



SINGAPORE CUSTOMS 新加坡关税局 **KASTAM SINGAPURA** சிங்கப்பூர் கங்கத்துறை

MEDIA RELEASE

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More smokers caught in 2012 for buying contraband cigarettes

“Singapore Customs has continued to keep the contraband cigarette situation in check last year through strong enforcement efforts and close inter-agency collaboration. This can be seen from the continuing increase in revenue collected from duty-paid cigarettes and decrease in the quantity of contraband cigarettes seized. However, the street demand for contraband cigarettes remains persistent, with more smokers caught for buying contraband cigarettes in 2012. This is a cause for concern. To tackle the demand for contraband cigarettes, Singapore Customs will continue to intensify enforcement against buyers and sellers, implement regulatory changes, and reach out to the public through a seven-month-long anti-contraband cigarette campaign.”

Mr Lee Boon Chong

Senior Assistant Director-General

Intelligence and Investigation Division

Singapore Customs

Revenue from duty-paid cigarettes continues upward trend

Revenue collected from the sale of duty-paid cigarettes in 2012 continues to show an upward trend. Duty collected increased 1.6%, from \$917 million in 2011 to \$932 million in 2012 (see Table 1). The revenue collected indicates the level of demand among smokers for duty-paid cigarettes.

Table 1	2009	2010	2011	2012
Duties Collection for Cigarettes (\$ million)	861	877	917	932

Persistent street demand for contraband cigarettes

However, demand for contraband cigarettes persisted in 2012. The number of buyers caught inland went up from 5,977 buyers in 2011 to 6,248 buyers last year, an increase of 4.5% (see Table 2).

Table 2	2009	2010	2011	2012
Number of Buyers Caught	7,068	5,885	5,977	6,248

The total number of illegal cigarette offenders caught inland and at Singapore's checkpoints also went up – from 26,164 offenders in 2011 to 28,502 offenders last year. This is an increase of 8.9% (see Table 3).

Table 3	2009	2010	2011	2012
Number of Illegal Cigarette Offenders Prosecuted	1,174	1,049	818	776
Number of Illegal Cigarette Offenders Compounded	18,642	24,738	25,346	27,726
Total Number of Illegal Cigarette Offenders	19,816	25,787	26,164	28,502

Peddlers and suppliers get “creative”

In 2012, 402 peddlers were caught for hawking contraband cigarettes (see Table 4).

Table 4	2009	2010	2011	2012
Number of Peddlers Caught	635	702	458	402

Peddlers and suppliers continued with their attempts to hide from enforcement officers, by operating in alleys and back lanes, and stashing their contraband cigarettes in appliances such as refrigerators and air compressors.



The compartment at the bottom of an abandoned refrigerator (above) was used to store contraband cigarettes.



Contraband cigarettes were hidden in air compressors.

Disrupting the contraband cigarette supply

Despite these seemingly “ingenuous” attempts by peddlers to elude arrest, strong enforcement efforts by Singapore Customs, and intelligence-sharing and joint collaboration with other enforcement agencies (such as the Immigration & Checkpoints Authority and the Singapore Police Force) have kept the contraband cigarette supply in check. The quantity of contraband cigarettes seized continued to decrease, from 1.9 million packets seized in 2011 to 1.5 million packets last year (see Table 5).

Table 5	2009	2010	2011	2012
Quantity of Contraband Cigarettes Seized (million packets)	2.9	2.3	1.9	1.5

Four syndicates disrupted

Last year, Singapore Customs also smashed four contraband cigarette syndicates. These syndicates attempted to smuggle contraband cigarettes into Singapore via land, air and sea. One of these syndicates deployed a network of vehicles such as

prime-movers and vans to transfer the contraband cigarette from a storage facility in the western part of Singapore for distribution to various locations. Singapore Customs arrested eight offenders in the operation and seized a total of 40,005 packets of contraband cigarettes, along with three prime-movers and three vans.

Engaging the public in the fight against contraband cigarettes

Singapore Customs maintained its active public outreach and engagement last year. Over 200 anti-contraband cigarette talks and road shows were conducted at places such as schools, transportation and freight-forwarding companies, and foreign worker dormitories. Besides raising public awareness about contraband cigarettes, these outreach sessions also educate the public on how they can help to be our “eyes and ears” on the ground and report contraband cigarette activities they encounter to Singapore Customs.



