



SINGAPORE CUSTOMS MEDIA RELEASE

SINGAPORE CUSTOMS ON TRACK TO PREVAIL IN FIGHT AGAINST ILLEGAL CIGARETTES

Singapore Customs' tough enforcement efforts have produced positive results in the first half of this year from January to June 2008. The number of duty-unpaid cigarettes seized decreased by 36% compared to the same period last year. The number of buyers and sellers caught has also fallen by 17% and 34% respectively. The reduction in quantity seized and offenders caught is attributed to the deterrent effect resulting from intensified enforcement efforts and tightened checks at both inland and checkpoint areas. The heightened enforcement efforts have curtailed demand, leading to a weakened supply of contraband cigarettes. Based on the results, Singapore Customs will continue to introduce strong enforcement measures to prevail in the fight against illegal cigarettes.

Enforcement Efforts Produce Positive Results

2 Singapore Customs' tough enforcement measures and a good intelligence network have produced positive results in the first half of 2008, as shown below:

Enforcement Results		Jan to Jun <u>2008</u>	Jan to Jun <u>2007</u>
No of Duty-Unpaid Cigarettes Seized (in packets)		1.6 million	2.5 million
Total Duty and GST Involved		\$12.5 million	\$18.8 million
Persons Caught	Persons Arrested and Charged in Court	655	653
	Sellers Arrested	299	456
	Buyers Compounded	2,549	3,084

3 From January to June 2008, more than 1.6 million packets of duty-unpaid cigarettes were seized by the authorities. The number of sellers or illegal street peddlers caught between January to June 2008 was 299, compared to 456 for the first half of last year.

Similarly, the number of buyers for whom the offence was compounded also fell from 3,084 in first half of 2007 to 2,549 in first half of 2008. In general, the tough enforcement measures implemented in 2007/08 have been proven to be effective in deterring the sale and purchase of duty unpaid cigarettes.

4 Enforcement efforts against syndicates involved in conveying, storage and distribution of contraband cigarettes to illegal street peddlers had not let up. Persons arrested and charged in Court for these serious offences from January to June 2007 remained constant at 655, compared to 653 in the same period last year. Singapore Customs will continue to intensify enforcement efforts against syndicates.

5 The largest haul of duty-unpaid cigarettes seized so far in 2008 was 233,500 packets when Customs officers uncovered a full container load of cigarettes at a Lower Delta Road industrial park in June 2008. The amount of duty and GST totaled \$1.8 million. In addition, at a recent two-week operation, Customs officers uncovered 216,700 packets of duty-unpaid cigarettes from trucks, vans and illegal stores. The duty and GST involved was over \$1.6 million. Syndicates used various different concealment methods to hide the cigarettes, such as within laminated flooring planks, inside metal cabinets, within secret back compartments of wooden cabinets and even under fibre-glass tanks containing live prawns! But, no matter how “innovative” the smugglers were, our enforcement efforts continued to yield positive results.

Be Warned! \$500 Composition Sum for Possessing Each Packet of Duty-unpaid Cigarettes

6 The next time anyone is found in possession of duty-unpaid cigarettes, be prepared to fork out \$500 per packet for composition fine for first time offenders. The \$500-per-packet composition sum had already been implemented at Geylang and Yew Tee since October 2007 and had proven effective in curbing the demand for contraband cigarettes at these localities. The \$500-per-packet composition sum will now be imposed throughout the island on persons caught in possession of duty-unpaid cigarettes with effect from 15 July 2008. Singapore Customs officers will continue to conduct inspection checks with the aim to keep illegal cigarettes off the streets.

Public Education - a Key Priority

7 Apart from punitive measures, Singapore Customs is ready to take enforcement to the next higher level. More enforcement manpower will be deployed to conduct surveillance and

patrols at hotspots and heartland areas. An enforcement taskforce has been set up within Singapore Customs to look into the cigarette smuggling issue, with a focus on developing effective control measures and strategies to combat the problem holistically. Public education will remain a key priority to complement enforcement efforts. Singapore Customs will further enhance its public education campaign to raise awareness and garner public support and commitment to stay away from duty-unpaid cigarettes. A new campaign will kick off in September 2008.

8 Commenting on the latest enforcement results and measures, Mr Fong Yong Kian, Director-General of Customs said, “The enforcement outcome from the first half of 2008 clearly shows that Singapore Customs is making good progress in the fight against contraband cigarettes. There can be no let-up in our enforcement effects at this point. As a further deterrent to potential buyers of contraband cigarettes, we will make the penalties for the possession of duty-unpaid cigarettes stiffer. Singapore Customs will also be enhancing its public education efforts to warn the public on the adverse consequence of possessing and consuming contraband cigarettes.”

Stiff Penalties for Customs Offences

9 Singapore Customs warns that buying, selling, conveying, delivering, storing, keeping, having in possession or dealing with contraband cigarettes are serious offences under the Customs and GST Acts. Stiff penalties are imposed for such offences. On conviction, offenders can be jailed as well as fined. The vehicles used in the commission of such offence are also liable to be forfeited. The public are strongly advised not to buy duty-unpaid cigarettes. For possessing a packet of duty-unpaid cigarettes, an offender may face a minimum fine of \$500 or prosecution in court.

10 Members of the public with information on smuggling activities or evasion of Customs duty or GST should contact the Singapore Customs Intelligence Hotline at 1800-2330000 or email to customs_intelligence@customs.gov.sg.

End of Release

ISSUED BY: SINGAPORE CUSTOMS (新加坡关税局)
DATE: 14 JULY 2008



A total of 26,749 packets of duty-unpaid cigarettes were seized from a rubbish dump. The cigarettes were hidden in metal cabinets.



As much as 86,400 packets of duty-unpaid cigarettes were hidden within laminated floor planks and were seized at an illegal store in Woodlands area.



The largest haul of duty-unpaid cigarettes seized so far in 2008 was 233,500 packets at an illegal store at Lower Delta Road.



Secret compartments behind wooden cabinets hid 11,500 packets of duty-unpaid cigarettes.



Tanks containing live prawns were used as cover load to conceal 12,000 packets of duty-unpaid cigarettes.