



## Singapore Customs Media Release

### Singapore Customs' Annual Enforcement Results 2010: Contraband Cigarettes Situation Improves with Record Low Seizure and Continuous Growth of Revenue

“Singapore’s overall contraband cigarettes supply continues to shrink in 2010. We saw a 5-year low in seizure of contraband cigarettes, key syndicates being crushed and higher demand for legal cigarettes. The positive results reflect Singapore Customs’ sterling performance and determination to stamp out contrabands.”

Fong Yong Kian,  
Director-General  
Singapore Customs

#### Report Card At A Glance

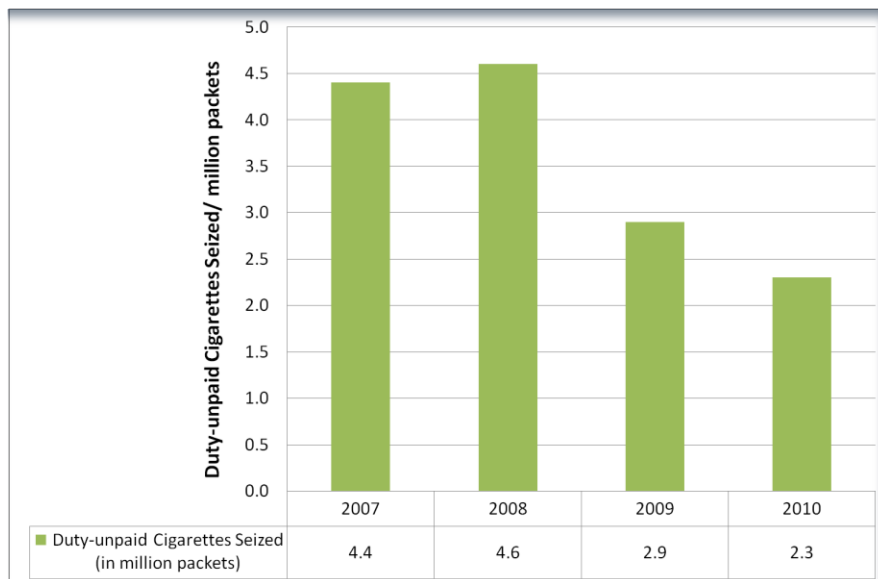
<i>Chapter 1</i>	<i>Higher Demand for Legitimate Cigarettes</i>	Page 2
	<ul style="list-style-type: none"><li>• 5-year low in seizure at 2.3 million packets, down 21%</li><li>• Cigarettes duty collection at \$877 million, up 2%</li></ul>	
<i>Chapter 2</i>	<i>Lower Demand for Illegal Cigarettes</i>	Page 3
	<ul style="list-style-type: none"><li>• 5,885 buyers caught, down 17%</li><li>• 702 peddlers caught, up 11%</li></ul>	
<i>Chapter 3</i>	<i>Disruptions to Illegal Cigarettes Supply</i>	Page 5
	<ul style="list-style-type: none"><li>• 4 cigarettes syndicates crushed, up from 3</li><li>• 1,049 offenders prosecuted, down 11%</li></ul>	

2 The latest positive results on quantity seized, duty collection and buyers caught are largely attributed to SC's three-pronged enforcement approach: penalties and prosecution, publicity and outreach efforts as well as the frequent joint collaborations with agency partners.

