



SINGAPORE CUSTOMS 新加坡关税局 KASTAM SINGAPURA சிங்கப்பூர் கங்கத்துறை

MEDIA RELEASE

31 August 2022

Director fined \$558,000 for making false statements in applications for Preferential Certificates of Origin

A Singapore Permanent Resident, Solaiyappan Ramanathan, 41, was sentenced by the State Courts on 30 August 2022 to a fine of \$558,000 for making false statements when applying for Preferential Certificates of Origin (PCO)¹ for goods exported by his company.

Solaiyappan, the former director of Feccuni Singapore Pte Ltd (“Feccuni”) and sole proprietor of Shakambri Overseas (“Shakambri”), pleaded guilty to two charges under the Regulation of Imports and Exports Regulations. Another six charges were taken into consideration during sentencing.

Feccuni and Shakambri were set up by Solaiyappan to trade in scrap metals and other metal products sourced from local and overseas suppliers.

Case information

Singapore Customs launched investigations after receiving information alleging that Feccuni was making false statements in relation to the country of origin of scrap metals in PCO applications.

¹ A PCO is a trade document that identifies the origin of the goods and confers a tariff benefit in the importing country usually under a free trade agreement. It may only be issued by Singapore Customs and is applicable only for goods that are manufactured or wholly obtained from Singapore.

Investigations revealed that between August 2017 and April 2019, Solaiyappan purchased scrap metals from various suppliers in China and re-exported them from Singapore to India. The Indian buyers had requested to obtain PCOs for these scrap metals to enjoy preferential tariff treatment under the India-Singapore Comprehensive Economic Cooperation Agreement and ASEAN-India Free Trade Area Trade in Goods Agreement. Despite knowing that only goods manufactured in Singapore or wholly obtained from Singapore were eligible for PCOs, Solaiyappan made false statements in the application for the PCOs that the country of origin for the scrap metals was Singapore, when they were in fact from China.

Investigations revealed that Solaiyappan was also approached by an unknown Malaysian to apply for PCOs using Feccuni as the exporter for the shipments of scrap metals to India, as the buyers wanted to enjoy preferential tariff treatment. Feccuni earned commission for every PCO applied. Despite that Feccuni was not involved in any transactions between the Malaysia entity and buyers in India, Solaiyappan created invoices issued under Feccuni's name and submitted them for PCO applications. This was done to give the impression that the scrap metals were sold by Feccuni and of Singapore origin, when in fact the goods had originated from China.

The total value of the goods involved amounted to about \$9.72 million for all the 137 PCOs applied.

Solaiyappan pleaded guilty to two charges of making false statements in 93 applications of PCOs for goods valued at \$6.46 million. Six similar charges involving 44 applications of PCOs for goods valued at \$3.26 million were taken into consideration during sentencing.

Under the Regulation of Imports and Exports Regulations, anyone found guilty of furnishing false statements to the issuing authority to obtain the PCOs, will be liable on the first conviction to a fine not exceeding \$100,000 or three times the value of the goods in respect of which the offence was committed, whichever is the greater, or imprisonment for up to two years, or both.

Singapore Customs

31 August 2022

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