



Circular No: 03/2017
20 February 2017

To Traders and Declaring Agents

Dear Sir/Madam

IMPOSITION OF NEW EXCISE DUTY

As announced in Budget 2017 by the Minister for Finance, the following new excise duties, as listed in Table 1 below, will take effect from 20 February 2017, at 4.45 pm:

HS Code	Description	Excise Duty
2710.19.71	Automotive diesel fuel	\$1.00 per decalitre
2710.19.72	Other diesel fuels	\$1.00 per decalitre, other than marine diesel fuel



2710.20.00	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils	\$1.00 per decalitre of dutiable diesel fuel
3826.00.90	Other biodiesel and mixtures thereof, not containing or containing less than 70% by weight of petroleum oils or oils obtained from bituminous minerals	\$1.00 per decalitre of dutiable diesel fuel

Table 1: New Excise Duty

2 Please take note of the following declaration procedure when submitting a TradeNet® permit application for the products listed in Table 1, where duty is computed based on the dutiable content of the product.

- i. The dutiable content of the product should be declared in the “Total Dutiable-Quantity/Weight/Volume” and “Total Dutiable-Quantity/Weight/Volume Unit” fields; and
- ii. The weight of the product should be declared in the “HS Quantity” and “HS Quantity Unit” fields.

3 The new duties for the products listed in Table 1 will apply for such goods imported, manufactured in Singapore or stored in the Bonded Warehouse licensed by Singapore Customs from the effective date and time onwards. All such dutiable goods imported into, manufactured in Singapore as well as releases from licensed premises have to be covered by an appropriate Customs permit.

4 Traders who wish to store imported or refined dutiable products listed in Table 1, with duty and GST suspended, can apply for a Licensed Warehouse for Petroleum (LWP). For manufacturing of such products, a Petroleum Refinery (RP) Licence from Singapore Customs would be required. Companies have to undergo TradeFIRST assessment, and attain a minimum “Enhanced” band in order to



qualify for both licences. For more information on the licences, please visit our website [here](https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/petroleum-licences) (https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/petroleum-licences).

5 For further clarification, please email us at customs_documentation@customs.gov.sg.

Yours faithfully

Lim Teck Leong
Deputy Director-General (Corporate & Facilitation)
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_documentation@customs.gov.sg.



FAQ

Q1: What is the justification of imposing duty on diesel?

A1: The use of diesel fuel generates significant levels of particulate matter and Nitrogen Oxides (NOx) emissions, making it highly pollutive. Long-term exposure to diesel emissions has detrimental effects on the environment and our health. The introduction of a usage-based tax on diesel is thus aimed at incentivising users to reduce diesel usage, and encourage cleaner alternatives.

Q2: What are the benefits of imposing duty on diesel?

A2: The long-term exposure to diesel emissions has detrimental effects on the environment and our health. The introduction of a usage-based tax on diesel is thus aimed at incentivising users to reduce diesel usage, and encourage cleaner alternatives.

Q3: How will the duty rate be imposed? How does it work?

A3: Duty is based on a volumetric tax; the formula to compute the duty rate is volume of diesel (in decalitres) multiplied by the duty rate of S\$1.00 per decalitre. For biodiesel blends, only the bio-components of bio-diesel will be exempted from duty. GST remains payable.

Q4: Is GST payable on the duty on diesel?

A4: Yes, GST will be payable on the duty as per current imports of dutiable products into Singapore.



Q5: How should I submit my TradeNet® permit application for the new dutiable goods?

A5: Please see the applicable declaration procedure(s) in the below table for the various possible scenario(s).

