

## SUMMARY TABLE ON PROPOSED CHANGES TO THE CUSTOMS ACT

Note: You may download the summary table, as well as other relevant documents [here](#).

No.	Change	Description and Reason for Change	Amendment to Customs Act	Details of Amendment
1	Implement excise duty on Compressed Natural Gas (CNG)	As announced in Budget 2009, CNG will be dutiable from 1 Jan 2012. The Customs Act will be amended to define CNG as a dutiable motor fuel and to extend the three-quarter tank rule to the CNG tanks of motor vehicles.	Sections 3, 34 and 136  [Clauses 2, 4, 18 and 20]	<p><b>Clause 2</b> amends section 3(1) (Interpretation) to insert new definitions for “compressed natural gas” or “CNG”, and “motor fuel”; and make a consequential amendment to the definition of “motor spirit” by removing the reference to “motor fuel” therein.</p> <p><b>Clause 4</b> amends section 34(2)(d) to add motor fuel to the reference to petroleum, and further amends section 34(2)(d)(i)(A) to recognise that different types of motor fuel and petroleum may be carried in different fuel tanks in a motor vehicle.</p> <p><b>Clause 18</b> amends section 136, and <b>clause 20</b> amends various provisions in the Road Traffic Act (Cap. 276), to take into account the new definition of “motor fuel” inserted in section 2 of the Act <i>vide</i> <b>clause 2</b> and the fact that different types of motor fuel may be carried in different fuel tanks in a motor vehicle.</p>

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2	Clarify that an excise factory is a licensed warehouse	The Customs Act will be amended to clarify that a licensed warehouse includes a place or place of manufacture licensed under section 63(1) of the Customs Act, i.e. an excise factory, and thus is an area under customs control.	Section 3  [ <b>Clause 2</b> ]	<b>Clause 2</b> amends section 3(1) (Interpretation) to clarify that a licensed warehouse includes a place or places of manufacture licensed under section 63(1).
3	Clarify on the power of the Director-General (DG) of Customs to prescribe authorised piers and places as areas under customs control	The Customs Act will be amended to clarify that the DG is empowered to determine authorised piers and places as areas under customs control, under such circumstances as the Minister may prescribe.	Section 31  [ <b>Clause 3</b> ]	<p><b>Clause 3</b> amends section 31(1)(a) to clarify that, in addition to prescribing authorised piers and places in Singapore, the Minister for Finance may also prescribe the circumstances in which the DG may determine that any pier or place is to be an authorised pier or place for the purposes of section 31(1). Further, the Minister may prescribe, or the DG may determine, as the case may be, any pier or place to be an authorised pier or place in relation to certain prescribed goods only.</p> <p>The new subsection (1A) empowers the Minister to prescribe that an operator of an authorised pier or place is to comply with the requirements and restrictions imposed by the DG in connection with operations carried out at the authorised pier or place.</p>

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4	Transfer the refund clauses for licence fees in the Customs Act to the subsidiary legislation	<p>For greater operational expediency, existing provisions in the Customs Act for refund of licence fees will be moved to the subsidiary legislation.</p> <p>To clarify that regulation can be made to prevent compensation from being given in the event a licence is suspended, a new paragraph is to be inserted in section 143 to provide for this.</p>	<p>Sections 51, 63, 66, 82 and 143</p> <p>[<b>Clauses 5, 6, 7, 8 and 19</b>]</p>	<p><b>Clauses 5, 6, 7 and 8</b> amend sections 51, 63, 66 and 82, respectively, to remove provisions therein that refer to a licensee not being entitled to compensation upon the suspension, withdrawal or surrender of his licence, and for the refund of licence fees in such circumstances, as these provisions may be provided for in subsidiary legislation.</p> <p><b>Clause 19</b> amends section 143(1) to empower the Minister to make regulations to provide that no compensation is payable in the event of the suspension, withdrawal or surrender of a licence issued under the Act, and for the refund of licence fees.</p>
5	Consequential amendment arising from the Goods and Services Tax (GST) (Amendment) Act 2010	To update the reference to the GST Act as “section 37(5)(b)” instead of “section 37(3)(c)”, arising from changes made to section 37 of the GST Act (Cap 117) <i>vide</i> GST (Amendment) Act 2010.	<p>Section 83</p> <p>[<b>Clause 9</b>]</p>	<b>Clause 9</b> makes a consequential amendment to section 83(9) following changes made to section 37 of the GST Act (Cap 117) <i>vide</i> GST (Amendment) Act 2010.

