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## SINGAPORE CUSTOMS

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All Traders and Declaring Agents

### REMINDER ON VALUE OF GOODS DECLARED FOR GOODS AND SERVICES TAX (GST) PURPOSES

Further to Customs Circular 03/2011, Singapore Customs would like to draw your attention again to the value of imported goods declared for GST purposes.

2 Generally, the taxable value on imported goods is calculated based on the cost, insurance and freight (CIF) value and all other charges (e.g. Customs duty payable, commission, packing cost, assists, etc) incidental to the sale.

3 We would like to take the opportunity to remind all traders and declaring agents on the procedures to declare the correct CIF values for replacement goods, samples, gifts or free-of-charge items:

#### a) Replacement of Goods

Replacement goods may be invoiced “free of charge” or at the original price by the supplier with an arrangement for giving credit to the buyer for the original goods which may have been damaged or lost due to certain reasons. The CIF value to be declared would be the original value of the goods at which it was first bought (i.e. original transaction/selling price).

#### b) Samples, Gifts, Free-of-Charge Items

Samples, gifts, free of charge items usually do not involve the payment of a price. If no value is shown on the commercial invoice, the buyer has to obtain the commercial value from the supplier. This commercial value from the supplier should be based on the transaction value of identical or similar goods from the same country of origin that is exported at about the same time. The commercial invoice may indicate “value for Customs purpose only”.

Notes: As per industry practice, “value for Customs purposes” usually indicates that there is no sale of goods. However the importer must be able to explain how the commercial value was determined and maintain trade documents to substantiate the value.

4 SC takes a serious view on the non-compliance of wrong declaration of CIF values of goods. We wish to remind all traders and declaring agents that incorrect or under declaration of CIF value is an offence which is subjected to recovery of the duty and/or GST short paid and other penalties.

*Our Vision: A leading Customs that advances Singapore's economy  
by assuring the integrity of the trading system*

5 For further clarification on the value of goods declared for GST purposes, please email your enquires to [customs\\_tsb@customs.gov.sg](mailto:customs_tsb@customs.gov.sg)



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