



Press Release

MOF and Singapore Customs invite Public Feedback on the Proposed Amendments to the Customs Act

1. The Ministry of Finance (MOF) and Singapore Customs invite the public to provide feedback on the proposed amendments to the Customs Act. This public consultation will start from Tuesday, 9 May 2017, and end on Tuesday, 5 June 2017.
2. The proposed amendments seek to support recent policy changes, provide legal clarity on current policies, and improve Singapore Customs' operational efficiency.

Support recent policy changes

3. Diesel duties were restructured in Budget 2017, with a volume-based duty of \$0.10 per litre on automotive diesel, industrial diesel, and the diesel component in biodiesel. At the same time, the annual Special Tax on diesel cars and taxis was reduced by \$100 and \$850 respectively, while commercial vehicles will get three years of road tax rebates to cushion the impact of diesel duty. This promotes a shift away from an annual amount of tax levied on drivers, to one which is more related to the usage of diesel. The proposed legislative changes seek to:

- a) Broaden the definition of 'Motor Fuels' to include diesel, and any other fuel that may be used to power a means of transport.
- b) Provide Singapore Customs with the flexibility to collect different amounts of special tax, as the quantum of special tax was reduced in Budget 2017. While special tax is collected on a half-yearly basis, the relevant section of the Customs Act does not currently cater for scenarios where the special tax quantum is changed in the middle of the half-year period.

Clarity on current policies

4. To provide legal clarity on current policies, the proposed amendments seek to:
 - a) Clarify that there will be collection of duty for goods used or consumed in a Free Trade Zone (FTZ), approved landing place, or transit warehouse. This would be in line with the policy intent to impose Goods and Services Tax (GST) on all goods used and consumed in Singapore's FTZs.
 - b) Allow Singapore Customs to determine circumstances under which it may re-impose such duties based on the current value of the goods.
 - c) Provide legal clarity that – similar to motor vehicles and aircraft – a permit is not required to remove fuel carried in the fuel supply tanks of vessels. Currently, the

Customs Act specifies that the removal of fuel carried in the fuel supply tanks of motor vehicles and aircraft does not require a permit, and is silent on the treatment of vessels.

Improve Customs' operational efficiency

5. To ensure that Singapore Customs remains operationally effective in its day-to-day administration of the Act, the proposed amendments seek to:
 - a) Allow the Director-General of Customs to exempt parties from the submission of the manifest data for vessels, airplanes or trains arriving in or departing from Singapore. This amendment helps Singapore Customs better manage the compliance requirements on freight companies, and preserves Singapore's attractiveness as a transshipment/ transit hub.
 - b) Extend the current one-year time limit for claimants to submit claims for refunds of duties, taxes, or other charges, to five years in alignment with the GST Act. The one-year time limit does not allow Singapore Customs to refund money overpaid or erroneously collected if a claim is made more than one year after overpayment or erroneous collection.
 - c) Similarly increase the one-year time limit to recover duties, taxes, fees, or other charges to five years, and remove the time limit entirely for the recovery of duties in cases of fraud and wilful default, to align with the GST Act and Income Tax Act.

Public consultation details

6. A summary of the proposed amendments is appended in Annex A. The public can access the consultation documents on MOF's website (www.mof.gov.sg), and the REACH consultation portal (www.reach.gov.sg). Written comments, using the template in Annex B, can be submitted to:

Ministry of Finance
Economic Programmes Directorate
100 High Street #10-01
The Treasury
Singapore 179464
Fax: 6337 4134

Email: MOF_Public_Consultation@mof.gov.sg (preferred mode)

7. MOF and Singapore Customs will publish a summary of the comments received and our responses. The summary will not disclose the identity of respondents, and will not separately address or acknowledge every comment received.

Issued by:

Ministry of Finance and Singapore Customs
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For media enquiries, please contact:

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About Ministry of Finance

The Ministry of Finance aims to advance the well-being and development of Singapore through Finance. The Ministry strives to achieve a balanced budget through prudent fiscal policy, foster a regulatory environment conducive to business and enterprise, ensure prudent investment of the Government's reserves and other public funds, and sets policies for government procurement, e-government, customs regulation, accounting standards and business regulation.

We achieve this together with our departments (Accountant-General's Department, Centre for Public Project Management, Singapore Customs and Vital.org – Centre for Shared Services), and statutory boards/bodies (Accounting & Corporate Regulatory Authority, Inland Revenue Authority of Singapore, Tote Board and Singapore Accountancy Commission).

For more information, please visit www.mof.gov.sg.

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About Singapore Customs

Singapore Customs – a department under the Ministry of Finance – is the lead agency for trade facilitation and revenue enforcement.

We facilitate Singapore's external trade through active engagement with businesses, robust regulations and effective enforcement.

Besides ensuring a fair, competitive and level playing field for traders, we also safeguard Government revenue. We take firm enforcement action against those who attempt to evade duties and taxes by making fraudulent declarations or bringing in contraband goods.

Our vision is to be a leading Customs that advances Singapore's economy by assuring the integrity of the trading system.

For more information, please visit www.customs.gov.sg.