



Tax Talk- Importation of used or reconditioned motor vehicle into Fiji and Issuance of import license

The Fijian Government over the past few years has provided duty relief on the importation of used motor vehicles into the country to increase vehicle purchasing options for Fijians.

In addition to the duty reductions in the importation of vehicles for private use, the Government has also made policy changes to encourage long-term investment in the public transportation sector. A number of taxi and bus owners are now able to afford and upgrade their fleet with these incentives which has led to travel comfort in public service vehicles.

To encourage the importation of newer and quality vehicles for the country, the Government in its 2018/2019 national budget announcement has reduced the fiscal duty on used or reconditioned motor vehicles which are 2 years old or less from the year of manufacture from 32% to 15% or half the current specific rate of fiscal duty whichever is the greater

Fiji Revenue & Customs Service (FRCS) wishes to advise all motor vehicle dealers, traders, importers and the general public that the age criteria for the importation of second hand vehicles as per Schedule 3 of the Customs (Prohibited Imports & Exports) Regulation 1986 remains the same at:

- A) 5 years old from the year of manufacture or less for petrol and diesel and to be EURO 4 compliant; and
- B) 8 years or less from the year of manufacture for Hybrid, Solar, CNG, LPG, Electric and to be EURO 4 compliant.

Therefore, the minimum year model that will be admissible for importation next year 2019 (effective 1st January 2019) will be:

- i) **2014 and over** for petrol and diesel vehicles;
- ii) **2011 and over** for Hybrid, Solar, CNG, LPG, Electric vehicles.

Please note that all licenses issued this year (2018) for diesel/petrol vehicles that are 2013 models and Hybrid, Solar, CNG, LPG, Electric vehicles that are 2010 models **must leave the country of export on/or before 31st December 2018.**

If the above vehicles (2013 & 2010 models) are shipped after 31st December 2018, it:

- (i) will not be eligible for issuance of an Import Licence;

- (ii) will be considered a prohibited import;
- (iii) will not be permissible for release;
- (iv) will be subjected to re-exportation at the cost of the importer.

Revenue and Customs strongly advises all motor vehicle dealers, traders, importers and the general public to obtain an import license PRIOR to loading and shipping of the vehicles for Fiji to avoid unnecessary inconveniences.

Tractor & Trucks Imported for Agriculture Purposes

The importation of farm tractor is free of duty however the 9% VAT is still payable. Companies or individuals in the sugarcane industry are eligible for duty concessions on the importation of new cab & chassis at 5% fiscal duty, provided that the following conditions are met:

- a. the vehicle is to be purchased as cab & chassis and converted into a cane truck to the satisfaction of the Chief Executive Officer;
- b. 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
- c. that the goods are not for sale and are to be used exclusively for carting of sugarcane. A support letter will also be required from the Ministry of Sugar in this regards.

The Revenue and Customs is here to serve you, our taxpayers and we are ready to assist you. However, we request taxpayers to obtain the necessary approvals prior to the importation of goods and machinery into the country to avoid unnecessary delays and costs for clearance such as storage fees etc. or in extreme scenarios re-export costs.

Please feel free to email your queries to Ms. Shelini Kumar - Chief Customs Officer (Tariff & Trade) on telephone: 324-3305 or email skumar003@frcs.org.fj or Ms. Talei Katonibau - Customs Officer (Tariff & Trade) on telephone: 324-3032 or email tkatonibau@frcs.org.fj