Singapore Customs officers conducting talks and road shows in schools and foreign worker dormitories.

“1 IS ALL IT TAKES”

In November 2012, Singapore Customs launched its new anti-contraband cigarette campaign “1 IS ALL IT TAKES”. Through a variety of traditional and new media platforms, the campaign highlights the consequences of buying or selling contraband cigarettes – one stick of illegal cigarette is all it takes to be fined and/or jailed.

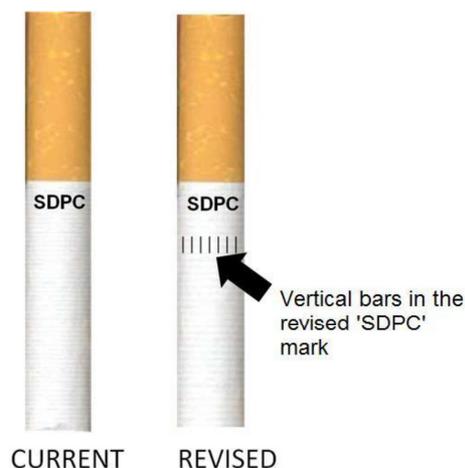


Posters drive home the message that it only takes one illegal cigarette for one to be fined and/or jailed.

The campaign comprises a 30-second television commercial, radio, print and online advertisements, a Facebook app (game), and out-of-home advertising on public buses, and table-top stickers in coffee shops and hawker centres. In addition, a series of road shows in the heartlands will also be held.

Regulatory changes

From 1 March 2013, all cigarettes sold in Singapore must carry the revised 'SDPC' (Singapore Duty-Paid Cigarette) mark. The new mark features a series of vertical bars around the cigarette stick, a measure to allow enforcement officers and the public to be able to better visibly differentiate duty-paid cigarettes from contraband cigarettes.



Current and revised 'SDPC' marking on duty-paid cigarettes.

To facilitate manufacturers and retailers phase in the revised SDPC mark, Singapore Customs allowed the sales of the cigarettes bearing the revised mark from 1 December 2012. With effect from 1 March 2013, cigarettes without the revised 'SDPC' mark will be deemed illegal.

OTHER CUSTOMS OFFENCES

16% drop in number of liquor offenders

The number of liquor offenders decreased 16% in 2012, from 2,323 offenders in 2011 to 1,951 offenders last year (see Table 6). The majority of these cases are minor offences committed by travellers coming through Singapore's checkpoints.

Table 6	2009	2010	2011	2012
Number of Liquor Offenders Prosecuted	9	5	2	0
Number of Liquor Offenders Compounded	818	2,037	2,321	1,951
Total Number of Liquor Offenders	827	2,042	2,323	1,951

In May 2012, Singapore Customs crippled a liquor-smuggling syndicate. More than 12,000 cans and 18,000 bottles of beer and rice wine were found hidden among cartons of soft drinks, wine, vinegar and instant noodles. Investigations are currently ongoing.



Crippling of Liquor-Smuggling Syndicate – more than 12,000 cans and 18,000 bottles of beer and rice wine were seized.

Fuel gauge offences

Seventeen offenders were prosecuted for fuel gauge offences in 2012 (see Table 7).

Table 7	2009	2010	2011	2012
Number of Persons Prosecuted for Fuel Gauge Offences	24	24	14	17

Under the law, Singapore-registered motor vehicles must have at least three-quarter tank of petrol when departing Singapore. On 1 January 2012, the three-quarter tank rule was extended to the Compressed Natural Gas (CNG) tanks of motor vehicles as well. Motorists are advised not to infringe the three-quarter tank rule as there will be stringent checks at the Woodlands and Tuas checkpoints. Those caught tampering with the fuel gauge in their vehicle so that it gives a false reading of the amount of petrol/CNG in their fuel tanks will be liable on conviction to fines not exceeding \$5,000 and/or a jail term of up to 12 months.

Singapore Customs advisory

Buying, selling, conveying, delivering, storing, keeping, having in possession or dealing with duty-unpaid goods are serious offences under the Customs Act and the Goods and Services Tax (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. The minimum court fine for first-time and repeat offenders of tobacco-related offences is \$2,000 and \$4,000 respectively. Repeat offenders who are caught with more than two kilogrammes of tobacco products will also face mandatory jail sentences. Vehicles used in the commission of such offences are also liable to be forfeited.

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.

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 customs_intelligence@customs.gov.sg

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