



STANDARD INTERPRETATION GUIDELINE 2018 - 37

CUSTOMS CONCESSION- CODE 271

COMPANIES OR ENTITIES IMPORTING PLASTIC CRATES

This Standard Interpretation Guideline ('SIG') sets out Fiji Revenue and Customs Service's ('FRCS') policy and operational practice in relation to the Customs Concessions granted for Companies and Entities importing plastic crates under concession code 271.

It is issued with the authority of the Chief Executive Officer ("CEO") of FRCS.

All legislative references in this SIG are to the *Customs Tariff Act ("CTA") 1986* (unless otherwise stated).

This SIG is in effect from 5th December, 2018 and may need to be reviewed in the event of any relevant legislative amendments.

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EXECUTIVE SUMMARY

1. Agriculture being the mainstay of Fiji's economy, contributes around 28% to total employment in the formal sector and indirectly employing many more. This sector which was once a major stronghold of Fiji's economy is the third largest now, contributing \$451 million (9%) annually to the nations GDP.
2. Government continues to provide fiscal support such as tax incentives and subsidies to the agriculture industry. Concession Code 271 allows farmers to import durable plastic crates specifically for farm use.
3. While the legislative provisions are set out in the CTA, the players in the industry need to be very clear in terms of the administration and the application of the law.
4. This SIG therefore, sets out the CEO's official position on the application of Customs Concession, Code 271.
5. The SIG relates to the list of goods, persons and bodies that can qualify for duty concession under Code 271 to Part III of the Customs Tariff.

INTRODUCTION

6. The purpose of this SIG is to provide clarity and certainty to the application of the provisions under Code 271. The pre-requisites to qualify, test rules and the entitlements under the code are discussed.
7. This SIG will also serve as a checklist to the applicants to self-assess their eligibility.
8. Furthermore, it will ensure that there is a uniformed approach to the processing of applications under this provision.

LEGISLATIVE PROVISION

Code	Owner	Goods Eligible	Fiscal	Import Excise	Vat	Condition	Authority
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
271	Companies or entities	Plastic Crates: Crates imported for use in farms for transporting fruits and vegetables from farms to warehouse/factory.	Free	Free	9%	(a) That a letter from Ministry of Agriculture will be required stating that the crates will be used by the farmers; (b) That the goods are not for sale or used and are used exclusively for purposes for which the concession is granted; (c) That the disposal or use of the goods for the purposes other than	The person approved by the CEO

						that for which the concession is granted shall be subject to the condition laid down in Section 17 of the CTA.	
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GOVERNING CONDITIONS

- 9. The concession is to be claimed on the imported goods and goods cleared from ex-bond warehouses by the person or body specified in column (2).
- 10. The goods are of a kind relating to a name or description specified in column (3).
- 11. All conditions specified in column (7) and any other conditions that may be specified by the CEO are to be fulfilled.
- 12. When any conditions affecting the goods is not fulfilled after the goods leave Customs Control, the CEO may disallow the concession and collect the duty applicable under Part 1. Further action may also be taken such as penalties and/or compounding.

QUALIFYING CRITERIA AND CONDITIONS

- 12 This concession is specifically for companies and/or entities involved in importing plastic crates. For the purpose of this concession, plastic crates imported shall only be used in farms for transporting fruits and vegetables from farms to warehouse/factories.
- 13 This concession is also extended to fresh farm produce exporters that collect produce from farmers to be processed and exported overseas.
- 14 Companies or entities importing plastic crates for re-sale purposes will not qualify for this concession.
- 15 A support letter is to be obtained from the Ministry of Agriculture (MOA) confirming that the applicant is operating a farm and the goods imported will be exclusively used by the farmers.
- 16 For assessment purposes, the Single Administrative Document (SAD) has to be lodged along with other mandatory documentations such as the Invoice, Bill of Lading/Air Way Bill, C45 Form (Declaration of Sale Document), Packing List (where required) and other documents relevant to the consignment (concession declaration, import licence, concession approval letters etc.) for clearance of the goods.
- 17 If the goods cleared under this provision are used for purposes other than for which the duty concession was granted, the company shall be investigated and penalized accordingly.
- 18 If there is any element of doubt or suspicion, the Investigation, Compliance, Intelligence Division (ICI) or the Enforcement & Monitoring Unit can be consulted.
- 19 Furthermore, import data is to be obtained from the ASYCUDA system for confirmation.
- 20 For any other clarifications you may contact the Tariff and Trade team on FICS-SuvaTariff&Trade@frcs.org.fj.