignments, the "Place of Receipt" and "Place of Release" have to be a Free Trade Zone (FTZ) for all permit types. "Keppel Wharves" is a place where vessels are located and thus it should not be regarded as a "Place of Release".

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