



Circular No: 05/2017  
11 Apr 2017

To Traders and Declaring Agents

Dear Sir/Madam

**ADVISORY: CUSTOMS REQUIREMENTS & BEST PRACTICES FOR IMPORT  
OF GOODS**

**Customs Requirements**

Singapore Customs would like to remind all persons importing goods into Singapore and their agents to comply with the Customs Act, the Goods and Services Tax (GST) Act, the Regulation of Imports and Exports Act and other relevant legislation. Some requirements are as follows:

- a) All goods imported into Singapore are subject to the payment of GST. In addition to GST, customs and/or excise duties are also payable on the importation of dutiable goods, namely intoxicating liquors, tobacco products, motor vehicles and petroleum products.
- b) The computation of the GST payable is based on the cost, insurance and freight (CIF) value of the goods which includes other charges e.g. commissions, costs and expenses incidental to the sale and delivery of the goods into Singapore, whether or not shown on the invoice.
- c) If a Customs permit is required for the importation of goods, it is the responsibility of the importer and his/her agent to ensure that all information in the Customs permit application is true and correct, and comply with the permit conditions issued in the permits.
- d) For the import of controlled goods, licence(s) from the relevant Competent Authorities (e.g. Health Sciences Authority, Agri-Food & Veterinary Authority of Singapore) may be required. Please ensure that the correct HS codes and product codes are declared in the Customs permit application.

- e) The importer or his agent is required to keep documents and records relating to the purchase, import and sale of the goods for at least 5 years from the date on which the goods are released for import or GST/duty payment.

### **Common Non-Compliance**

2 Examples of non-compliance are as follows:

- a) Non-declaration of goods;
- b) Under-declaration of the CIF value of goods, in particular, falsely declaring the total CIF value to be below S\$400 in order to claim the GST relief on importation of goods by air;
- c) Failure to take up a Customs permit for goods imported by air where the total CIF value exceeds S\$400;
- d) Shipment of excess goods;
- e) Importation of controlled goods (e.g. food, pharmaceutical products) without obtaining the required licence(s) from Competent Authorities;
- f) Importation of counterfeit goods which infringe intellectual property rights;
- g) Smuggling of dutiable goods such as cigarettes and intoxicating liquors;
- h) Using generic description of goods and lumping of different goods of different classifications under a single HS code in the permit application;
- i) Omission of insurance and freight charges when declaring the CIF value to Singapore Customs; and
- j) Non-compliance of permit conditions, e.g. failure to produce goods at the relevant checkpoints for clearance, and goods released from the 1<sup>st</sup> Checkpoint are not moved into the 2<sup>nd</sup> checkpoint within 24 hours.
- k) Failure to produce containers at red lane for clearance, when directed to do so.

### **Red Flags**

3 We encourage you to look out for tell-tale signs of smuggling of contrabands or under-declaration of the CIF value of goods when importing goods, including the following:

- a) Items with compartments or cavities which can be used to conceal contrabands;

- b) Non-existent delivery address, last-minute change in delivery address, request for delivery to a location which is not a proper residential or business unit (e.g. void decks);
- c) Highly-insured shipments declared with low values;
- d) Heavy and bulky shipments declared with low values, especially when the CIF value declared is even lower than the freight charges;
- e) Luxury or high-value items declared with low values.

### **Best Practices**

4 We would like to highlight the following best practices, which you are encouraged to observe when making arrangements to import goods into Singapore:

#### **For service providers/consolidators who import and/or submit permit applications on behalf of your customers**

- a) Verify the accuracy of the details of goods e.g. value, quantity, item description with your customers before the importation of the goods, and look out for anomalies e.g. omission of freight charges, the weight of consignment does not commensurate with the declared value.
- b) Educate your customers that they are responsible for providing accurate information of their goods, and remind them that submitting incorrect Customs permit applications and evasion of duty/GST are customs offences.
- c) Provide your customers the invoices from suppliers/sellers, copies of permits taken up on their behalf and itemised invoice/receipt with a breakdown of fees/charges/taxes (e.g. shipping fees and payment of duty/GST) for their record.
- d) Remind foreign consolidators not to stuff undeclared/prohibited goods into the import consignments and to provide the relevant commercial invoice from suppliers and supporting documents to facilitate permit application and customs clearance (applicable to service providers who use the services of foreign consolidators).
- e) Declare your customers who are registered with Singapore Customs as the importer in the permit applications, and refrain from declaring generic description of goods.
- f) Report to Singapore Customs and/or relevant Competent Authorities on any discrepancy detected as appropriate e.g. importation of prohibited/controlled/counterfeit goods, suspected under-declaration of values.

- g) Attach supporting documents such as Commercial Invoices, Bills of Lading and Packing List during the permit declaration.
- h) Ensure that your customers are aware of the permit conditions and comply with them accordingly, e.g. produce the goods and/or permits at the relevant checkpoints for clearance/ endorsement (where applicable).
- i) Ensure that the hauliers engaged comply with the requirement to produce the containers at the red lane for clearance, when directed to do so.

For traders who engage the services of service providers/consolidators to import and/or submit permit applications on your behalf

- a) Request the followings from your service providers/consolidators for verification:
  - i) Copies of the Customs permits taken up under your company or name; and
  - ii) Itemised invoice/receipt from service providers/consolidators with a breakdown of fees/charges/taxes (e.g. shipping fees and payment of duty/GST).
- b) Report to Singapore Customs and/or relevant Competent Authorities on any discrepancy detected as appropriate e.g. if you observe malpractices by your appointed service providers/consolidators (e.g. CIF values of goods purchased differ from what was declared in the Customs permit application, being billed a higher amount of GST/duty than what is payable).
- c) Ensure that your service providers/consolidators are aware of the permit conditions and comply with them accordingly, e.g. produce the goods and/or permits at the relevant checkpoints for clearance/ endorsement (where applicable).
- d) Ensure that the hauliers engaged comply with the requirement to produce the containers at the red lane for clearance, when directed to do so.

5 We urge all traders and declaring agents to self-disclose their past errors and omissions to Singapore Customs by submitting an application for voluntary disclosure via email to [customs\\_vdp@customs.gov.sg](mailto:customs_vdp@customs.gov.sg) or fax to 6251 3227. Voluntary disclosures of non-compliance by traders and declaring agents be taken into consideration when Singapore Customs decides on the follow-up actions and/or penalties.

6 We would like to remind you that it is the responsibility of the importer and his appointed declaring agent to ensure the accuracy and completeness of the

information declared. The failure to make a declaration and the submission of an incorrect declaration (of value, quantity, etc.) are offences and a person guilty of failing to make a declaration or making an incorrect declaration under the Customs Act is liable on conviction to a fine of up to S\$10,000 or the equivalent amount of duty and GST payable, whichever is higher, and/or imprisonment for up to 12 months.

7 For more information, please contact Singapore Customs Call Centre at 6355 2000.

Yours faithfully

Wan Boon Oon  
Head Company Compliance  
for Director-General of Customs  
Singapore Customs

*(This is a computer-generated circular. No signature is required.)*

We hope that this circular has been written in a way that is clear to you. If not, please let us have suggestions on how to improve this circular at [customs\\_vdp@customs.gov.sg](mailto:customs_vdp@customs.gov.sg).