

Our Ref : G02.04.01.V31(28)

Circular No. : 49/2001

Date : 20 Dec 2001



CUSTOMS AND EXCISE DEPARTMENT

55 Newton Road
#10-01 Revenue House
Singapore 307987

REPUBLIC OF SINGAPORE

Telephone : 3552000

Telefax : 2509606

Homepage : <http://www.gov.sg/customs/>

E-mail : CED_Documentation@ced.gov.sg



All Traders And Declaring Agents

INSURANCE BOND AS SECURITY

Under Section 99 of the Customs Act, Director-General of Customs & Excise Department (CED) has the power to require and take securities for payment of duty/GST and generally for compliance with the Act. Currently CED accepts only securities in the form of guarantees issued by banks/finance companies licensed by Monetary Authority Of Singapore (MAS).

2 As part of our continuous effort to facilitate trade, CED will accept Insurance Bond issued by insurance companies as security with effect from 15 Jan 2002. This is subject to the following conditions:

- a The insurance company is registered with Monetary Authority of Singapore (MAS) under the Insurance Act. The company must be either a direct general or direct composite insurance company listed under MAS' "Directory of Financial Institution"; and
- b The maximum liability per Insurance Bond does not exceed S\$100,000.00.

3 With the acceptance of the Insurance Bond, CED has adopted a common format for Banker's Guarantee issued by banks/finance companies and Insurance Bond issued by insurance companies. Please refer to Annexes A and B for the common Banker's Guarantee/Insurance Bond formats. Annex A is meant for lodgement of security in respect of Customs permit declarations and operation of licensed premises whilst Annex B is for lodgement of security to cover permit declarations only. You may also download the formats from CED's website "<http://www.customs.gov.sg>".

4 Please call our Customs Call Centre at telephone number 355 2000 (followed by *,0) if you need further information.


TAY CHIN LEONG
HEAD DOCUMENTATION
for DIRECTOR-GENERAL OF CUSTOMS & EXCISE

Annex A

**BANKER'S GUARANTEE/INSURANCE BOND FORMAT
(PERMITS & LICENSED PREMISES)**

<Bank's/Finance Company's/Insurance Company's Letterhead>

Date:

Director-General of Customs & Excise/Deputy Comptroller of Goods and Services Tax
55 Newton Road
10-01 Revenue House
Singapore 307987
Republic of Singapore

Dear Sir,

**LETTER OF *BANKER'S GUARANTEE/INSURANCE BOND NO. _____ FURNISHED
UNDER SECTION 99(1) OF THE CUSTOMS ACT (CAP 70)(REVISED EDITION 1997)
AND REGULATION 85 OF THE GOODS AND SERVICES TAX (GENERAL) REGULATIONS**

In consideration of your having agreed at our request not to require the payment of the sum of dollars
(\$ _____) from _____

(Name & Address of Company/Firm/Person(s))

(CR No. _____)(hereinafter referred to as "the Principal") as security pursuant to section 99(1) of the Customs Act (Cap 70)(Revised Edition 1997), read with section 26 of the Goods and Services Tax Act (Cap 117A)(Revised Edition 1997), and regulation 85 of the Goods and Services Tax (General) Regulations, we hereby agree to pay to you on demand the whole of any sums which you may require from the Principal for the payment of:

- (a) *any goods and services tax chargeable, under the Goods and Services Tax Act or subsidiary legislation made thereunder, on the importation of goods, including any interests thereon;*
- (b) *any duties, taxes, fees, penalties and all other charges required under the Customs Act or subsidiary legislation made thereunder, read with section 26 of the Goods and Services Tax Act, in all the Principal's transactions with you, including any interests thereon; or*
- (c) *any goods and services tax and fees required under the Goods and Services Tax Act or subsidiary legislation made thereunder in relation to the operation of any bonded warehouse under Part XIII of the Goods and Services Tax (General) Regulations or in relation to any goods subject to a warehousing regime under section 37 of the Goods and Services Tax Act, including any interests thereon:*

PROVIDED that the total amount recoverable from us under this *Guarantee/Bond shall not exceed Singapore Dollars
(\$ _____).

2 No changes whatsoever in the constitution of the Principal shall affect, impair or discharge our liability under this *Guarantee/Bond notwithstanding any law, statutory or otherwise, to the contrary. *(Note: This paragraph is to be used when the Principal is a company or a firm).*

3 This *Guarantee/Bond shall take effect from the 1st day of January and shall remain in full force and effect until the 31st day of December and is conditional only upon claims being made by you in writing and received by us on or before the 31st day of January and it is further agreed that we shall not concern ourselves with whether any sums claimed are properly payable to you by the Principal or with whether any event or transaction giving rise to any claims actually occurred within the validity period of this *Guarantee/Bond. *(Note: The guarantee/bond may be valid for two years or more with expiry date set at 31 Dec of any year and one month claim period ending at 31 Jan of the following year).*

4 Our liability under this *Guarantee/Bond shall not be affected, impaired or discharged by your giving time or any other indulgence to the Principal or your requiring further or other security from the Principal in respect of the same or similar subject matters as those covered by this *Guarantee/Bond. All payments made by us under this *Guarantee/Bond shall be made without set-off or counterclaim of any kind.

5 This *Guarantee/Bond shall be governed by and construed in accordance with the laws of the Republic of Singapore in every respect.

Yours faithfully,

(Name and Designation)

For and on behalf of

(Name of *Bank/Finance Company/Insurance Company)

*: Delete as appropriate

Annex B

BANKER'S GUARANTEE/INSURANCE BOND FORMAT (PERMITS)

< Bank's/Finance Company's/Insurance Company's Letterhead >

Date:

Director-General of Customs & Excise/Deputy Comptroller of Goods and Services Tax
55 Newton Road
10-01 Revenue House
Singapore 307987
Republic of Singapore

Dear Sir,

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UNDER SECTION 99(1) OF THE CUSTOMS ACT (CAP 70)(REVISED EDITION 1997)**

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_____ (\$ _____) from _____
(Name & Address of Company/Firm/Person(s))

(CR No. _____) (hereinafter referred to as "the Principal") as security pursuant to section 99(1) of the Customs Act
(Cap 70)(Revised Edition 1997), read with section 26 of the Goods and Services Tax Act (Cap 117A)(Revised Edition 1997),
we hereby agree to pay to you on demand the whole of any sums which you may require from the Principal for the payment of:

- (a) *any goods and services tax chargeable, under the Goods and Services Tax Act or subsidiary legislation made thereunder, on the importation of goods, including any interests thereon; or*
- (b) *any duties, taxes, fees, penalties and all other charges required under the Customs Act or subsidiary legislation made thereunder, read with section 26 of the Goods and Services Tax Act, in all the Principal's transactions with you, including any interests thereon:*

PROVIDED that the total amount recoverable from us under this *Guarantee/Bond shall not exceed Singapore Dollars
_____ (\$ _____).

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For and on behalf of

(Name of *Bank/Finance Company/Insurance Company)

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