## Chapter 1 Higher Demand for Legitimate Cigarettes

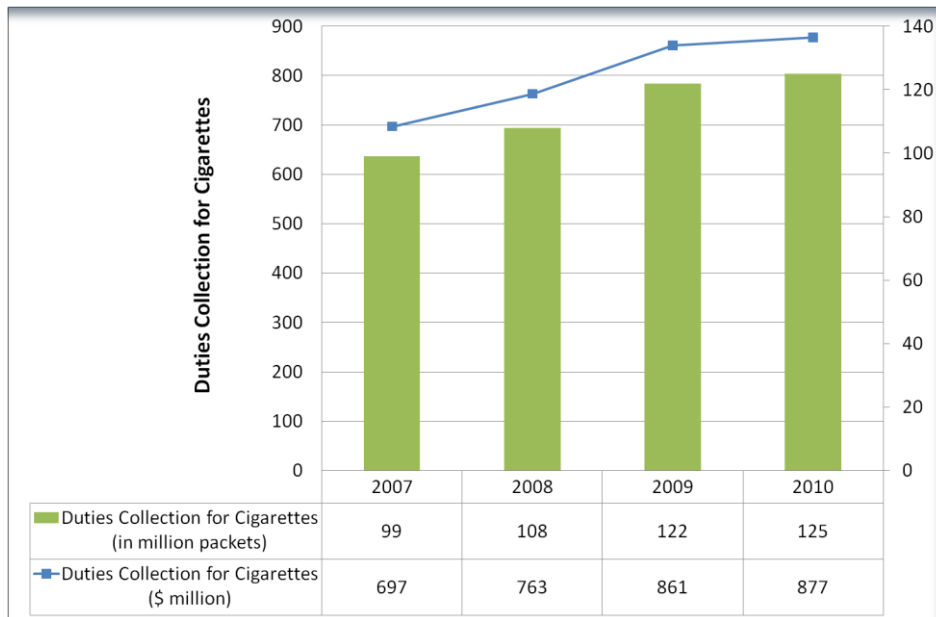
*First sign: Five-year low in seizure*

3 Total quantity of cigarettes seized by Singapore Customs (SC) decreased by 21% last year, reaching a record five-year low of 2.3 million packets. This point towards a dwindling supply of contraband cigarettes – a sign that SC is making significant inroads into the contraband cigarette market.



*Second sign: Increase in duty collection*

4 As a sign that more smokers are turning to legal or duty-paid cigarettes, duties collected on cigarettes continued a four-year uptrend in 2010. Duties collected from cigarettes increased by 2% to \$877 million in 2010. The latest 2% increase follows hikes of 10% and 13% in 2008 and 2009 respectively.

