**Annex A**

**Proposed Amendments to Customs Act in 2017**

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| No. | Sections | Description of Provision | Details of Amendment |
|  | Section 3 – Interpretation  | Section 3(1) provides the interpretation of terms used in the Customs Act | The amendment to Section 3 will:1. broaden the definition of ‘motor fuel’ in the Customs Act. Currently, the definition of ‘motor fuel’ is narrowly defined as either motor spirit or compressed natural gas, and does not include other fuels such as diesel. It is proposed that the definition of ‘motor fuel’ be broadened to include any other fuel that may be used to power a means of transport;
2. remove the definition of “beer” as there are no mention of “beer” in the main Act; and
3. streamline the definition of “prohibited goods” to exclude prohibited goods as designated under other written laws in force in Singapore. This will provide clarity on the intent and scope of the Customs Act to be enforced only on prohibited goods as designated under section 38 of the Customs Act.
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|  | Section 17 – Tax on motor vehicles using heavy fuel oil, etc. | Section 17 imposes the special tax on motor vehicles which are equipped with engines using heavy oil, liquefied petroleum gas or any other gas as fuel or fitted with producer gas or other gas attachments. | Special tax is applicable to such vehicles and is payable on a half-yearly basis together with the payment of road tax. In Budget 2017, the special tax imposed under section 17 has been reduced for taxis and diesel vehicles as an offset measure to the new diesel tax. Section 17 is thus proposed to be amended to provide clarity and cater for scenarios where the special tax quantum is changed in the middle of the half-year period. |
|  | Section 39 – Particulars of goods inwards to be furnished | Section 39(3) provides Director-General of Customs the discretion to exempt the particulars of inwards goods to be furnished. | The amendment to Section 39 will allow the Director-General of Customs the discretion to exempt the pilot, owners, or agents of every vessel and aircraft arriving in Singapore, and the station-master at the Customs station, from the operation of sections 39(1) of the Customs Act. The amendment supports Singapore Customs’ move towards a risk-based approach to manage the compliance burden of freight companies, and preserves Singapore’s attractiveness as a transhipment/transit hub. |
|  | Section 41 **–** Particulars of goods outwards to be furnished | Section 41(3) provides Director-General of Customs the discretion to exempt the particulars of outwards goods to be furnished. | The amendment to Section 41 will allow the Director-General of Customs the discretion to exempt the pilot, owners, or agents of every vessel and aircraft arriving in Singapore, and the station-master at the Customs station, from the operation of sections 41(1) of the Customs Act. The amendment supports Singapore Customs’ risk-based approach to manage the compliance burden of freight companies, and preserves Singapore’s attractiveness as a transhipment/transit hub. |
|  | Section 5 **–** Powers of Director-General to delegate | Section 5(1) allows Director-General of Customs to confer any senior officer of Customs with powers already granted to him under the Act, subject to Minister’s approval. | The amendment to Section 5 will give the Director-General of Customs the flexibility to confer his powers under section 5(1) of the Act. |
|  | Section 19 – Return of duties, taxes, fees or other charges overpaid or erroneously paid | Section 19 allows that Director-General of Customs to order the refund of duties, taxes, fees or other charges so overpaid or erroneously paid when a claim is made to Customs within one-year of overpayment or erroneous collection. | The amendment to Section 19 will 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. |
|  | Section 20 – Payment of duty, etc., short levied or erroneously refunded | Section 20 allows that Director-General of Customs to demand the recovery of duties, taxes, fees or other charges short levied or erroneously refunded, but only within one-year of underpayment or erroneous refund. | The amendment to Section 20 will increase the one-year time limit to recover duties, taxes, fees, or other charges to five years, and remove entirely the time limit for the recovery of duties in cases of fraud and willful default. This amendment is in keeping with existing compliance norms, and does not impose more onerous record keeping requirements on businesses.  |
|  | Section 42 - Liability in respect of duty for goods unaccounted for within Free Trade Zones, approved landing places, or transit warehouses. | Section 42 specifies the relevant parties liable for the payment of duties on dutiable goods unaccounted for to the satisfaction of a senior officer of Customs when unshipped or landed in a Free Trade Zone, approved landing place or transit warehouse.  | The current wording of section 42 is not explicit about the duty treatment of goods used or consumed within Free Trade Zones, approved landing places or transit warehouses. The amendment will provide legal clarity to Section 42, by specifying that duty should also be paid for goods used and consumed within these places. |
|  | Section 14 - Reimposition of customs duty or excise duty | Section 14 allows the reimposition of customs duty or excise duty if the duty-exempt goods cease to comply with the conditions with which the duty exemption was granted, or cease to be kept or used by the person or for the purposes qualifying them for the exemption | The current wording of Section 14 specifies that the duty liable should be reimposed based on the value of the goods at the time of its importation. The amendment to Section 14 will clarify that duty can be reimposed based on the value at either the time of importation or when the exemption ceases to apply. This would permit more equitable outcomes for some classes of duty-exempt goods (such as private ambulances).  |
|  | Section 34 - Permit to remove goods | Section 34 states the scenarios where the waiver of permit requirement. | The amendment to Section 34 seeks to waive the permit requirement for import of dutiable motor fuel that is carried in the fuel supply tank of the vessel for use in propulsion of the vessel. |
|  | Section 136 - Motor vehicle leaving Singapore without prescribed amount of motor fuel | Section 136 states the minimum amount of motor spirit a fuel supply tank of a motor vehicle must contain when the motor vehicle is leaving Singapore. | The consequential amendment to Section 136 will account for the expanded definition of motor fuel.  |
|  | Section 2 – Scope of Act | Section 2 defines the applicable scope of Customs Act | The consequential amendment to Section 2 will account for the expanded definition of motor fuel.  |