S/N	HS Code	Example of Possible Scenario	Declaration Procedures	
			HS Qty and HS Qty Unit Fields	Total Dutiable-Qty/Wt/Vol and Total Dutiable-Qty/Wt/Vol Unit Fields
a)	2710.19.71	Import of 1 tonne of diesel fuel (assuming volume of 120 decalitres)	1 TNE	120 DAL
b)	2710.19.72	Import of 1 tonne of diesel fuel (assuming volume of 120 decalitres)	1 TNE	120 DAL
c)	2710.19.72	Import of 1 tonne of marine diesel (assuming volume of 120 decalitres)	1 TNE	0
d)	2710.20.00	Import of 1 tonne of diesel fuel (assuming volume of 120 decalitres and containing 30 decalitres of dutiable diesel content)	1 TNE	30 DAL
e)	2710.20.00	Import of 1 tonne of diesel fuel (assuming volume of 120 decalitres and containing 0 decalitre of dutiable diesel content)	1 TNE	0
f)	3826.00.90	Import of 10 kilogram of diesel fuel (assuming volume of 1.2 decalitres containing 0.2 decalitre of dutiable diesel content)	10 KGM	0.2 DAL
g)	3826.00.90	Import of 10 kilogram of diesel fuel (assuming volume of 1.2 decalitres containing 0 decalitre of dutiable diesel content)	10 KGM	0



Q6: Do I require a LWP licence to import the affected diesel products?

A6: A LWP licence is required to store imported or locally manufactured dutiable diesel products with duty and GST suspension. Companies that wish to import the affected diesel products for local consumption, and pay the duties and GST at the point of importation, would not require a LWP licence. You can submit your application for a LWP licence [here](https://eservices.customs.gov.sg/scripts/customs/whselic/WHS1_Form.asp). (https://eservices.customs.gov.sg/scripts/customs/whselic/WHS1_Form.asp)

Q7: Do I need to pay any licence fees for LWP licence or RP licence?

A7: The annual licence fees for LWP licence and RP licence are \$40,000 and \$75,000, respectively. For 2017, a pro-rated licence fee will be collected from the effective date of the licence(s).

Q8: I have diesel products that are currently stored in a Bonded Warehouse for Petroleum. Can I continue to remove the affected diesel products without declaring permits under GST (General) Regulation 43, like what I am currently doing?

A8: With the introduction of the new duties on diesel products, you need to apply for a LWP licence to continue to enjoy duty and GST suspension on the goods, if your goods are subject to the new duty. A duty and GST payment permit will also be required for release of the dutiable goods (as listed in Table 1) from the licensed premises for local use or consumption. As Regulation 43 only applies to non-dutiable products, you will no longer be able to remove these dutiable products from the licensed premises under Regulation 43.

Q9: What is TradeFIRST?

A9: TradeFIRST stands for Trade Facilitation & Integrated Risk-based System. It is an integrated assessment framework that provides a holistic assessment of a company and determines the level of facilitation accorded. The assessment is free and it is mandatory for all companies who wish to apply for a Singapore Customs scheme or licence. More details are available [here](https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/tradefirst) (<https://www.customs.gov.sg/businesses/customs-schemes-licences-framework/tradefirst>).



Q10: I have some diesel products that are currently stored in the Free Trade Zone and the GST has not been paid. Are the affected diesel products subject to duties and taxes if they are subsequently brought in for domestic consumption?

A10: Yes. You are required to take up the appropriate duty and GST payment permit for the affected diesel products meant for domestic consumption.

Q11: I have obtained a GST payment permit before the implementation of the new duty rate but have not used the permit to clear the affected diesel products at the checkpoint. How do I account for the short payment in duty and GST to Singapore Customs due?

A11: You are required to declare a supplementary duty and GST payment permit to account for the short payment in duty and GST and to produce the supplementary permit together with the original GST payment permit when clearing the affected diesel products. You are required to fax a copy of the original and supplementary permits to Singapore Customs at 6250 9605 within 3 working days from 20 Feb 2017.

Q12: I have obtained a GST payment permit before the implementation of the new duty rate and subsequently used the same permit to clear the affected diesel products at the checkpoint after the effective date of the new duty rate. How do I account for the short payment in duty and GST to Singapore Customs?

A12: You are required to obtain a supplementary duty and GST payment permit to account for the difference in duty/GST short-paid within 3 working days from 20 Feb 2017 and fax a copy of the original and supplementary permits to Singapore Customs at 6250 9605.

Q13: I had obtained a GST payment permit before the implementation of the new duty rate and had subsequently used the same permit to clear the affected diesel products at the checkpoint before the new duty rate came into force. Do I need to do anything?

A13: No. There is no further action required by you.