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6	Allow disclosure of information collected under the Customs Act to domestic government agencies	Currently, information furnished by traders under the Customs Act can only be disclosed with the traders' consent. For the furtherance of public interest, the Customs Act will be amended to allow the disclosure of information to public agencies for the investigation and prosecution of offences under other domestic laws and to safeguard national security, public health and safety. Comprehensive safeguards will be in place to ensure that traders' information remains well-protected.	Section 89  [ <b>Clause 11</b> ]	<b>Clause 11</b> amends section 89(1) and inserts a new subsection (1A) to expand on the circumstances in which particulars, information and documents furnished under the Act may be provided to a public agency. Clause 11 also inserts a new subsection (1B) to require public officers assisting the Minister in the performance of his official duties in connection with the Act or the GST Act (Cap. 117A) to be expressly authorised by the Minister in order to have sight of any particulars, information or document furnished for purposes of the Act. Clause 11 further amends subsection (4) to insert a new definition for "public agency".

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7	Allow retention of trade documents in image systems	Currently, all traders are required to retain trade documents for a period of five years under the Customs Act. If these trade documents have originated in paper form, the original paper documents must be retained. To facilitate the storage and retrieval of trade documents, the Customs Act will be amended to allow the retention of documents in image system without the need to maintain the original paper documents. Traders will be able to retain the trade documents in image system if they are able to comply with a set of guidelines issued by the Director-General of Customs.	Sections 87 and 90  [ <b>Clause 10 and Clause 12</b> ]	<p><b>Clause 12</b> amends subsection (1) of section 90 and inserts a new subsection (2A) to clarify that section 87 takes precedence over section 90 in allowing documents and records to be retained other than in their original form. However, notwithstanding section 87, the new subsection (2B) requires the original form of documents and record to be retained for the purpose of complying with Singapore's international obligations.</p> <p><b>Clause 10</b> amends section 87(1) to require that the original forms of documents and records must be retained until the goods have been removed from customs control.</p>
8	Allow appointment of agents for the recovery of unpaid duties	Currently, unpaid duties which are not covered by bank guarantees can only be recovered through legal proceedings. To improve operational efficiency, the Customs Act will be amended to allow agents to be appointed for recovering unpaid duties.	New sections 98A and 98B  [ <b>Clause 13</b> ]	<b>Clause 13</b> inserts new section 98A and 98B to empower the Director-General of Customs to declare any person to be an agent of another person for the purpose of recovering any duty due from the latter.

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9	Include provisions on the collection of interest on unpaid duties	The Customs Act will be amended to clarify on the powers of the Director-General of Customs to collect interest charges on unpaid duties.	New section 98C  [Clause 13]	<b>Clause 13</b> inserts new section 98C to provide for the imposition of late charges for the late payment of any duty, tax, fee or other charge payable under the Act, as well as interest on any outstanding amount of any duty, tax, fee or charge or for any payment thereof by way of instalments. The clause further validates earlier collections of such late charges and interest.
10	Introduce a summons system for minor customs offences	Currently, there is no summons mechanism under the Customs Act to offer composition sums for minor offences. To streamline the process of offering composition, the Customs Act will be amended to allow the issuing of summons for such minor offences.	New section 125A  [Clause 14]	<b>Clause 14</b> inserts a new section 125A to introduce a new customs ticket notice system. The new section provides –  (a) that where an officer of customs has reasonable grounds for believing that a person has committed any offence under the Act which is prescribed as an offence to which this section applies, he may, instead of applying to court for a summons, serve upon that person a prescribed notice, requiring that person to attend court;  (b) for matters relating to the form of the prescribed notice and the manner it is to be served;  (c) for the manner in which a person is dealt with when he appears in court in pursuance of such a notice; and  (d) that the notice may be cancelled by a senior officer of customs at any time before that date specified in the notice.

