



SINGAPORE CUSTOMS 新加坡关税局 KASTAM SINGAPURA சிங்கப்பூர் சுங்கத்துறை

## MEDIA RELEASE

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### 3 million packets of contraband cigarettes seized in 2014

Singapore Customs seized 3 million packets of contraband cigarettes in 2014. This is a 3.4 per cent increase over the quantity seized in 2013 (see Table 1).

**Table 1: Quantity of Contraband Cigarettes Seized (2012 to 2014)**

|   | 2012 | 2013 | 2014 |
|---|------|------|------|
| <b>Quantity of Contraband Cigarettes Seized (million packets)</b> | 1.5  | 2.9  | 3.0  |

Three contraband cigarette syndicates were disrupted in 2014. More than 57,000 packets of contraband cigarettes were seized from these operations.

Adopting a Whole-of-Government approach, Singapore Customs worked closely with other law enforcement agencies to disrupt the supply of contraband cigarettes. For example, a joint operation with the Immigration & Checkpoints Authority on 11 January 2014 resulted in the uncovering of 149,990 packets of contraband cigarettes concealed in specially constructed hollow spaces beneath stacks of board partitions. This was the largest seizure of contraband cigarettes in 2014.



Packetts of contraband cigarettes concealed in specially constructed hollow spaces beneath the stacks of board partitions.

## Seizure of more vehicles used for cross-border smuggling of cigarettes

In 2014, 243 vehicles used to smuggle cigarettes through Singapore's checkpoints were seized. This is an increase of 65.3 per cent compared with the 147 vehicles seized in 2013 (see Table 2).

**Table 2: Number of Vehicles Seized for Cross-Border Smuggling of Contraband Cigarettes (2012 to 2014)**

|  | 2012 | 2013 | 2014 |
|--|------|------|------|
| <b>Number of Vehicles Seized for Cross-Border Smuggling of Contraband Cigarettes</b> | 123  | 147  | 243  |

Many of these seized vehicles had modified compartments, which were used to hide the contraband cigarettes.



Contraband cigarettes hidden in the modified floorboard of a car.

## 23,862 cigarette offenders caught in 2014

In 2014, 23,862 offenders were caught for cigarette-related offences, and among them, 5,893 contraband cigarette buyers were caught inland for smoking/possessing contraband cigarettes (see Tables 3 and 4). While there was a drop in the number of offenders caught compared to 2013, the figures remained high, suggesting that the demand for contraband cigarettes remains strong.

**Table 3: Number of Contraband Cigarette Offenders (2012 to 2014)**

|  | 2012   | 2013   | 2014   |
|--|--------|--------|--------|
| <b>Number of Contraband Cigarette Offenders Prosecuted</b> | 776    | 746    | 757    |
| <b>Number of Contraband Cigarette Offenders Compounded</b> | 27,726 | 26,295 | 23,105 |
| <b>Total Number of Contraband Cigarette Offenders</b>      | 28,502 | 27,041 | 23,862 |

**Table 4: Number of People Caught for Buying/Possessing Contraband Cigarettes Inland (2012 to 2014)**

|                                | 2012  | 2013  | 2014  |
|--------------------------------|-------|-------|-------|
| <b>Number of People Caught</b> | 6,248 | 6,400 | 5,893 |

**Revenue from duty-paid cigarettes continues to rise**

Revenue from the sale of duty-paid cigarettes maintained an upward trend, with \$1.1 billion collected in 2014 (see Table 5).

**Table 5: Duties Collection for Cigarettes (2012 to 2014)**

|  | 2012 | 2013 | 2014  |
|--|------|------|-------|
| <b>Duties Collected from Cigarettes (\$ million)</b> | 932  | 978  | 1,095 |

**Working closely with the community to stamp out contraband cigarettes**

Singapore Customs continued its public education and engagement effort through various anti-contraband cigarette outreach programmes. In 2014, more than 250 anti-contraband cigarette talks and road shows were held at schools, foreign worker dormitories and in the heartlands, to raise public awareness on contraband cigarette activities. Through these outreach programmes, members of the public are informed

about the consequences of being involved in contraband cigarette and their role in keeping the community free of such illegal activities.



Singapore Customs officers conducted talks and road shows at schools, foreign worker dormitories and the heartlands.

## OTHER CUSTOMS OFFENCES

### Liquor offences

The total number of liquor offenders increased by 2.9 per cent to 1,305 offenders in 2014 from 1,268 offenders in 2013 (see Table 6). The majority of these cases were minor offences committed by travellers coming through Singapore's checkpoints.

**Table 6: Number of Liquor Offenders (2012 to 2014)**

|  | 2012  | 2013  | 2014  |
|--|-------|-------|-------|
| <b>Number of Liquor Offenders Prosecuted</b> | 1     | 5     | 1     |
| <b>Number of Liquor Offenders Compounded</b> | 1,951 | 1,263 | 1,304 |
| <b>Total Number of Liquor Offenders</b>      | 1,952 | 1,268 | 1,305 |

In August 2014, Singapore Customs disrupted a liquor syndicate that attempted to smuggle a consignment of beer into Singapore. Some 64,800 cans of duty-unpaid beer were seized. Two Chinese nationals were arrested and investigations are ongoing.



Consignment of duty-unpaid beer seized.

### Fuel gauge offences

The number of people prosecuted for fuel gauge offences has been on the decline (see Table 7).

**Table 7: Number of People Prosecuted for Fuel Gauge Offences (2012 to 2014)**

|  | 2012 | 2013 | 2014 |
|--|------|------|------|
| <b>Number of People Prosecuted for Fuel Gauge Offences</b> | 17   | 4    | 0    |

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 are stringent checks at the Woodlands and Tuas checkpoints. Those who attempt to leave Singapore without the minimum three-quarter tank will be liable on conviction to a fine not exceeding \$500.

### Emerging trend of online retailers attempting to evade GST

Singapore Customs has observed an emerging trend of online retailers attempting to evade or under-declare the Goods and Services Tax (GST) on the importation of goods into Singapore. In 2014, nine such offenders were prosecuted.

These online retailers had attempted to evade GST through methods such as using fake invoices to suppress the value of goods imported and under-declaring the value of goods on their import permits declaration. Singapore Customs will continue to keep a close watch on online retailers and clamp down on those who try to evade GST.



Luxury bags seized from online retailers who attempted to evade GST.

### **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.

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.

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](mailto:customs_intelligence@customs.gov.sg).

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