

Tax Talk- Collaboration with agencies to tackle vehicle smuggling

The Fiji Revenue and Customs Service (FRCS) has detained additional eleven vehicles and a forty-foot container to the 13 vehicles detained in 2019 and is investigating four traders for alleged vehicle smuggling and importation of prohibited items.

These vehicles were smuggled from overseas into containers and declared as spare parts and accessories. Smuggling of vehicles is a concern for the customs administration as it puts more challenge to customs to legitimately facilitate international trade and requires effective enforcement with efficient risk management techniques and coordinated border management.

Historically FRCS has intercepted many cut up segments, dismantled and unassembled vehicles that were imported by some traders to be assembled later as a complete unit. These segments were also declared as spare parts at border gates and later without proper payment of customs duties were assembled and fabricated to complete units and sold in the markets.

How do smugglers benefit?

Smugglers benefit from smuggling vehicles in number of ways such as importing prohibited and restricted vehicles under the customs law, for example, importation of units not EURO 4 standards, importation of units that are statutory written offs and importation of units that are more than the required age limit.

More importantly, these vehicles are modified and are put up into market for sale. The smugglers basically benefit financially from sale of these vehicles.

Many times vehicles are also stolen from overseas countries and imported without import license and these are detected easily during non- Intrusive and physical inspections of containers at the borders.

Memorandum of Understanding (MOU) with the Land Transport Authority (LTA)

With rapidly changing modus operandi and technological advancements, disrupting illegal international and national crime network is becoming sophisticated for customs at our borders.

FRCS in recent times have empowered other agencies through legislation and MOU's to strengthen the capacity to share information, intelligence and controls to comprehend intelligence alert and secure our borders from any untrustworthy trade and miss-information in the customs network.

To address dishonest and non-compliance practices FRCS and LTA has worked together to establish a MOU which enables both organizations to share information as well as share an automation system which captures correct data before registration of vehicles. It ensures proper accountability of the units and trade assurance for FRCS duties, taxes, levies and other requirements at the border.

Through the joint MOU, FRCS and LTA has strengthened the import license requirements whereby the pre-inspection system similar to the Japan Export Vehicle Inspection Centre (JEVIC) has been established in New Zealand and Australia. This has become easy for countries like Japan, Australia and Zealand to verify and authenticate that vehicles are legally registered before its being imported or exported.

Investigation by FRCS

FRCS after any interception does its own investigation in collaboration with relevant authorities to

confirm the gravity of offences and breaches to customs law. Smugglers and dishonest traders are further compounded or penalized for such dishonest and deliberate fraudulent business practices to maximise their profits or to circumvent processes.

Our investigation team is always monitoring such activities including any undervaluation, mis-description, incorrect tariff classification of vehicles not conforming the Customs Laws.

One of the key aspects of our interventions are the tip offs and with our Whistleblower Policy, this has been very effective. We receive complaints from members of the public on a daily basis which assists our investigations team in cracking down on illegal activities.

Furthermore, in collaboration with local and international agencies we provide continuous training to strengthen technical classifications, fraud investigation, and soft skills capability of our officers on data mirroring as well as to work in partnership with other Border Agencies and private sectors to ensure effective deterrent measures are in place for those who try to evade our system or bring any illicit, illegitimate or illegal goods into Fiji.

Collaboration with Overseas bodies

FRCS continues to collaborate with Australian Border Force (ABF), Australian Federal Police (AFP), New Zealand Customs Service (NZCS), New Zealand Police (NZP) other Regional Intelligence bodies such Asia Pacific Regional Intelligence Liaison Office (RILO), Pacific Transnational Crime Network (PTCN) and the Pacific Transnational Crime Coordinating Centre (PTCCC).

FRCS in the recent survey and capacity of the business process has established the single platform of criminal seizures at the border through National Customs Enforcement Network (NCEN) to share intelligence on our seizures to other regional and international partners in combating cross border crime and related activities.

Total Number of vehicles imported into the county

The table below states the total number of vehicles imported into the country in the past eight (8) years.

Year	Number of vehicles imported
2012	3,440
2013	6,673
2014	10,030
2015	12,034
2016	19,097
2017	7,457
2018	12,208
2019	9,056

Fines and Penalties for Smuggling

People should know and understand the legal implications for smuggling vehicles into Fiji. The Customs laws has also been strengthened on the penalty regime for any intentional fraud to the service.

Under section 139 (c) of the Customs Act, any person who unlawfully and with guilty intent imports any

prohibited or restricted import; or unlawfully and with guilty intent exports any prohibited or restricted export, is guilty of an offence and is liable to a fine not exceeding three (3) times the value of the goods or \$25,000 or a term of imprisonment not exceeding 10 years, or both and the goods, if any, which are the subject matter of the offence are liable to forfeiture.

We are grateful to the general public for their assistance and the support rendered for the information and intelligence and we encourage that you will continue to inform FRCS on any suspects of Customs and Tax crime.

Members of the public are encouraged to report any Customs or Tax evasions or any other unprofessional conduct by emailing to the Chief Executive Officer on ceo@frcs.org.fj or a letter addressed to the Chief Executive Officer, Fiji Revenue and Customs Service, Private Mail Bag, Suva or you can also report it in person at the Fiji Revenue and Customs Services complex, building 3 level 4, Nasese, Suva.