Annex A: Summary of the Modus Operandi





The Clubs (which were GST-registered) made taxable supplies of flower garlands to the customers, whereby the flower garlands were delivered to performing artistes identified by the customers, upon payment by the customers.





The flower garlands ranged from \$50 to \$100,000. For customers who chose to pay via credit card, Soon Kok Khoon instructed his staff to swipe their cards on the Point-of-Sale terminals linked to two other shell entities which were not GST-registered.





Revenue amounts and the GST output tax thereon of the supplies of the flower garlands were omitted from the Clubs' GST returns even though such supplies were taxable supplies.





Monies collected through credit cards or cash for the flower garlands were not deposited in the Clubs' bank accounts. No receipts were issued by the Clubs for such sales and they were not recorded in the Clubs' accounts.





As the flower garlands were "charged" to the Point-of-Sale terminals of two shell entities, Soon Kok Khoon instructed his staff to falsely record these taxable supplies as "sale of souvenirs" of the two shell entities.

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Taking his evasion a step further, Soon Kok Khoon instructed his staff to understate the "sale of souvenirs" in the accounting books of the two shell entities to avoid hitting the GST registration threshold.