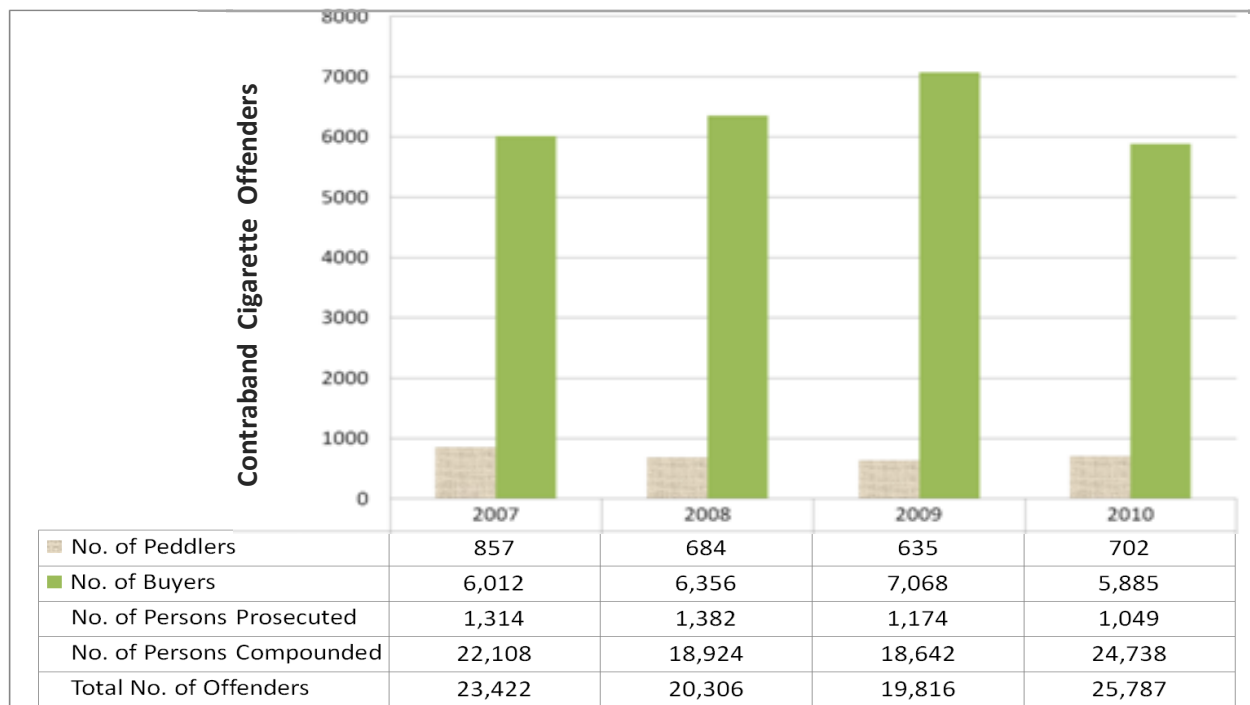


## Chapter 2 Lower Demand for Illegal Cigarettes

*Third sign: Less buyers caught and more sellers arrested*

5 The number of buyers caught inland decreased by 17% in 2010 where 5,885 buyers were caught compared to 7,068 in 2009. This was the lowest in four years and pointed towards more smokers turning away from illegal sources for their puffs.

6 The number of peddlers caught has increased by 11% to 702 from 635 in 2009. This is due to the more robust checks by Customs officers as well as joint law enforcement operations conducted with other agencies.



## Total Number of Cigarette Offenders

7 Total number of cigarette offenders registered an increase of 30% to 25,787 offenders from 19,816 offenders in 2009. The bulk of the offences were mostly committed by travellers who brought in loose packets for personal consumption.

## Publicity and Outreach

8 Last year, SC continued to place emphasis on public outreach and media publicity efforts to win the fight against contraband cigarettes. Island-wide roadshows are conducted regularly with the masses and niche groups to raise their awareness about the risks of dealing in contraband cigarettes. Together with other agencies including People's Association (PA) and Singapore Civil Defence Force (SCDF), SC held 208 roadshows at heartland areas, foreign worker residences, factories and schools in 2010.



### **2009 Campaign: Dark and Gloomy “Smoke” visuals sending strong deterrence messages against contraband cigarettes to the public**

9 In addition, SC carries out its anti-contraband cigarettes campaign yearly with the latest wave launched in October 2010. With the tagline of ‘Don’t Get Burnt’, the new campaign features the use of traditional and new media strategies, on top of a wide range of viral communications tactics and mobile community engagement roadshows, aims to highlight to the public the social consequences, as well as the severe penalties associated with buying, selling and/or possessing illegal cigarettes that do not bear the ‘SDPC’ marking.



**2010 Campaign: SC's roving campaign truck bearing the iconic burn mark and anti-contraband cigarette messages transforms into a mobile roadshow stage**

### **Chapter 3    Disruptions to Illegal Cigarettes Supply**

#### *Four Syndicates Crushed*

10     SC has intensified its enforcement against syndicated smuggling in recent years. 2010 saw a further fall by 11% in the number of persons prosecuted for being involved in smuggling activities, from 1,174 in 2009 to 1,049 in 2010. Four key syndicates were smashed last year, up from three crushed in 2009. Two of the syndicates were found exploiting the smuggling mode by air.

#### *Running out of ideas: Some syndicates repeated old modus operandi*

11     Last year, Customs officers observed a reversal in the methods of concealment used by some syndicates a few years ago. Familiar items seen in our daily life were used as coverloads and they included perishables like fresh fruits and vegetables and sofa sets. However, such smuggling attempts were exposed and foiled by officers.

#### *Others decided to diversify modes of smuggling: Sampans and Aeroplanes*

12     With SC and its enforcement partners hot on their trails, smugglers began to deploy more ingenious methods via other modes - by sea and air. In 2010, there were 38 major sea smuggling cases (involving more than 500 cartons), up from 26 cases registered in 2009. The number of vessels seized by SC for being involved in smuggling of contraband cigarettes increased to nine in 2010 from just five in the previous year. Sampans, fishing vessels, barges, passenger ferries and other types of sea vessels were used by syndicates to bring the illegal smokes into Singapore. Some even went to great lengths to avoid detection by the authorities by hiding the contrabands in secret manholes and fuel compartments.

