



SINGAPORE CUSTOMS MEDIA RELEASE

Singapore Customs' Enforcement Efforts Continue to Yield Positive Results

“Singapore Customs has continued to reduce the presence of contraband cigarettes in 2011, building on the results achieved over the past few years. Several smuggling syndicates were crushed. The quantity of contraband cigarettes seized continues to decline, while the consumption of duty-paid cigarettes has gone up. Singapore Customs will continue to work at improving the situation and collaborate with other enforcement agencies to achieve even more positive results.”

Mr Lee Boon Chong

Assistant Director-General (Intelligence and Investigation)

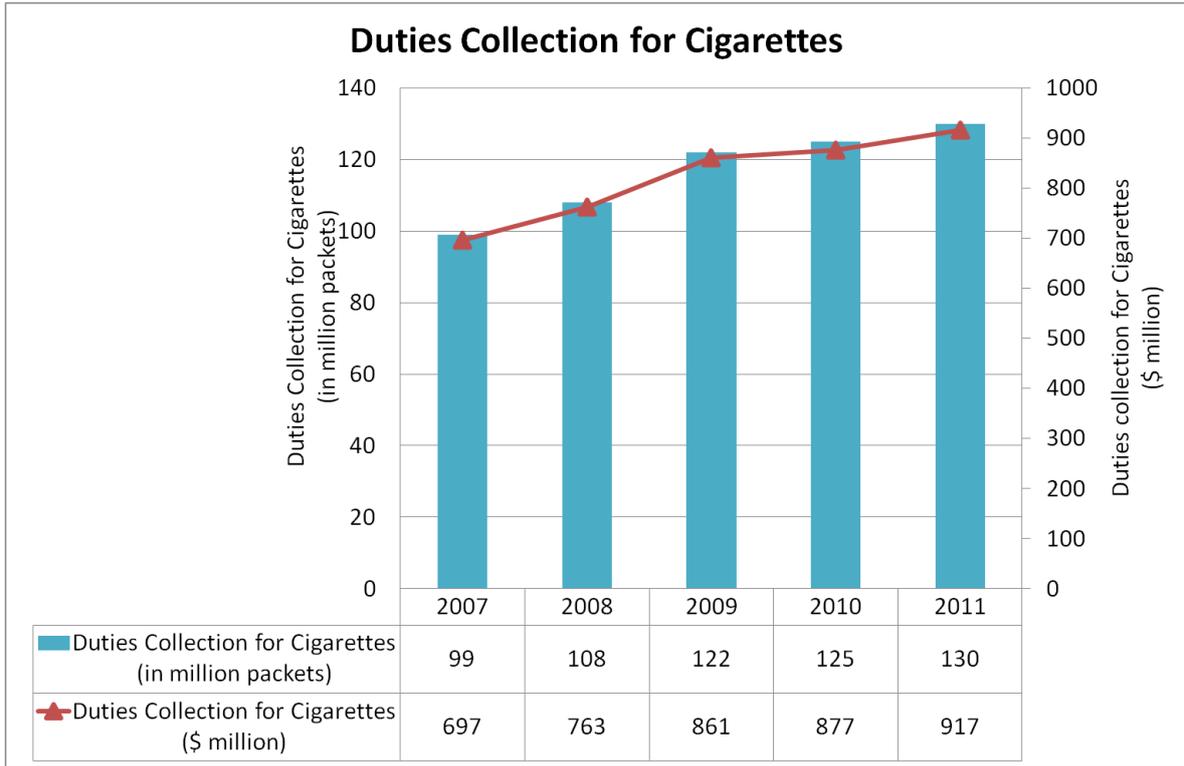
Singapore Customs

Reduction in the Presence of Contraband Cigarettes in Singapore

