

## **Customs Talk: Commercial Importation**

### **FT: What is commercial importation?**

**ACEO:** Commercial importation generally is the importation of goods not intended for personal use but for commercial use by the importer. The imported goods are intended for commercial use of retail and whole sale purpose to generate revenue for the business. Please note that commercial import does not include importation by charitable and religious bodies for non-profitable use, example donations in kind to the underprivileged, people in need of support and assistance and those affected by a natural disasters.

### **FT: How does an importer clear the commercial goods from FRCA Customs?**

**ACEO:** Firstly, a person should engage a Licensed Customs agent for clearing commercial imported goods from FRCA Customs on their behalf. When clearing the commercial goods, FRCA Custom will only work with the Licensed Customs agent. The Customs Agent will lodge a completed Customs Entry/SAD together with suppliers tax invoice, packing list bill of lading and C45 form confirming the transaction between the exporter and importer and other supporting documents if the commodity requires import permit/license from other law enforcement agencies. It is important that the importer/owner provide the correct documents to the licensed Customs Agent to avoid any disruption or delay in the process of clearance of goods from FRCA.

### **FT: Sometimes businesses import commercial sample through Airfreight, is duty applicable?**

**ACEO:** Samples that the comptroller is satisfied are to be used for placing orders for the importation of Commercial goods of a kind represented by the sample at the time of importation or delivery from customs control and the total value for duty does not exceed \$500.00 Fijian dollars. Furthermore, consumable and non-consumable goods when one sample of any one line of goods including sample of a set, or one sample each of same line but in different sizes are imported provided that the total value for duty does not exceed \$500.00 Fijian dollars

### **FT: What is the responsibility of the commercial importers?**

**ACEO:** It is very important for the commercial importers to be honest in their declaration and that they produce full information to FRCA Customs example, submitting genuine invoice, evidence of payment, packing list etc. FRCA encourage facilitation of trade with voluntary compliance and seek partnership approach to assist in the processing of the clearance to avoid delays and additional charges. Importers also need to maintain their records of Customs transactions including imports for a period of five years. We foster FRCA and importer partnership, thus they should liaise with FRCA on any query or problem that importers may have. Possible fraudulent practices and breaching of FRCA Customs Regulations, Excise Act and Customs Act by any traders will be deemed to be an offence. FRCA have a hotlines and a whistleblower policy where general public can disclose fraudulent information to FRCA in confidence.

### **FT: Which goods or equipment's are not allowed to be imported into Fiji?**

**ACEO:** There are certain goods that are restricted and prohibited under Customs Prohibited Import and Export Regulation. Prohibited goods are those that aren't allowed to be imported whilst the restricted goods will require approved Licenses or permits from relevant ministries and department to be facilitated at our Borders or Port of Entry's. Examples of prohibited goods include counterfeit coins or bank notes, illicit and narcotic drugs, precursor's, pornographic materials & movies etc. Examples of restricted goods include smart phones, iodized salts, roofing Screws & Coils, whale's tooth or tabua, personal refrigerator, second hand vehicles etc. Used vehicle importation requires import license from FRCA, Tariff and Trade section whilst smart phone importation requires import permit from Telecommunication Authority of Fiji. Importation of plants, Plant material items and food items requires Biosecurity Authority of Fiji clearance.

### **FT: How about importing ready garments and semi stitched Indian dresses for sale here in Fiji?**

**ACEO:** Readymade garments including semi stitched Indian dresses attract a duty rate of 32% Fiscal Duty and 9% VAT. For the purposes of commercial importation one will need to register the business with the registrar of companies and with FRCA. Again when importing, one will need to engage the services of a licensed Customs agent to prepare the Customs entry and formalize the clearance of import. Once the appropriate duty is paid, your goods shall be released from Customs control. Different items attract different duty rates as per the Fiji Customs Tariff. Woven and textiles Fabrics of Chapter 50 to 55 is now duty free and only VAT is applicable.

**FT: There has been a lot issues on returning residents or foreigners becoming a Fiji Citizen and duty concessions allowed to them especially for importing their vehicle into Fiji.**

**ACEO:** To qualify for duty concession on motor vehicle as a returning resident, the Second hand motor vehicle importations into Fiji requires an approval for duty concession and import license before the vehicles can be imported.

Second hand motor vehicles whether diesel or petrol should be 5 years or less from the year of manufacture and EURO 4 compliant. Second hand including LPG, CNG, Solar, Hybrid, Electric vehicles should be 8 years or less from their year of manufacture and EURO 4 compliant. The vehicle cancellation certificate and or the de-registration certificate should be attached with the application. If the vehicle is being imported from Japan, an export certificate is required for both the English and Japanese translated version. EURO 4 confirmation is also required from the relevant Road Transport Authority of the importing country or the manufacturer. The returning resident will be require to lodge formal written application to FRCA directed to the Tariff & Trade Section, FRCA, Suva. The person should prove to the satisfaction of the comptroller that he is returning to Fiji permanently and the vehicle has to be owed and used by the importer for 12 months or more to be considered for duty concession. Only one used motor vehicle per family is permitted. There is no application fee charged. The processing time for an application is is seven working days. FRCA strongly advises that one has to obtain an import license from FRCA before loading the vehicles for importation into Fiji. This is to avoid any unnecessary delays and costs in the clearance of the vehicles.

**FT: Do you need the same clearance when importing a brand new vehicle?**

**ACEO:** Import license is not required for the importation of Brand new vehicles; however a confirmation from the manufacturer or competent authority needs to be submitted to confirm that the vehicle is EURO 4 compliant. For the other items and spare parts which a person will be importing for repairs will have to provide the suppliers invoice so that we may ascertain the exact duty payable.

**FT: How do you apply the Luxury Vehicle Levy on a new imported vehicle?**

**ACEO:** The Luxury Vehicle Levy (LVL) is only applicable to the Passenger vehicles whose engine capacity is more than 2500cc. There are only two types of luxury vehicle levy rates applicable. If your vehicle has an engine capacity of 2,500 cc but not exceeding 3,000cc than \$7,500 is charged as LVL and for vehicle exceeding 3,000cc will attract \$20,000 per unit. However, the luxury vehicle levy is not applicable on Liquid Petroleum Gas (LPG), Compressed Natural Gas (CNG), hybrid and Solar Vehicles.

Vehicles and goods imported under duty Concession to Part 3 of the Customs Tariff are to be used for the purpose for which a duty exemption has been granted. Any disposal or sale of the goods will be subject to Section 17 of the Customs Tariff Act and FRCA will collect the duty liability if found any such cases. FRCA also encourages if the individuals and entities who has been granted duty concession and wishing to dispose the goods within 5 years from the date of entry shall notify Voluntary at any FRCA Customs Office to avoid any fines and penalty stipulated under the Customs Act.