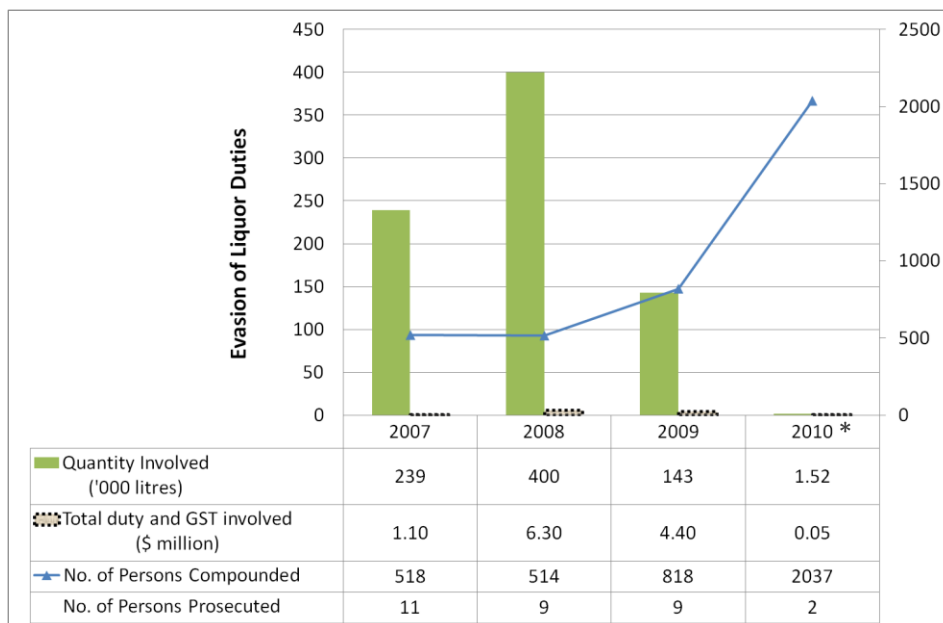
13 SC also observed a rising trend in major air smuggling cases (involving more than 500 cartons) last year where contrabands were masked under the pretext of importation of printed matters. In 2010, there were nine major cases, compared with three cases in 2009.



## Other Customs Offences

### *Evasion of Liquor Duties*

14 Last year saw more than two-fold increase in the number of liquor offenders, from 818 offenders being compounded one year ago to 2,037 in 2010. Most were minor offences committed by travellers at the checkpoints. To create greater public awareness on the requirement to declare dutiable goods brought into Singapore, SC has launched a series of media publicity to reach out to travellers in January this year.



\*Exclude joint op with Police in December 2010 (see box story below)

## Liquor syndicate smashed!

SC ended 2010 on a high note as Customs officers, together with other enforcement agencies, crippled a syndicate involved in the reproduction and distribution of adulterated liquor. The 19-hour island-wide joint operation led to the arrest of 10 men, aged between 27 and 40 years. More than 3,000 bottles of adulterated liquor infringing the trademarks of renowned liquor brands such as Johnny Walker, Chivas, Regal and Martell VSOP were seized. The estimated street value of the liquor totalled \$94,000. Investigations are still ongoing.



Source: Police News Release, 29 December 2010

Ingat bahawa di luar Negara? Jika anda membawa pulang barang-barang yang boleh dikenakan cukai, produk cukai yang lain, atau barang-barang yang mungkin dikenakan cukai. Jangan lupa juga untuk mematuhi peraturan cukai yang berkaitan dengan barang-barang tersebut. Jika anda memulakan perjalanan di luar negara, anda mungkin akan dikenakan cukai. Jika anda memulakan perjalanan di dalam negara, anda mungkin akan dikenakan cukai. Untuk maklumat lanjut, hubungi 6355 2000.

