



Circular No: 15/2019
13 Aug 2019

Petroleum Licensees

Dear Sir/Madam

UPDATED REQUIREMENTS FOR BLENDING ACTIVITIES UNDERTAKEN BY REFINERIES AND LICENSED WAREHOUSES FOR PETROLEUM

Currently, petroleum companies undertake blending activities within licensed refineries or warehouses (petroleum licensed premises). Based on the feedback obtained from the petroleum industry, Singapore Customs has reviewed the requirements for blending activities.

Duty Treatment for Dutiable Gasoline and Diesel used in Blending Activities

2 Petroleum licensees can continue to undertake blending activities involving gasoline within licensed premises without paying duty on the gasoline used for the blending activity. With the introduction of diesel duty from 20 Feb 2017, the same duty exemption will also be applicable to dutiable diesel used in blending activities in licensed premises. Duty shall be payable on the final blended product if it is dutiable and is removed from the licensed premises for local consumption.

Blending Activities and Requirements

3 The following operations involving the blending of two or more dutiable/non-dutiable petroleum products¹ shall be classified as blending:

- a) Dutiable product + Dutiable product = Dutiable product
- b) Dutiable product + Dutiable product = Non-dutiable product
- c) Dutiable product + Non-dutiable product = Dutiable product
- d) Dutiable product + Non-dutiable product = Non-dutiable product

4 As the blending activities stated in paragraph 3 involve dutiable products, petroleum licensees are required to maintain a blending schedule for Customs' audit

¹ Petroleum licensees that wish to blend a dutiable product with a non-dutiable product to produce either a dutiable or non-dutiable petroleum/diesel product are to be licensed as both a Licensed Warehouse for Petroleum and a Bonded Warehouse for Petroleum (BWP), or as a Petroleum Refinery and BWP. The final blended product is to be stored within a tank with the appropriate status (i.e. 'bonded' for non-dutiable goods or 'licensed' for dutiable goods) in the approved licensed area(s) under the respective licences.

purposes. For the blending of gasoline with additives, petroleum licensees are required to maintain a blending schedule if only more than 1000 PPM (or more than 0.1% by volume) of additives are added to the gasoline. Duty on the dutiable petroleum product shall be paid on the blending loss which exceeds the permitted allowances. The blending loss allowance is 1% for petroleum products with a flashpoint below 23°C, and 0.6% for petroleum products with a flashpoint of 23°C and above. Specifically, for activities stated in paragraphs 3(b) and 3(d), licensees are also required to inform Customs at least 3 working days in advance before conducting such blending activities.²

5 This circular will supersede Circular 40/99 “Upgrading/ Downgrading and Blending Activities of Oil Companies (with updates on 5 Jan 2015)” with immediate effect.

Clarifications

6 If you require further clarification, please email to customs_schemes@customs.gov.sg.

Yours faithfully

Kelly Char
Head Schemes & Engagement
for Director-General of Customs
Singapore Customs

(This is a computer-generated notice. 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_schemes@customs.gov.sg.

² The template for the blending schedule will be included in the “Guide for Petroleum and Biodiesel Blends Licences” issued to petroleum licensees.