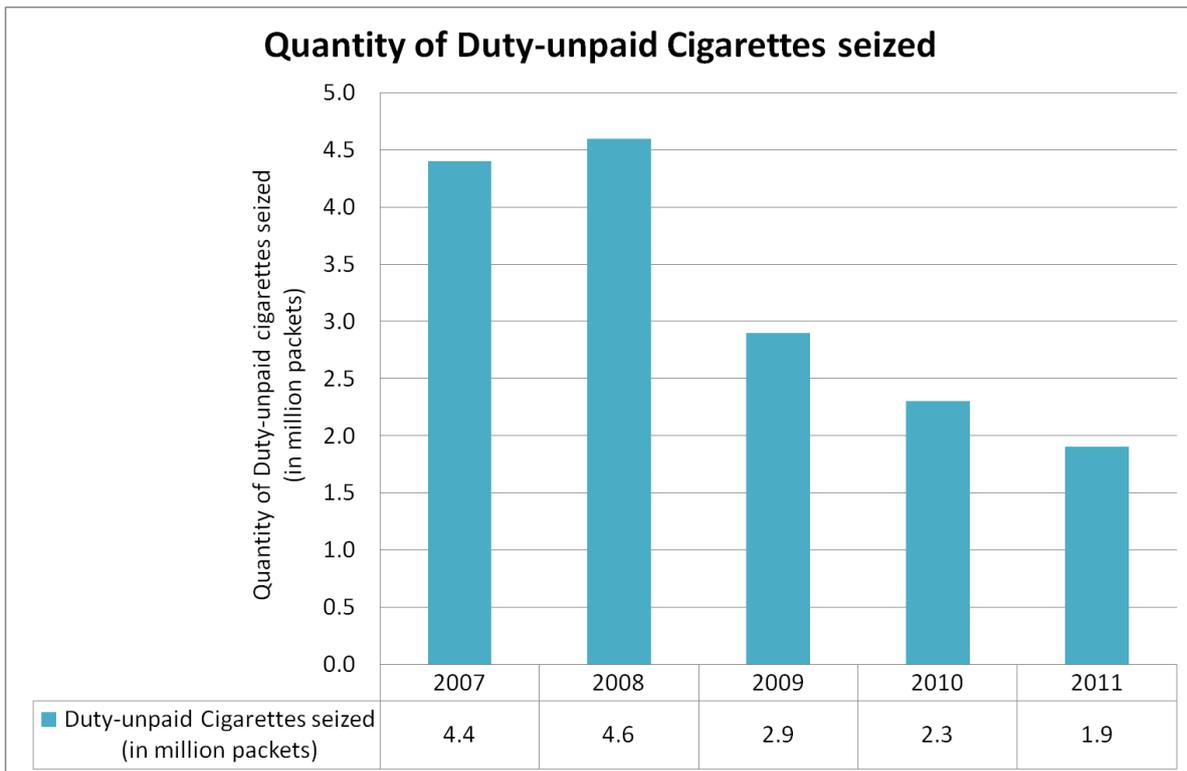
Singapore Customs continued to reduce the presence of contraband cigarettes in 2011, building on our strong enforcement results achieved over the previous years.

- Smokers are increasingly switching to legitimate cigarettes

2 A key indicator of the contraband cigarette situation is the amount of duty collected from the supply of legal cigarettes. Duty collected by Singapore Customs from cigarettes increased 4.6 per cent to \$917 million in 2011, from \$877 million in 2010. Since 2007, the supply of legal cigarettes has seen an increase of 31.6 per cent. This can be attributed to our stepped-up enforcement efforts, which led to more smokers purchasing legitimate (or duty-paid) cigarettes, rather than illegal ones.