**Customs**  
Goods To Declare

想去国外购物吗? 如果您带回来的物品中包括香烟或其它烟草产品、酒类或其它价值超过消费免税优惠数额的应税物品, 您得在回国时缴税。别忘了礼重内的那瓶酒! 需要注意的是, 如果您从马来西亚入境新加坡, 均不享有酒类免税优惠。您必须在红色通道或前往关税局纳税办事处申报您的物品。请拨打 6355 2000 向新加坡关税局索取更多详情。

Going overseas to shop? If you bring back cigarettes or other tobacco products, liquor products or other taxable goods with a value beyond the GST relief, you will have to pay taxes when you come back – and don't forget about that bottle of liquor in your gift hamper! Please note that there is no duty-free allowance on liquor if you are arriving from Malaysia. You must declare your goods at the Red Channel or proceed to the Customs Tax Payment Office. Please call Singapore Customs at 6355 2000 for more information.

DUTY-FREE ALLOWANCE FOR LIQUOR		
Spirits	Wine	Beer
1 Litre	1 Litre	1 Litre
-	OR	-
-	2 Litres	1 Litre
-	OR	-
-	1 Litre	2 Litres

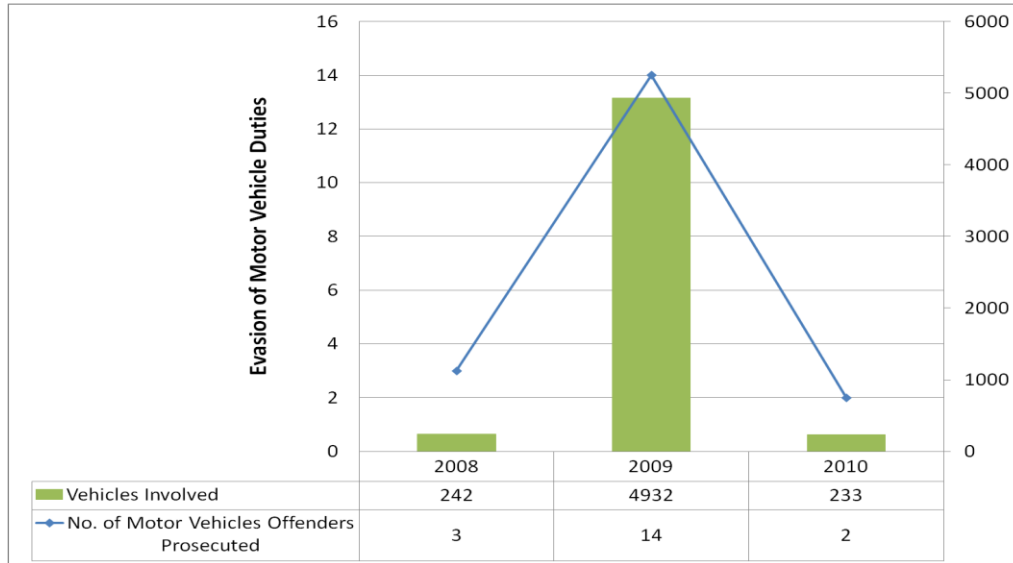
GST RELIEF (based on value of goods)		
Period away from Singapore	Below 18 years old	18 years old and above
Less than 24 hours	No Relief	S\$50
24 to less than 48 hours	S\$50	S\$150
48 hours or more	S\$100	S\$300

**SINGAPORE CUSTOMS**

Print advertisements in four languages launched in January 2011

### *Evasion of Motor Vehicle Duty*

15 SC prosecuted two motor traders involving some 233 motor vehicle units in 2010. Customs will not hesitate to prosecute offenders who under-declare such values and push for hefty deterrent sentences involving fines and/or imprisonment. By increasing industry awareness, SC aims to maintain a level playing field in the motor vehicle industry. This is also in line with SC's roles in facilitating and regulating trade, thereby maintaining the transparency and integrity of the trading system.

