

# Luxury handbag retailer fined S\$190,000 for evading GST

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A customer leaves a Burberry outlet with a bag bearing the store's logo. (File photo: AFP/Will Oliver)

SINGAPORE: A retailer of branded handbags and wallets was fined S\$190,000 on Thursday (Apr 28) for evading Goods and Services Tax (GST) of more than S\$50,000 on thousands of luxury products.

Yu Chung Tan, 47, a partner of LovethatBag, imported 2,338 branded handbags by parcel post on 41 occasions between October 2011 and October 2013. He instructed his suppliers to indicate the value of the goods imported as below S\$400 in the import documents, in an attempt to avoid the payment of GST, Singapore Customs said.

Goods imported by parcel post, except dutiable goods, are not subject to GST when the value of the goods is below S\$400.

Between April 2012 and February 2014, Yu also travelled overseas on 14 occasions and purchased 519 items, which include branded bags, wallets, shirts, umbrellas and shoes for sale in Singapore. Despite knowing that goods imported for sale in Singapore are subject to GST, Yu did not declare the goods for GST payment when he arrived at Changi Airport.

His intention was to save on the cost of goods so as to price his goods more competitively to generate more sales, Singapore Customs said.

The total amount of GST he evaded on these goods exceeded \$54,460. Yu pleaded guilty to 18 charges. Another 37 charges were taken into consideration in the sentencing.

“We are keeping a close watch on such illegal practices by retailers,” said Ms Fauziah Abdul Sani, head of Singapore Customs’ Trade Investigation Branch. “Those who attempt to evade duty and taxes will be dealt with severely.”

Under the Customs Act, any person found guilty of fraudulently evading GST will face a fine up to 20 times the amount of tax evaded, up to two years’ jail, or both.

- CNA/cy