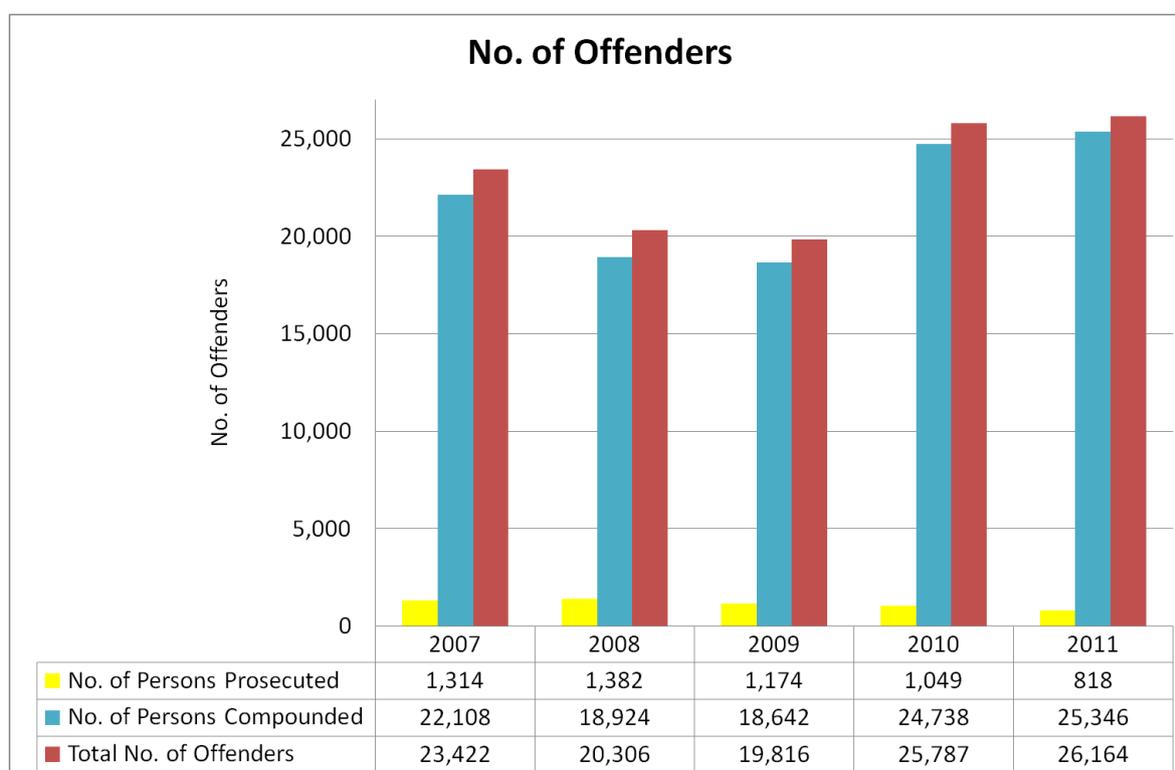
3 Besides strong enforcement efforts by Singapore Customs, joint collaboration with other law enforcement agencies and sustained media publicity have also had an effect on curbing the cigarette supply in the black market. The quantity of contraband cigarettes seized continued to decline, reaching a new low of 1.9 million packets of cigarettes in 2011. This is a decrease of 17.4 per cent from the 2.3 million packets seized in 2010, and a decline for the third consecutive year.



How the Illicit Market has Changed

- Marginal increase in the number of cigarette offenders

4 2011 saw a marginal increase of 1.5 per cent in the number of cigarette offenders, up from 25,787 in 2010 to 26,164 last year. However, 75 per cent of these cases involved incoming travellers who were fined for possessing a few packets of illegal cigarettes at the various checkpoints. Under Singapore's law, there is no duty-free concession and Goods and Services Tax (GST) relief for cigarettes and other tobacco products. All cigarettes, including those with the 'SDPC' (Singapore Duty Paid Cigarette) mark, and tobacco products are subject to duty and GST when brought in by travellers into Singapore. It is the responsibility of travellers to make an accurate and complete declaration of the dutiable and taxable items in their possession. Failure to make a declaration is an offence under the Customs Act and the GST Act.