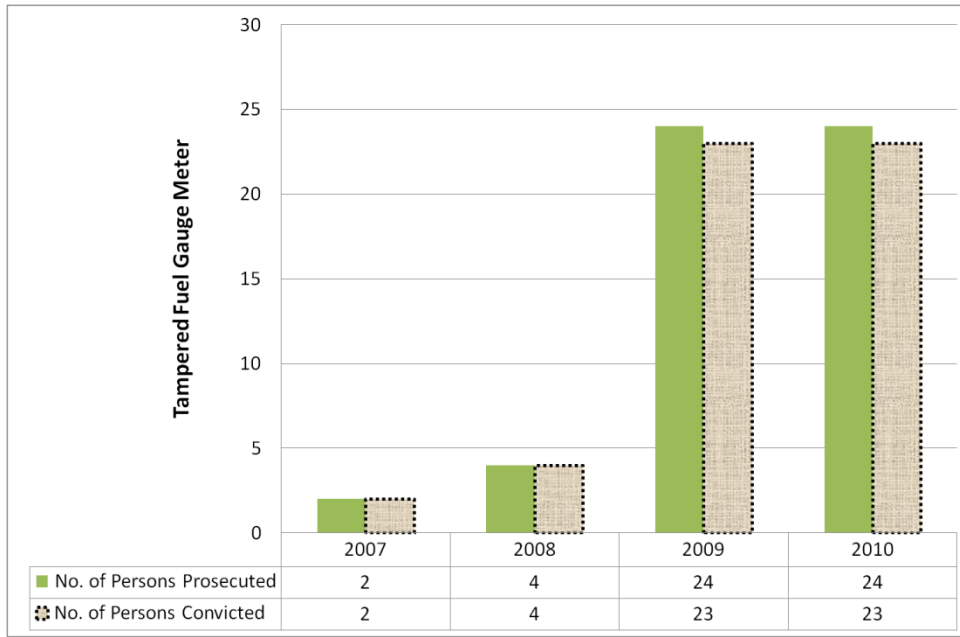


### *Tampered Fuel Gauges*

16 In 2010, SC prosecuted 24 persons for tampering with the fuel gauges on their vehicles. All were convicted, except for a case which is currently undergoing court proceedings.

17 Under the law, Singapore-registered motor vehicles must have at least three-quarter tank of petrol when departing Singapore. Motorists are advised against any attempts to infringe the rule given the stringent checks at the checkpoints. Those who tamper with the fuel gauges of their vehicles to give a false reading that the amount of fuel in the fuel tank is three-quarters full or more, shows a deliberate intent to cheat the authorities. Such offenders are liable on conviction to fines not exceeding \$5,000 and/or jail term up to 12 months.





### Advisory from Singapore Customs

18 SC warns that buying, selling, conveying, delivering, storing, keeping, having in possession or dealing with duty-unpaid goods are serious offences under the Customs and GST Acts and will be severely dealt with. Offenders can be fined up to 40 times the amount of duty evaded and/or jailed for up to six years. 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 products. For possessing a packet of duty-unpaid cigarettes, buyers may face a minimum fine of \$500 or prosecution in court.

19 Under the Customs Act, it is the responsibility of the importers to ensure the accuracy and completeness of the values and other related costs declared to SC. Under-declaration of the value is a serious offence as it will result in short payment of duty and import GST payable to SC. All cases of revenue evasion and violations of customs regulations are investigated, and action will be taken against the errant importers or any person involved in abetting the fraudulent evasion of duty and GST. Any person who is guilty of fraudulent evasion of duties or GST will be liable on conviction to a fine of up to 20 times the amount of duty and GST evaded or imprisonment, or both. In addition to the penalties meted out by the court, the offenders are also required to make good the duty and GST short-paid to SC.

20 Members of the public with information on smuggling activities or evasion of Customs duty or GST should contact the Singapore Customs Hotline at 1800-2330000 or email to [customs\\_intelligence@customs.gov.sg](mailto:customs_intelligence@customs.gov.sg).

**ISSUED BY: SINGAPORE CUSTOMS  
KASTAM SINGAPURA**

新加坡关税局  
சிங்கப்பூர் காங்கத்துறை

**DATE: 15 FEBRUARY 2011**