



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

MEDIA RELEASE

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Company director fined for fraudulent evasion of GST and jailed for furnishing false information to Singapore Customs

A wholesaler of souvenirs and gifts was sentenced by the State Courts on 3 November 2016 to a fine of \$134,214.96 (or in default six months' imprisonment) for fraudulent evasion of Goods and Services Tax (GST) and one week's imprisonment for furnishing false information to Singapore Customs.

Xie Yuan (谢源), 30, director of Nu Gift Pte Ltd, pleaded guilty to two charges. Another three charges were taken into consideration in the sentencing.

Investigations by Singapore Customs revealed that Xie had arranged for a company in Hong Kong, Guangzhou Enyou Gift Co Ltd, to be registered under the name of his girlfriend to purchase goods from China and export them to Nu Gift Pte Ltd in Singapore. Xie, who had full control of the operations of Guangzhou Enyou Gift Co Ltd, created fictitious invoices with lower values for the goods imported by Nu Gift Pte Ltd from Guangzhou Enyou Gift Co Ltd.

Between June 2014 and November 2015, Xie had under-declared the import values of goods such as mirrors, magnets, key chains, canvas bags, coasters, and umbrellas he imported from Guangzhou Enyou Gift Co Ltd on four occasions. The under-declaration of the import values of these goods resulted in a shortfall of more than \$26,000 in GST payment.

In the course of investigations, when Xie was asked to account for the values declared in the import permits, he told the Singapore Customs investigation officer that there were no invoices for the goods. He then made a self-declaration of the import values, which were

slightly higher than what had been falsely declared in the import permits, in an attempt to mislead the investigation officer that the evaded amount was not huge. By doing this, he had hoped to receive a lighter penalty for his offences. It was subsequently established that Xie's self-declared values of the imported goods were false.

"Xie's attempt of fraudulent evasion of GST payment has resulted in him having to pay a higher price now," said Ms Fauziah Sani, Head of Trade Investigation Branch, Singapore Customs. "Importers who try to cheat on GST payment, like Xie, will have to face the law."

Anyone found guilty of fraudulent evasion of GST will be liable to a fine up to 20 times the amount of tax evaded, jailed for up to two years, or both. For the furnishing of false information, anyone found guilty will be liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 12 months, or both.

Members of the public with information on smuggling activities or evasion of customs duty or GST can contact Singapore Customs on 1800-2330000, email customs_intelligence@customs.gov.sg, or use the Customs@SG mobile app (which can be downloaded from the Apple Store or Google Play) to report these illegal activities.

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ANNEX



Xie had under-declared the import values of goods such as mirrors, magnets, key chains, canvas bags, coasters, and umbrellas he imported from Guangzhou Enyou Gift Co Ltd on four occasions.

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