5 Street demand for contraband cigarettes has persisted in 2011. Last year saw a marginal 1.6 per cent increase in persons caught buying illegal cigarettes, from 5,885 persons in 2010 to 5,977 persons in 2011. We noticed the presence of new illegal brands such as 'Moon Mountain', which were sold at lower prices in the black market. The 'Moon Mountain' brand is not registered with any licensed importers. Singapore Customs would like to warn the public that all 'Moon Mountain' cigarettes are illegal in Singapore. Members of the public should not purchase any illegal cigarettes. Singapore Customs will continue to intensify its enforcement efforts on consumers to increase deterrence.

	2007	2008	2009	2010	2011
No. of Buyers Caught	6,012	6,356	7,068	5,885	5,977

- Peddlers get creative

6 The number of peddlers caught in 2011 decreased by 34.8 per cent to 458 from 702 in 2010.

	2007	2008	2009	2010	2011
No. of Peddlers Caught	857	684	635	702	458

7 In the face of strong enforcement by Singapore Customs, peddlers have become more discreet and creative in how they hide their contraband. They have tried to outwit officers by modifying common objects like flower pots and rubbish bins to hide their illicit cigarettes. In most cases, hygiene was disregarded as these illicit cigarettes were hidden in filthy places such as drains, rubbish bins and toilets. Singapore Customs will continue to remain vigilant to nab the peddlers.



Illicit cigarettes found hidden in a modified flower pot (left) and beside a toilet bowl (right).

Four Syndicates Crushed

- Syndicates continue to exploit sea routes

8 In 2011, Singapore Customs worked closely with other enforcement agencies such as the Immigration & Checkpoints Authority, Singapore Police Force (SPF), and the Police Coast Guard, and succeeded in busting four major syndicates, of which three had exploited sea routes to smuggle contraband cigarettes into Singapore. The syndicates made use of boats calling on Singapore to smuggle cigarettes into Singapore, concealing them in boxes wrapped in black trash bags. A total of 47 persons were arrested in the major sea smuggling cases. The total amount of cigarettes seized amounted to 20,210 cartons, involving duty and GST exceeding \$1.9 million.

Public Outreach and Collaboration

9 Singapore Customs recognises that support and involvement from the public are vital in enhancing our enforcement effectiveness. In 2011, more than 150 public outreach activities were organised to engage the community. As taxis are one of the conveyance modes used by

syndicates, we reached out to taxi drivers and passengers last year with weekly broadcasts of anti-contraband cigarette messages to the taxis. We have also extended our outreach efforts to tour operators.

10 In addition, Singapore Customs worked closely with the media and other agencies including the Health Promotion Board (HPB), SPF, and the Singapore Civil Defence Force to enhance the effectiveness of its outreach to the community. In a bid to encourage a tobacco-free lifestyle among youth, Singapore Customs collaborated with the HPB to conduct talks in schools. Last year, Singapore Customs also referred more than 170 underage smokers to the Health Sciences Authority.

11 Singapore Customs' 'Don't Get Burnt' public outreach campaign continued in 2011, with road shows, print, broadcast and outdoor advertisements to educate and warn the public not to get involved in contraband cigarette activities.

