

To All Declaring Agents

BANK GUARANTEE FOR GST PAYMENT

1. With effect from 1 January 1996, all non-taxable declaring agents with monthly GST payments exceeding \$5,000.00 will be required to lodge bank guarantees (BGs) with Customs to cover the GST payable on their imports. This is in accordance with Section 81 of the Goods & Services Tax Act (Cap 117A).
 2. The BG quantum to be lodged will be determined according to one week's GST payable by a firm as follows:
 3. **POTENTIAL BG QUANTUM BASED ON GST** **BANK GUARANTEE TO BE**
 LODGED
 4. **PAYABLE PER WEEK**
 - 5.
 6. \$1 - \$1,250 No BG for the time being.
 - 7.
 8. \$1,251 - \$5,000 BG based on actual GST payable with effect from first year of implementation.
 - 9.
 - 10.
 - 11.
 - 12.
 13. \$5,001 - \$10,000 BG of \$5,000 in the first year with the balance to
 14. be
 15. two
 16. years.
 - 17.
 18. Above \$10,000 BG of 50% of GST payable
 19. per
 20. week up to a maximum of \$10,000 in the first
 21. year.
 22. two
 23. years.
 - 24.
 - 25.
 26. Declaring agents will be informed individually of the BGs to be lodged in October 95. The BGs will be required to be lodged by 31 Dec 95. Those who do not do so will not be able to use the TradeNet System to declare their permits.
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