



SINGAPORE CUSTOMS 新加坡关税局 KASTAM SINGAPURA சிங்கப்பூர் கங்கத்துறை

MEDIA RELEASE

4 February 2015

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 their goods.

In 2014, nine such offenders were prosecuted. The offenders have been sentenced to fines ranging from \$4,500 to \$133,000.

These offenders had attempted to evade the payment of GST by submitting fake invoices or under-declaring the value of their goods stated in their declarations to Singapore Customs. However, their misdeeds were uncovered as Singapore Customs has been keeping a close watch on such illegal practices.

In one case, managers of an online store selling robotic vacuum cleaners, Tan Jun Rong Jerry and Ho Chee Soon, both 31, were caught for submitting fake invoices with their import permits declaration to Singapore Customs. Investigations revealed that between May 2011 and June 2014, the two Singaporeans had imported 5,773 units of vacuum cleaners on 115 occasions. The under-declaration of the import values resulted in a shortfall of over \$163,000 in GST payment. Tan and Ho were sentenced to a fine of \$115,000 each by the State Courts on 24 October 2014.

In another case, an online retailer of luxury handbags and accessories, Lee Bee Yee, 43, was prosecuted for failing to declare and pay GST on the 195 handbags and wallets she had purchased overseas. Lee had hand-carried the handbags and

wallets into Singapore on four occasions. She had also under-declared the values of another 201 handbags and wallets imported via parcel post on 11 occasions. The total GST evaded exceeded \$12,000. Lee was sentenced by the State Courts to a fine of \$23,000 on 6 November 2014.





Handbags and wallets of several brands were seized from Lee's apartment.

Singapore Customs advisory

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.

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