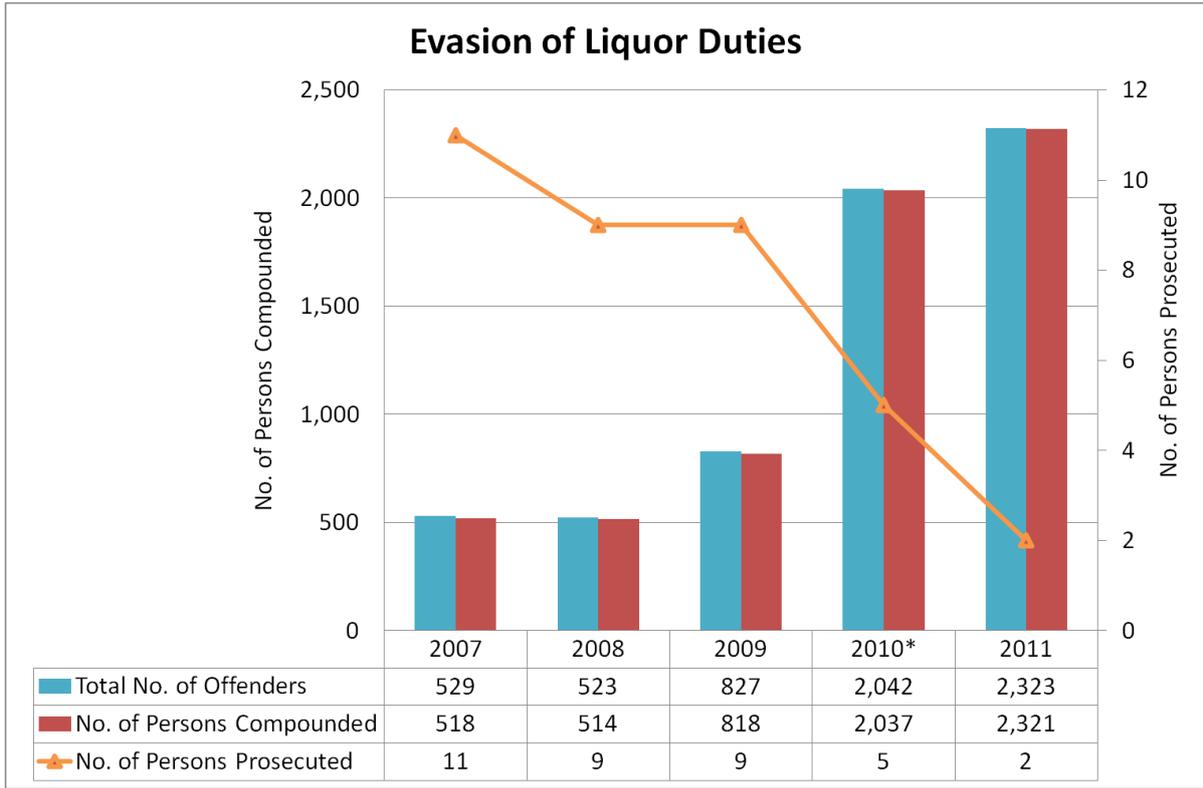


'Don't Get Burnt' advertisement on buses (left) and road shows (right) were held to educate the public not to get involved in illegal cigarette activities.

Other Customs Offences

- Evasion of Liquor Duties

12 2011 saw a 13.8 per cent increase in the number of liquor offenders to 2,323 from 2,042 offenders in 2010. The majority were minor offences committed by bona fide travellers at the checkpoints. As a result of the major disruption of syndicates involved in adulterated liquor over the past two years, only two offenders were prosecuted in 2011. Both cases involved the smuggling of adulterated whisky in the modified fuel tanks of cars at the land checkpoints.



	2007	2008	2009	2010 ¹	2011
Quantity Involved ('000 litres)	239	400	143	3.03	0.13
Total Duty and GST involved (\$ million)	1.10	6.30	4.40	0.10	0.004

