

TALK TAX & CUSTOMS

Duties on motor vehicles

FS: For people contemplating importing a second hand vehicle into Fiji for private use, what do they need to know? What are requirements for importing a second hand motor vehicle into Fiji?

CEO: To import a vehicle into Fiji, you will require an import license which is issued by FRCA with no fees charged. When applying for a vehicle importation, you will be required to attach documentary evidence about the vehicle e.g. type, make, engine capacity, year of manufacture, export certificate, deregistration certificate, cancellation certificate etc. Petrol and Diesel vehicles that are more than 5 years old (from the year of manufacture) will have to be compliant with Euro 4 standards. Euro 4 standard is the current acceptable pollutant emissions level for light-duty vehicles (cars and light vans). Special purpose vehicles, Compressed Natural Gas (CNG), Liquefied Petroleum Gas (LPG), and solar vehicles with more than 8 years old (from the year of manufacture) will also have to be Euro 4 Standard compliant to be eligible for importation. The duty rate applicable on a vehicle is based on the engine cc ratings and the duty charged will be the duty rate multiplied on the total landing cost in Fijian currency which would be total of the Cost, Insurance and Freight (CIF). However, note that vehicles with engines capacity from 2500cc up to 3000cc will be charged an additional Luxury Vehicle Levy of \$7,500 and those with engine capacity exceeding 3000cc, an additional Luxury Vehicle Levy of \$20,000.

FS: Will returning residents to Fiji be free from paying duty on their vehicle?

CEO: Returning residents to Fiji including students studying abroad will not pay any duty on their personal used motor vehicle (1 unit per family) provided that the motor vehicle is used and owned by the person for at least 12 months. Also note that where a motor vehicle is granted duty concession and is sold locally within 5 years, you will be required to pay the normal rate of duty subsisting at the value and rate at the time of disposal in Fiji. Any vehicle imported without a valid import license or doesn't meet the importation age criteria would be deemed a prohibited import which will need to be re-exported at the cost of the importer.

FS: Are the household and personal goods for returning residents subject to duty free status, please explain.

CEO: As a returning resident to Fiji, any personal and household effects will qualify for duty concession under Code 220 to Part III of the Custom Tariff. This means that personal goods (including professional instruments, apparatus, and implements) and household goods are free of duty and VAT provided the goods are: owned by the passenger at the time of arrival in Fiji and are for his personal use; not intended as gifts or for sale or exchange; used prior to importation; not imported into Fiji more than 12 months after the date of final disembarkation of the passenger; that the personal goods are of a kind and of a quantity which may reasonably be expected to be carried in the baggage; and the household effects are of a kind and of a quantity may reasonably be expected to be kept in the household. In addition, any goods which require import permit or license, such should be obtained from the appropriate authorities in Fiji, prior to importing of the goods for Fiji. Please enquire with your clearance agent or at any FRCA office regarding the permits or licenses in

Fiji for such goods. A complete list of inventory of your personal and household effects should be attached.

Please note that personal or household effects does not include alcoholic beverages, tobacco goods, boats, firearms, motor vehicles, motor cycles and scooters as normal tariff rates of duty will apply on such items.

FS: A sugar cane farmer importing a tractor for land preparation and a truck to cart cane to the sugar mill, are there are any duty/tax concessions applied for agriculture purposes.

CEO: The importation of the farm tractor is free of duty except the 15% VAT. However, companies or individuals in the sugarcane industry are eligible for duty concessions on importation of new cab & chassis at 5% Fiscal duty provided that they the following conditions are met: the vehicle is to be purchased as cab & chassis and converted into cane truck to the satisfaction of the Comptroller of Customs; the inspection of the vehicle is to be carried out by Customs to confirm the conversion that the vehicle or the truck is suitable for transporting cane; and that the goods are not for sale and are to be used exclusively for carting of sugarcane.

FS: What would be the customs duty and taxes for the importation of tyres?

CEO: For new tyres, a duty rate of 32% Fiscal Duty will be charged on the total landing costs (Cost, Insurance and Freight) in FJD\$ currency plus 15% VAT. For second hand tyres, a Duty of \$16 per tyre plus 15% VAT would be applicable.