

# How Duties and GST are Calculated?

A guide for online shoppers



## Step 01. When should duties and GST be paid?

You may need to pay duties or GST if:

- The goods have a CIF value exceeding S\$400
- The goods are dutiable
- The goods are supplied by an Overseas Vendor Registration (OVR) vendor (collection by OVR vendor)

GST applies to most imported goods.

Customs duty applies only to specific goods.

## Step 02. How is the Value Determined?

Customs uses the **Cost, Insurance and Freight (CIF)** value.

CIF includes:

- Cost of the goods
- Insurance
- Freight or shipping charges

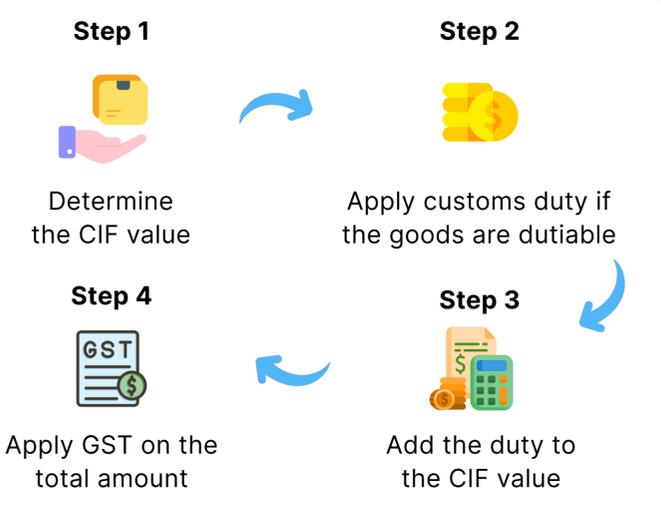


$$\text{CIF value} = \text{Cost} + \text{Insurance} + \text{Freight}$$

GST and duty are calculated on the total landed value, not just the item price.

## Step 03. Order of Calculation

Duties and GST are calculated in this order:



GST is calculated after duty, not before.

## Step 04. Example Calculation

### Non-dutiable goods (GST only)



- Item cost = \$500
- Shipping and insurance = \$50
- CIF value = \$550
- Duty rate = 0%
- GST charged on \$550 + 9%
- Tax paid to Customs = \$49.50
- Total cost including tax = \$599.50

## Step 05. Common Questions from AskGov

### Q1: Why is GST calculated on shipping and insurance?

GST is calculated based on the CIF value, which includes the cost of goods, insurance, and freight.

### Q2: Why is GST higher for dutiable goods?

For dutiable goods, duty is added first, and GST is then calculated on the CIF value plus duty.

### Q3: Are courier handling fees part of GST or duty?

No, courier handling or processing fees are charged by service providers, not by Customs.

## Step 06. Cigarettes and Tobacco Products Important to know

- All cigarettes brought into Singapore are dutiable
- Cigarettes sold legally in Singapore must carry the SDPC mark



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