



PUBLIC CIRCULAR NO. 1 OF 2018

REVENUE MEASURES INTRODUCED IN THE 2018/2019 BUDGET ADDRESS

1. The Fiji Revenue & Customs Service – Customs measures introduced in the 2018/2019 Budget Address are contained in Bills amending the Customs Act 1986, Customs Tariff Act, Excise Act, Customs Prohibited (Imports & Exports) Regulation 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, after midnight, 28th Thursday June, 2018. 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), Cargo Freight Station (CFS), Excise factories and all uncleared cargo after midnight, Thursday 28th June, 2018.
4. To ensure affordability of healthy foods, promote combating of NCD, and encourage importation to complement local supply, the duty rate on fresh fruits and vegetables will be reduced from 5% to 0% on the following items: Apples, Carrots, Tea, Grapes, Oranges, Pears, Mixed Vegetables, Celery, Capsicum, Mushrooms, Kiwi Fruits, Asparagus, Strawberries, Leeks, Spinach, Apricot, Peaches, Plum, Grapefruit, Raspberries, Cranberries, Pomegranate, Cauliflower, Broccoli and Brussel sprouts.
5. To encourage the importation of newer and quality vehicles for the country, the Government is reducing Fiscal duty on used or reconditioned motor vehicles which are 2 years or less from the year of manufacture from 32% to 15% or half the current specific rate of duty whichever is the greater.
6. As an incentive to the public transportation, concessionary fiscal duty rates for taxis is extended to include used diesel/petrol vehicles at 7.5% or ¼ of the subsisting specific rate whichever is greater. The incentive will be extended for another 2 years until 30 June 2021 including the concessionary duty regime for the bus industry and inter-island shipping.
7. To support the local airline involved in international flights, the Government has introduced duty concession on the importation of goods to assist in the operating, maintenance and servicing of the aircrafts. Such items are: Aircraft paints, paint thinner and paint hardener, Aircraft cleaning chemicals, Aircraft adhesives and

sealants, Aircraft disinfection spray, Aircraft biocide chemicals, Aircraft seat cover material, Aircraft decals and placards, Aircraft pre-mask spray set, Aircraft manuals – books and compact discs, In-flight audio tapes, compact discs and on-board media loaded drives, aircraft fuel tank treatment kits, Oil sample kits, Water finding paste to test for any leakages, tapes used for aircraft maintenance and Grease for aircraft servicing.

8. To assist the inter-island shipping industry, duty on marine paints (not manufactured and available locally to the required specification and quality) has been reduced from 32% fiscal to 15% fiscal. This concession shall be reflected under the existing duty concession provisions for the approved inter-island shipping industry.
9. In line with the requirements of Food Safety and International standards, the Government is reducing fiscal duty on food grade plastic pallets from 32% Fiscal to Free for the food manufacturing industry. These food grade plastic pallets will be used directly in the factory or for exports.
10. To encourage exports of local fresh produce from Fiji, duty concession on packaging materials (not available and manufactured locally to the specifications and quality required) is now provided to approved exporters at the rate of Free Fiscal, Free Import Excise and 9% VAT.
11. With the Government's efforts to combat NCDs, fiscal duty on imported sweetened and carbonated drinks has been amended to include \$2 per litre whichever is greater. Furthermore, fiscal and excise duty on alcoholic beverages and tobacco goods has been increased by 15% to discourage consumption.
12. The Customs Tariff is amended to separate Telecommunication and Electrical Cables and provide a duty reduction on telecommunication cables from 15% to 5%.
13. To ensure accuracy and accountability of the export trade data and the timely perfecting of a provisional export entry, a penalty at an initial rate of 25% on the export value with a 5% compounding rate has been introduced. In addition, a late penalty fine of \$100 per day per export entry will be imposed for failure to perfect SAD for a pre-shipment within the required period.
14. The validity of all Licensing under Customs Act is changed to 3 years from the current 1-year period. The annual renewal fee will be thrice the amount of the current licence renewal fee. Furthermore, the Act has been amended to allow customs officers to retrieve samples on which duty has been paid and goods already cleared.
15. The Customs (Prohibited Imports & Exports) Regulation has been amended to remove the requirement of an import licence on the importation of a colour photocopy apparatus. In addition, for better monitoring and control, a separate tariff item has been created under the Customs Tariff to accommodate the importation of new and used bare chassis. The importation of used bare chassis

is subject to issuance of an import licence under the Customs (Prohibited Imports & Exports) Regulation.

16. FRCS encourages the highest standard of practice displayed by the authorized customs, shipping or airline agents while performing tasks as required under the relevant Customs laws. The code of conduct is being introduced to ensure the agents are more responsible and compliant with Customs laws. This will come into effect in January 2019.
17. The changes to the Customs Act, Customs Tariff Act and Excise Act announced in the 2018/2019 Budget Address is reflected in the attached Bills.

QUERIES AND CLARIFICATIONS

Any queries on this Fiji Revenue & Customs Service Public Circular should, in the first instance, be directed to the Port Managers at any of our Offices Fiji-wide.

For further clarification, queries may be referred to the Manager Tariff & Trade at Revenue & Customs Service Complex, Building 3, Nasese, Suva.



[Visvanath Das]

CHIEF EXECUTIVE OFFICER

28 June 2018