



TAX TALK- PLASTIC BAG LEVY

Each year, an estimated 1 trillion plastic bags are consumed worldwide, out of which billions end up as litter around the globe.

Plastic bags can have various negative impacts on the environment. In addition to the use of natural resources and waste from plastic bag production, plastic bags can clog drains and other areas which can eventually cause severe flooding. While plastic pollution continues to be a huge problem globally, there are some steps being taken to reduce the use of disposable bags.

Many countries are also beginning to create laws that either ban plastic bags entirely or place a fee on them, and these laws have proven to be effective in reducing plastic bag pollution. Fiji is no different.

Plastic Bag Levy

In Fiji a plastic bag levy of \$0.20 is charged on the use of plastic bags bought from outlets which use Point of Sale (POS) system. This plastic bag levy is part of Government's commitment to clean up Fiji and foster a healthy shopping culture for Fijians to use more re-useable bags.

Where does this money go?

All monies collected from this levy will directly fund environmental initiatives and programs that protect our natural environment and climate adaptation projects that boost the resilience of our nation to the severe effects of climate change.

Who can charge Plastic Bag Levy?

Fiji Revenue & Customs Service wishes to reiterate that all businesses are required under section 6(1) of ECAL Act to charge a levy of 20 cents per plastic bag, provided such businesses utilize a register which has a **Point of Sale (POS) Invoicing Device**.

These registers are supported by software programs, either through connection to the server or through in-built system or both. The Levy is applicable on all plastic bags with handles and are provided by the businesses for carrying or transportation of goods.

The Plastic Bag Levy is paid by the consumer based on their choice but collected by the business who will then remit it to FRCS. The Levy is not imposed on a manufacturer, wholesaler or retailer of plastic bags.

The business must ensure that the ECAL on plastic bag is shown clearly and separately on the receipt and VAT is not chargeable on this Levy.

All businesses as legislated must display a Notice informing consumers of ECAL charged on plastic bags. Any business who do not have a point of sale but are charging plastic bag levy must be reported to Revenue and Customs immediately.

Failure to adhere to ECAL Act, or any imposition of Plastic Bag Levy by non-POS Operators, will result in fines and penalties.

Using Recyclable Bags

To support this initiative and play your part in protecting the environment, people can choose from the options of using recyclable shopping bags, bringing their own shopping bags and using empty cartons. People can also sell the re-usable bags to derive income and at the same time promoting “Fijian made products”.

Let us work together to make Fiji a clean environment to live in.