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11	Extend liability to a principal who furnishes incorrect information to his agent for making declarations under the Customs Act	Traders may appoint declaring agents to declare their consignments. Currently, the offence of making incorrect declarations only applies to the declarant but not the provider of the information. The Customs Act will be amended such that it will be an offence for traders to deliberately provide incorrect information to their declaring agents for making declarations.	Section 128  [ <b>Clause 15</b> ]	<b>Clause 15</b> amends section 128(1) so that the provision applies to both a principal and his agent.
12	Clarify that it is not illegal to be in possession of dutiable goods outside customs control, when so permitted by the Director-General (DG) of Customs	For greater legal clarity, the Customs Act will be amended to make clear that it is not illegal to be in possession of dutiable goods outside customs control, when so permitted by the DG.	Section 128I  [ <b>Clause 16</b> ]	<b>Clause 16</b> re-numbers section 128I as section 128I(1) and inserts a new subsection (2) to give due recognition to section 27(3) which would, contrary to subsection (1), allow a person to store, keep or have the goods in his possession dutiable or prohibited goods or uncustomed goods, if so allowed by the DG.

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13	Enhance penalties for tobacco-related customs offences	<p>To increase deterrence of cigarette smuggling offences, the Customs Act will be amended to enhance the penalties for repeat offenders:</p> <ul style="list-style-type: none"> <li>(a) Introduce mandatory imprisonment for repeat offenders caught with more than 2kg of tobacco products; and</li> <li>(b) Increase the minimum court fine to \$2,000<sup>1</sup>;</li> </ul> <p>To address the anomaly whereby the composition sums offered for petty tobacco offences could be higher than the court fines, prompting some offenders to opt for prosecution instead of composition, the minimum court fines for tobacco offences will be increased to \$1,000 for first-time offenders<sup>2</sup>.</p>	Section 128L  [Clause 17]	<b>Clause 17</b> amends section 128L(2) and (4) to introduce a minimum amount for fines at \$1,000 for a first time offence involving goods comprising wholly or partly of relevant tobacco products. The clause deletes subsection (5) and inserts new subsections (5) and (5A) to deal with the penalties for repeat offences involving relevant tobacco products. Under the new subsection (5), the current level of penalty under the existing subsection (5) remains except that a minimum amount of \$2,000 for the fine is introduced. The new subsection (5) is subject to the new subsection (5A) which provides that, where the amount of the relevant tobacco product involved in both the repeat offence and the previous offence exceeds 2 kilogrammes in weight, the current level of penalty under the existing subsection (5) (with the minimum fine of \$2,000) is mandatory.

<sup>1</sup> Two charges will be brought against the offender for each act committed, one for the duty element and the other for the Goods and Services Tax (GST) element. Hence the total minimum fines imposed by the courts will be \$4,000.

<sup>2</sup> Two charges will be brought against the offender for each act committed, one for the duty element and the other for the GST element. Hence the total minimum fines imposed by the courts will be \$2,000.

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14	Provide enabling provisions to make regulations to facilitate trade	<p>The Customs Act will be amended to allow subsidiary legislation to be made:</p> <ul style="list-style-type: none"> <li>(a) for the registration of declaring agents; and</li> <li>(b) for matters relating to the World Customs Organization SAFE Framework of Standards to Facilitate and Secure Global Trade and other similar frameworks.</li> </ul>	<p>Section 143</p> <p>[<b>Clause 19</b>]</p>	<p><b>Clause 19</b> amends section 143(1) to empower the Minister to make regulations —</p> <ul style="list-style-type: none"> <li>(a) for the registration of persons making declarations under the Act; and</li> <li>(b) for matters relating to the World Customs Organization SAFE Framework of Standards to Facilitate and Secure Global Trade and other similar frameworks</li> </ul>