



SINGAPORE CUSTOMS 新加坡关税局 KASTAM SINGAPURA சிங்கப்பூர் கங்கத்துறை

MEDIA RELEASE

10 September 2021

Importer fined \$50,000 for GST evasions, incorrect declarations and failing to retain documents

A Singaporean man, Kong Ming Jie, 36, was fined \$50,000 by the State Courts on 8 September 2021 for fraudulent evasion of Goods and Services Tax (GST), making of incorrect declaration and failing to retain documents and records under the Customs Act. The total amount of GST short-paid was about \$9,051.

Kong, the Director of Nitecore Singapore Pte Ltd (“Nitecore”) and the sole proprietor of Nitecore SG, pleaded guilty to five charges, with another six charges taken into consideration during sentencing.

Facts of the Case

On 2 August 2019, Singapore Customs inspected shipments of LED flashlights and accessories imported by Nitecore at Changi Airfreight Centre. The value of the goods for one of the shipments was declared as less than \$400 but it was established that the actual value was \$23,336.47, with GST payable at \$1,633.55.

GST relief is granted on goods (excluding intoxicating liquors and tobacco) imported by post or air with a value not exceeding \$400. Understating the import values resulted in the non-payment of GST for this shipment. For another shipment inspected on 14 August 2019, there was short payment of \$563.41 in GST payable. The value of the goods was declared as \$402.57, when the actual value was \$8,495.62.

Investigations revealed that between January and August 2019, Kong had under declared the value of flashlights and accessories in seven other shipments to evade the payment of GST. He also made an incorrect declaration of the value for a shipment of monoculars and optical telescopes. The GST short-paid for these eight other shipments amounted to \$6,854.76.

In addition, Kong faced another charge for failing to retain documents and records relating to the importation of goods. When asked to produce documents relating to goods imported by Nitecore SG during the investigation, Kong informed that he did not retain any import-related trade documents.

Stiff Penalties for GST Evasion, Incorrect declaration and Failure to Retain Records

Any person who is in any way concerned in any fraudulent evasion of, or attempt to fraudulently evade, any customs duty or excise duty shall be guilty of an offence and will be liable on conviction to a fine of up to 20 times the amount of duty and GST evaded.

Any person who makes any declaration which is untrue, incorrect or incomplete will be liable on conviction to a fine not exceeding \$10,000, or the equivalent of the amount of the customs duty, excise duty or tax payable, whichever is higher, or to imprisonment for a term not exceeding 12 months, or both.

Failing to retain documents and records relating to importation and exportation of dutiable goods for a period not less than five years without reasonable excuse are serious offences under the Customs Act. Offenders can be fined up to \$10,000 and/or jailed for up to three years.

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.

Singapore Customs
10 September 2021

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