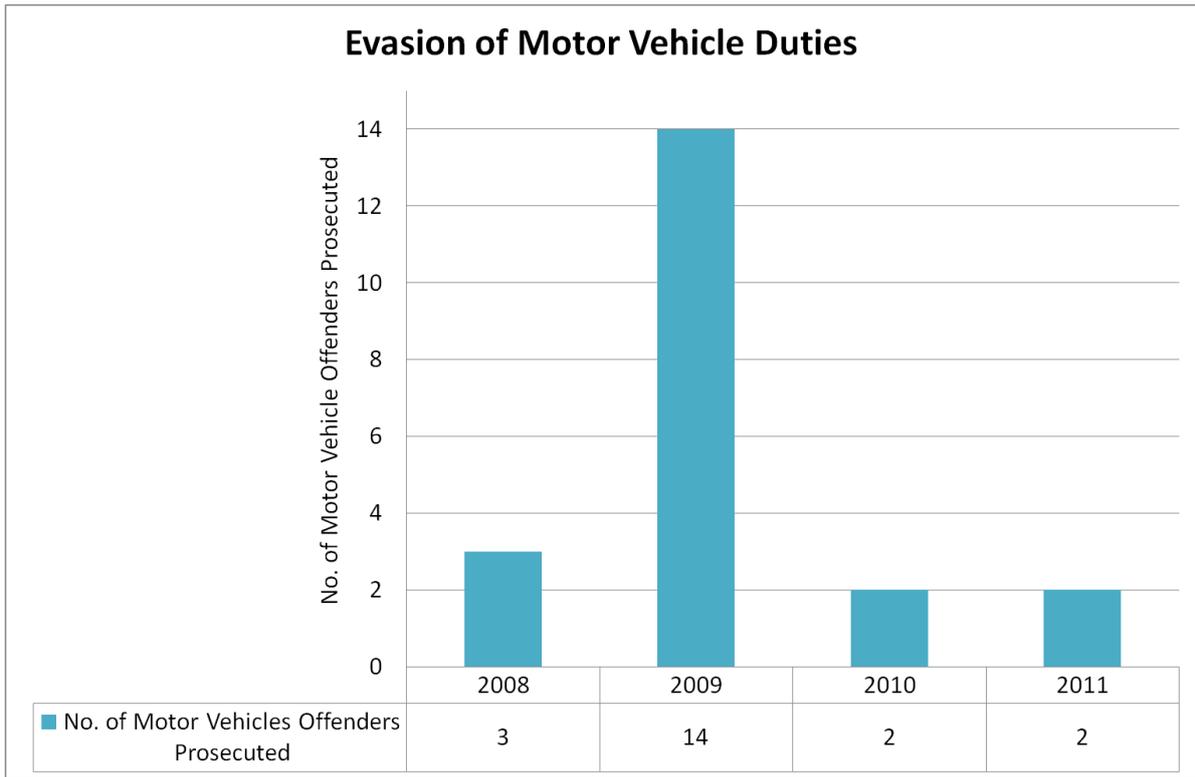


Whisky smuggled in modified fuel tanks of cars.

- Evasion of Motor Vehicle Duty

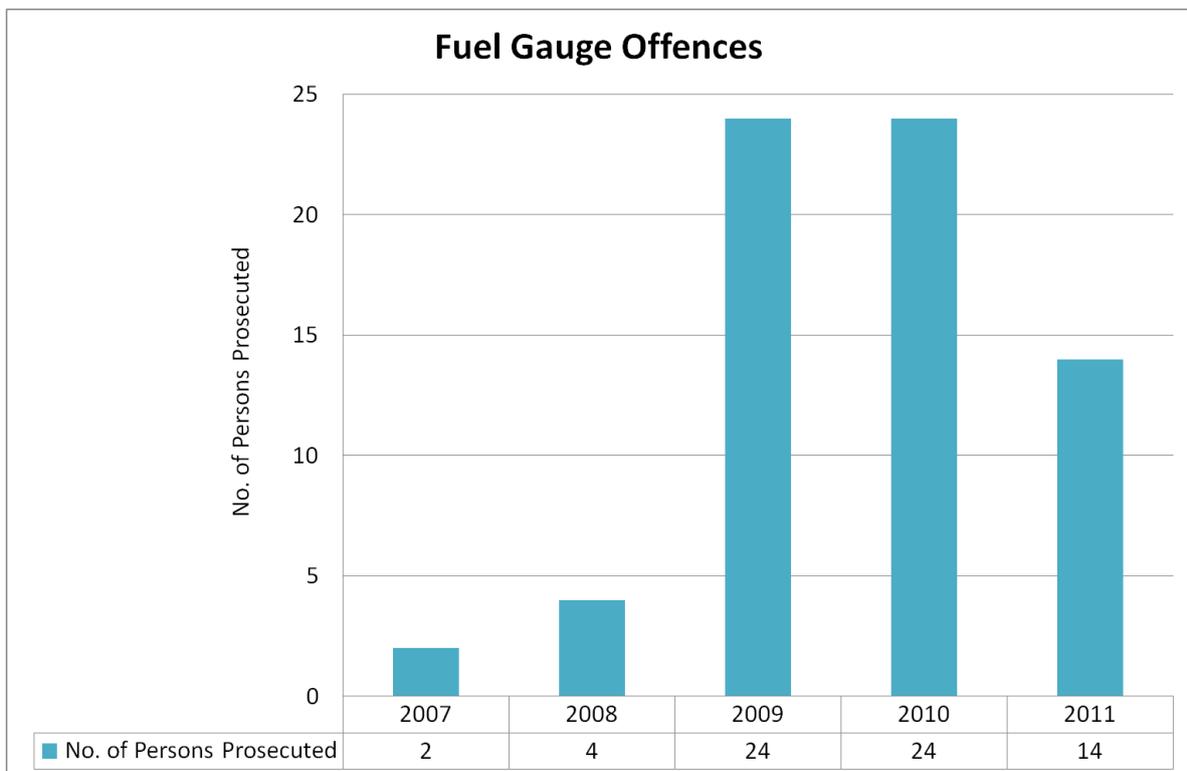
13 Singapore Customs prosecuted two traders last year for under-declaring the values of the motor vehicles they imported. Both offenders were sentenced to a court fine of \$12,000 or in default, eight weeks' imprisonment.

