



INLAND REVENUE  
AUTHORITY  
OF SINGAPORE



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### TAX CRIME

#### IRAS Arrests 5 “Tourists” for Fraudulent GST Refund Claims

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**2 Feb 2017:** 5 foreign individuals (“the accused persons”) were arrested on 1 February 2017 by investigators from the Inland Revenue Authority of Singapore (“IRAS”) for engaging in a conspiracy to claim fraudulent GST refunds under the electronic tourist refund scheme (“eTRS”). The eTRS claims were made for jewellery that the accused persons did not personally purchase.

The arrests follow a joint operation by IRAS and Singapore Customs on 27 May 2016 in which the accused persons were caught red-handed making fraudulent GST refund claims at Changi Airport.

The accused persons will be charged in court this afternoon. Each of these accused persons will face over 200 charges of engaging in a conspiracy to claim fraudulent GST refunds amounting to approximately \$167,253.

#### **Modus Operandi of GST Refund Claim Fraud**

In a GST refund claim fraud scenario, the accused person, masquerading as a “tourist” would pay local customers (who are not entitled to the eTRS refund) for their jewellery invoices. With these invoices and using his passport, the “tourist” would then obtain eTRS tickets from the respective shops and, subsequently claim eTRS GST cash refunds at a port of departure.

Annex A shows a graphic illustration of a GST refund claim fraud.

## **Severe Penalties for GST Refund Claim Fraud**

IRAS takes a serious view on such fraudulent GST refund claims. IRAS will not hesitate to take stern enforcement action against these individuals and any persons assisting them. Anyone who commits the offence of wilful intent to make a false GST refund claim or, assist any other person to make such false claim faces a penalty of up to 3 times the amount of refund wrongfully claimed and a fine not exceeding \$10,000, and/or imprisonment of up to 7 years.

## **About the Electronic Tourist Refund Scheme (eTRS)**

Tourists can claim GST refunds on goods they have purchased and brought out of Singapore. A person who did not purchase the goods and yet seeks or obtains a GST refund under the tourist refund scheme, commits an offence under the GST Act.

Under the eTRS, a tourist receives a receipt of goods purchased and an eTRS ticket when he buys goods from a GST-registered retailer participating in the eTRS. The tourist then uses the eTRS ticket or the credit card with which he purchased the goods to make a GST refund claim at a port of departure, usually Changi Airport.

As a control measure, physical inspection of the goods may be carried out at the GST refund counter by Singapore Customs officers before a GST refund claim is approved.

## **Reporting of Malpractices**

Businesses or individuals are encouraged to immediately disclose to IRAS any past or current malpractices or potential abuses of the GST tourist refund scheme. IRAS will consider such disclosures when deciding the action to be taken. Reports can be made to:

Inland Revenue Authority of Singapore  
Investigation & Forensics Division  
55 Newton Road, Revenue House  
Singapore 307987  
Email: [ifd@iras.gov.sg](mailto:ifd@iras.gov.sg)

**Inland Revenue Authority of Singapore**

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**Illustration of a Tourist Refund Fraud**

