

TAX TALK - FESTIVE SEASON IMPORTS

FS: There are a lot of imports on gifts (personal and household goods) during this festive season. What is your advice for people importing these goods?

When importing goods during this festive season, individuals are to ensure that the product they import is not a prohibited or restricted good. There are certain goods that require import license or certificate to import and have to meet certain criteria before being allowed into the Fiji .e.g. food and food materials, plant and plant materials, refrigerator and medications etc. If you are unsure whether a product is prohibited, you can contact the nearest FRCA office. When importing, one needs to be aware of its approximate arrival date and the name of shipping agent that will be importing your goods.

FS: What are the requirements to clear goods?

When clearing the imported goods from the shipping agent, you will need to present your Joint ID Card which will have your Tax Identification Number. Many a times we've had frustrated individuals having to return FRCA office to get their TIN. It is advisable that whenever you have to clear your goods, please ensure that you bring your Joint ID Card with you. The shipping agents have their respective charges that you may have to pay. For customs clearance you will have to provide the invoice which will be verified by the Customs officer to determine the value of the goods and for appropriate duty calculation. When importing goods with the value of \$1000.00 and above, it is advisable that you engage a License Customs Agent for formal clearance.

FS: How about in cases where no invoice is provided for assessing the Customs Duty?

CEO: In cases where no invoice is provided our Customs Officers will assess and make necessary valuation for duty. Customs duty is determined on the assessable value of items for which the duty is levied or specific rate provided in the Customs Tariff. The assessable value is treated as actual Customs value for duty purpose. The Customs officers will examine the goods in order to ascertain actual description, specification volume or quantity, so that the assessable value and the rate of duty may be correctly determined and applied.

FS: Is there any allowances or exemption from taxes and duties on gifts sent through parcel post?

CEO: Yes, an individual have a concessionary allowances to clear imported good(s) via Airfreight to a value not exceeding FJD \$400.00 with no duty charged. An individual is eligible for duty free clearance on the importation of goods (except liquor and tobacco) to the value not exceeding FJD \$400.00 provided:-

1. that the goods are cleared through parcel post or airfreight stations;
2. that the goods are for his/her personal use; and
3. that the goods are not for sale or used for commercial purposes.

However, where the value of the goods exceeds FJD \$400, duty shall be charged on the total value of the goods. The duty rates applicable will depend on the description of the imported goods. For example some goods sent in via postal mail for clearance are:

Description	Fiscal	Import Excise	VAT
Normal Mobile Phone	32%	Free	9%
Smart Mobile Phone	Free	Free	9%
Laptop	Free	Free	9%
LED TV	15%	10%	9%

FS: Is there any duty allowance on the donation of garments to a charitable organization in Fiji?

CEO: Goods as approved by the FRCA consigned to a registered charitable or registered religious organization in Fiji is eligible for duty concession under Code 215 to Part 3 of the Customs Tariff. Second hand clothing, shoes, linen, beddings, pillows, blankets etc., basic food items, medical goods, and goods for education purposes are considered under this provision. These goods should be for free distribution to the poor and needy and not for re-sale purposes. However, if the consignee does not fall within the conditions of Code 215, the goods shall be subject to normal rates of duty.

FS What is the duty for importing used clothing under the normal duty rate?

CEO: Customs duty on used clothing's is 96 cents per Kg or 32% whichever is greater plus 9% VAT payable. FRCA will need to sight the invoices. In instances where the invoice or the value is not made available, the customs officer will assess the value for the purposes of collection of customs duty.

FS: What is the duty rate for Quad bikes?

CEO: Used or reconditioned quad bikes require an import licence before they can be imported into Fiji. The quad bikes must be 5 years or less from the year of manufacture and be euro 4 compliant to qualify for an issuance of import licence. Without an import licence, you will be unable to import and clear your quad bikes therefore, it is strongly recommended that an import licence is obtained, prior to the quad bike being loaded for Fiji. Quad bikes attract a duty rate as follows:

Description	Fiscal	Import Excise	VAT
New Quad Bikes	15%	15%	9%
Used or reconditioned Exceeding 1000cc	32% or \$3550 per unit whichever is the greater	15%	9%

FS: What are duty rates for some basic food items, e.g. butter, powered milk etc.

CEO: The common food items that are normally imported are tabled below with the following duty rates:

Description	Fiscal	Import Excise	VAT
Butter	32%	Free	9%
Milk Powder	32%	Free	9%
Instant Formula (milk of infants)	Free	Free	9%

Ghee	15%	Free	9%
Liquid Milk	32%	Free	9%
Yogurts	32%	Free	9%

FS: What are some compliance issues you face in regards to importing this festive season?

CEO: There are several issues that we encounter regarding compliance which I would like to advice on.

1. Prohibited goods – We have to seize prohibited goods namely old vehicles, refrigerators and foods stuff prohibited if they do not meet the required criteria. Importers have had to pay for storage and the re-export of such goods. Where owners of the imported goods do not re-export the goods, they were destroyed.
2. Tariff classification – it is important that the good is correctly identified. Some importers tend to give wrong classification just to avoid or pay less duty. Some examples are; engine capacity of vehicles; classification of LED lights, classification of prefabricated building materials and plastics
3. Understatement of quantity – some try and evade customs duty by understating the quantity or volume of the product of import.
4. Undervaluation of the value of goods – some undervalue the goods by creating fictitious invoice; some reduce the value of goods.
5. Incorrect declaration of description – people tend to incorrectly declare of what is the actual content of the package.