



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

MEDIA RELEASE

22 March 2021

Man jailed five weeks and fined \$275,860 for evasion of GST and related offences under the Customs Act

A male Singapore permanent resident was sentenced by the State Courts on 22 March 2021 to five weeks' imprisonment and a fine of \$275,860, in default eight months' one week's imprisonment, for committing offences under the Customs Act.

Zhao Kun (赵坤), 38, the director of Maxtech Plus Pte Ltd ("Maxtech") and sole proprietor of VAM International Group ("VAM"), was sentenced to five weeks' imprisonment and a fine of \$275,860, in default eight months' one week's imprisonment, after he pleaded guilty to five charges of fraudulent evasion of Goods and Services Tax (GST), falsifying documents, and furnishing of false information to Singapore Customs. Another four charges were taken into consideration in the sentencing.

Investigations revealed that Zhao had under-declared the value of goods imported by Maxtech and VAM between 2016 and 2018, by instructing an employee from VAM to use suppressed values of goods when taking up the import permits from Singapore Customs. The total amount of GST evaded was about \$64,200.

Zhao also provided falsified documents and false information to Singapore Customs officers on multiple occasions to conceal and diminish his responsibility. On learning that Singapore Customs officers would be auditing Maxtech in December 2016, Zhao falsified 95 delivery orders and 29 purchase orders with suppressed values and provided them to Sin Chuan Chew (陈泉洲), 41, the then co-director of Maxtech. Sin submitted the documents to Singapore Customs despite having reasons to believe that the details in the documents were falsified.

In May 2017, Zhao again instructed an employee from VAM to falsify an invoice with inflated quantity of goods and at lower value in an attempt to cover up his offences after Singapore Customs officers found receipts which suggested that the value of some goods was under-declared when they conducted inspection on goods consigned to Maxtech.

In October 2017, when questioned by Singapore Customs officer on the under-declaration of the value of the goods imported by Maxtech, Zhao provided false information that the overseas freight forwarder was responsible for the under-declaration and identified multiple falsified documents to support his claim. Singapore Customs officers managed to uncover that the documents and information were false after further investigations.

Sin was sentenced to a fine of \$7,000 on 24 June 2020 after he pleaded guilty to two charges of furnishing of false information to Singapore Customs.

Under the Customs Act, any person who is in any way concerned in any fraudulent evasion of, or attempts to fraudulently evade GST shall be guilty of an offence and will be liable on conviction to a fine of up to 20 times the amount of GST evaded. Falsifying documents and abetting such falsifications are serious offences. Offenders can be fined up to \$10,000 and/or jailed up to 12 months. Any person who knowingly gives false information can be fined up to \$5,000 and/or jailed for up to 12 months.

Members of 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 to report these illegal activities.

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Singapore Customs

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