



**FIJI REVENUE & CUSTOMS AUTHORITY
PUBLIC CIRCULAR NO. 3 OF 2017**

REVENUE MEASURES INTRODUCED IN THE 2017/2018 BUDGET ADDRESS

1. The Fiji Revenue & Customs Authority - Customs measures introduced in the 2017/2018 Budget Address are contained in Bills amending the Customs Act 1986, Customs Tariff Act, Excise Act and Customs Regulation.
2. The duty rates and other changes relating to the Customs Tariff Act shall apply to goods arriving for the first time in Fiji by ship or aircraft effective Friday 30 June 2017. The mentioned time and date also applies to goods relating to changes to the Excise Act.
3. The duty rates shall also apply for goods removed for home consumption from Warehouses, Inland Freight Stations (IFS) (uncleared cargo), Consul Freight Station (CFS), Tax Free Regions, Excise factories and all uncleared cargo effective Friday 30 June, 2017.
4. As part of the Government's initiative to improve public service in the country, a duty concession regime has been put in place for approved taxi operators on the importation and purchase ex-bonded warehouse of used hybrid vehicles at half the subsisting specific duty however the concession is applicable to taxi owners of only 1 taxi. Furthermore, taxi operators are also eligible for duty concession on new vehicles (normal petrol/diesel) with engine capacity below 2500cc at 5% Fiscal, Free Import Excise and 9% VAT and for 2500cc above at 5% Fiscal, 5% Import Excise and 9% VAT.
5. Similarly, a concessionary duty regime will be made available to bus operators who have an annual gross turnover of less than \$1.5million from the year immediately preceding the application on the importation of new or used buses. The concession shall be applicable to buses with a seating capacity of 16 persons or more including the driver. Furthermore, this concession regime shall be available for a period of two years.
6. To assist the inter-island industry, duty concession has now been extended on the importation of identifiable fixtures and components for commercial interisland vessels. In addition, duty concessions have been put in place on the importation of new and used commercial inter-island vessels. Duty concession on used inter-island vessels will be for a period of two years only.
7. Taking into account the rising levels of non-communicable diseases and to discourage the consumption of cigarettes, tobacco and alcohol, the excise tax on

these products has been increased by 15%. Similarly, there has also been an increase in excise tax on sweetened and carbonated drinks by 5cents per litre.

8. To ensure that quality and affordable spare parts are made available for vehicles, duty has been reduced on the importation of new spare parts from 15% to 5%. This is also to allow the proper maintenance of vehicles with quality new spare parts which may also reduce road accidents, work to provide safer, more modern and cleaner transportation options for the Fijian community.
9. Taking into account the recent increase in construction and development works, duty has been reduced on roofing framework, plates, rods, angles, shapes, sections, tubes and the like prepared for use in structures of iron or steel (fabricated). However, to protect and encourage production in the local market, duty has now been increased on the importation of prefabricated buildings.
10. In line with other duty concessions granted on the importation of baby toiletries, duty concessions have also been introduced on the importation of baby wipes, baby shoes and baby cots to ensure good child care is maintained in Fiji. Duty on readymade towels has also been reduced to allow for quality towels to be imported and made available to the Fijian community.
11. A duty concession incentive has been introduced on the importation of health promotion programs such as the oral health program, hand wash program, pink ribbon etc. In addition, duty has been reduced on the importation of energy bars.
12. Duty has been reduced on the importation of new hybrid vehicles for the transport of goods (87.04) and new hybrid special purpose vehicles (87.05). Furthermore, fiscal duty and import excise on used or reconditioned hybrid trucks for the transport of goods has been reduced.
13. In line with Fiji's commitment on climate change, duty free concession has been introduced on the importation of vinyl sheet piling, geotextile material. This is in order to allow for lower costs in the construction of seawalls which are vital to protect the communities against rising sea levels and flooding.
14. A reduction of duty has also been made on steel and aluminum louvre type windows and their frames so that the Fijian community can have access to quality building components for better housing.
15. To allow schools, religious organizations and communities to have access to cheaper and better sound system equipment's, duty has been reduced on microphones, single and multiple speakers and hailers.
16. The fiscal duty on hybrid batteries and hybrid battery cells has been reduced from 32% to 5% taking into account
17. To maintain the levels of local supply for materials used in the construction of the roads, an export duty of 5% will be imposed on the exportation of pebbles, gravels, broken or crushed stone commonly used for concrete aggregates and road metalling. In addition, High Bin Dumper trucks with a gross vehicle weight exceeding 20 tonnes will now be prohibited except for the trucks being imported for mining purposes.

18. Schedule 1 of the Customs Prohibited Import and Export Regulations has been amended to prohibit importation of statutory-written off vehicles. Furthermore, the Customs Prohibited Import and Export Regulations will be amended to exempt Quad Bikes and All-Terrain Vehicles imported (for the purposes of agriculture and tourism), Skidder imported (for forestry) and Articulated Dumper Trucks (for mining).
19. The Customs Prohibited Import and Export Regulations has been amended to absolutely prohibit importation of dangerous and offensive goods such as daggers, electronic shock sticks, flick knives, gravity knives, knuckle dusters, sword sticks, attache case capable of discharging shock of 30,000 volts and Taser Public Defender.
20. Moreover, there is an increase in the threshold for Water Resource Tax. Water extraction per month from 0-9,999,999 litres water per month will attract a tax of 1 cents per litre. The water resource tax of 18 cents per litre will be applicable on extractions of 10,000,000 litres per month.
21. The changes to the Customs Act, Customs Tariff Act and Excise Act announced in the 2017/2018 Budget Address is reflected in the attached Bills (Bill No. 32, Bill No. 16, Bill No. 27 and Bill No. 30)

Queries and Clarifications

Any queries on this Fiji Revenue & Customs Authority Public Circular should, in the first instance, be directed to the Managers at our ports of entry.

For further clarification queries may be referred to **Ms. Shelini Kumar - Manager Tariff & Trade** on email: skumar003@frca.org.fj or **Mr. Jonetani Vuto - Deputy Director Revenue** on email: jvuto@frca.org.fj or **Mr. Kumar Sami Goundar - Director Revenue Management** on email: kgoundar@frca.org.fj or any Revenue & Customs Service Centers.



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**CHIEF EXECUTIVE OFFICER
FIJI REVENUE & CUSTOMS AUTHORITY**

29th June 2017