¹ The figures for 2010 have been revised after the conclusion of the adulterated liquor case that was detected in December 2010.



- Fuel gauge offences

14 With increasing awareness, the number of offenders prosecuted for fuel gauge offences decreased to 14 from 24 in 2010.



Advisory from Singapore Customs

15 Buying, selling, conveying, delivering, storing, keeping, having in possession or dealing with duty-unpaid goods are serious offences under the Customs Act and the GST Act. Offenders will be severely dealt with. They can be fined up to 40 times the amount of duty evaded, and/or jailed for up to six years. With effect from 1 January 2012, the minimum court fine for first-time and repeat offenders of tobacco-related offences has been raised to \$2,000 and \$4,000 respectively. Repeat offenders who are caught with more than two kilogrammes of tobacco products will also face mandatory imprisonment. Vehicles used in the commission of such offences are also liable to be forfeited.

16 The public is strongly advised not to buy duty-unpaid products. For possessing a packet of duty-unpaid cigarettes, buyers may face a minimum fine of \$500 or prosecution in court.

17 Under the Customs Act, it is the responsibility of importers to ensure the accuracy and completeness of the values and other related costs declared to Singapore Customs. Under-declaration of the values is a serious offence as it will result in under-payment of duty and import GST payable. All cases of revenue evasion and violations of Customs regulations are investigated, and action will be taken against errant importers or any person involved in abetting the fraudulent evasion of duty and GST. Any person who is guilty of fraudulent evasion of duties or GST will be liable on conviction to a fine of up to 20 times the amount of duty and GST evaded, or imprisonment, or both. In addition to the penalties meted out by the court, offenders are also required to make good the duty and GST under-paid.

18 Under the law, Singapore-registered motor vehicles must have at least three-quarter tank of petrol when departing Singapore. From 1 January 2012 onwards, the three-quarter tank rule has been extended to the Compressed Natural Gas (CNG) tanks of motor vehicles as well. Motorists are advised not to infringe the rule as there will be stringent checks at the checkpoints. Those who tamper with the fuel gauges of their vehicles to give a false reading that the amount of petrol/CNG in their fuel supply tanks is three-quarters full or more are liable on conviction to fines not exceeding \$500 and/or jail term up to 12 months.

19 Members of the public with information on smuggling activities or evasion of Customs duty or GST can call the Singapore Customs hotline on 1800-2330000 or email to customs_intelligence@customs.gov.sg

– End –

ISSUED BY: SINGAPORE CUSTOMS 新加坡关税局

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