

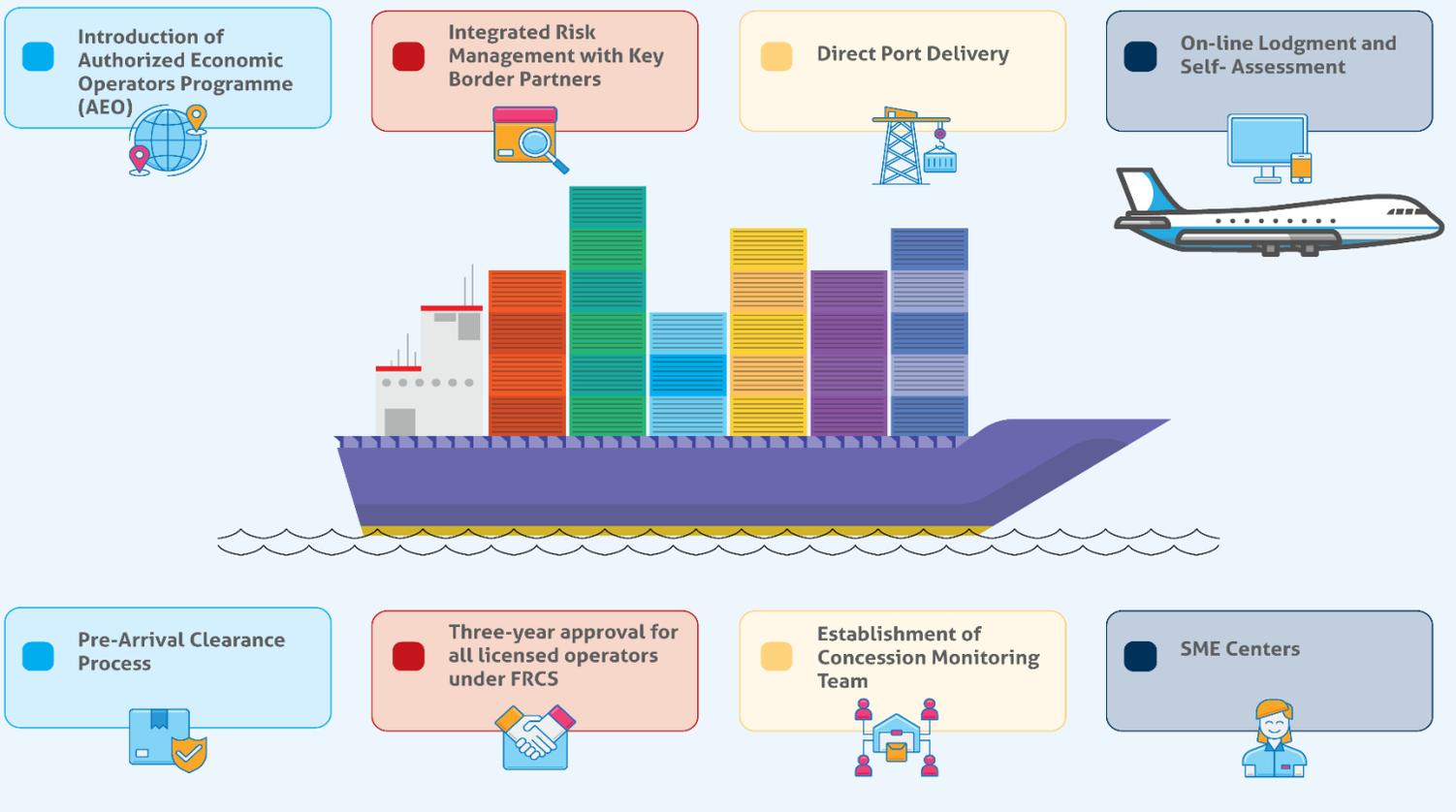
## Tax Talk- Enhancing trade facilitation

The Fiji Revenue and Customs Service (FRCS) has undertaken major reforms in the past few years to enhance facilitation of cross border trade and expedite movement, release and clearance of goods. These measures have had a beneficial effect on the overall transaction cost and the time associated with import, export and transshipment of goods through our borders. Trade facilitation is particularly important for developing countries like Fiji, enhancing smooth flow of goods and people and at the same time keeping a tab at our borders.

Enhancing trade facilitation not only improves a country's trade competitiveness but it also strengthens the effective law enforcement and tax collection at our borders. Effective and timely trade facilitation helps traders to maximize their profit and contribute to the economy.

Some of the major initiatives undertaken by FRCS to enhance trade facilitation includes:

### Trade Facilitation Initiatives



### **Introduction of Authorized Economic Operators Programme (AEO)**

The Fiji AEO programme seeks to provide tangible benefits in the form of faster customs clearance and simplified customs procedures. FRCS introduced the AEO programme to reward those companies which have strong compliance background. Under this programme the traders are accorded benefits by the Customs administrations to assist in the movement of international cargo. Fiji is 80th country in the World and first in the region to introduce AEO Programme. AEO program is designed to prevent smuggling and enhance the accuracy of customs declarations and valuation of shipments to avoid the loss of revenue and security in the supply chain.

Key benefits of the AEO program are release of cargo with minimum intervention at the border, removal of bond and bank guarantee revoking of outdoor inspection fees.

### **FRCS Customs Integrated Risk Management with Key Border Partners**

FRCS has introduced a swift integrated data exchange program in conjunction with the Ministry of Health & Medical Services and Biosecurity Authority of Fiji (BAF) for seamless and legitimate facilitation of trade through the ASYCUDA System. This will ensure ease of exchange of information between governmental organisations. The key agencies have a real time cargo profiling with real-time visibility and intervention to high risk cargo and allowing low or no risk cargos to freely flow through our borders. This is a step towards an expansion and systematic scope to approach a single window scheme, reduction in the cost of doing business, greater transparency, elimination of multiple submission of documents and optimal utilization of resources.

### **Promotion of Direct Port Delivery**

Direct Port Delivery (DPD) is an initiative that allows traders to lodge entry with customs before the arrival of cargo. The scheme allows importers and customs agents to complete Customs clearance under self-assessment facilities at the port of entries and take the container directly to the factory without going through the Container Freight Stations (CFS). In order to ensure DPD services are available to importers and agents, customs has introduced on the wheel examination within the port terminal facilities. Priority verification of assessment is done for DPD Importers to assist early release of containers. This will enhance overall speed and efficiency in clearance of shipments and consignments at all times.

### **On-line Lodgment and Self- Assessment**

The upgrading of clearance system has contributed to paperless processing and lodging of Single Administrative Document (SAD) online. Traders and Customs agents can lodge scanned SAD and mandatory documents online without coming to FRCS office. This process has resulted in substantial reduction in time and cost to Traders, Importers, Exporters, Customs Agents and other regulatory agencies.

### **Pre-Arrival Clearance Process**

Traders can now register and pay duties before the arrival of goods from overseas. This is the most common clearance method through airfreight, express courier and air mail service providers. This allows for high volume clearance of goods at the borders. Importers and traders both have immensely appreciated the door to door delivery of goods by logistic operators and express courier service providers.

### **Three-year approval for all license operators under FRCS**

To encourage and support business activities, FRCS has increased the validity of Customs license to three years. However, a good compliance record and audit of the agent's performance will continue annually to detect and prevent any fraudulent and non-compliant behavior. This has provided ease for many customs agents and bonded warehouse operators who can now spend more time on their business operations.

### **Establishment of Concession Monitoring Team**

In order to facilitate Government policy in relation to duty and tax concessions a concession monitoring team has been established. FRCS ensures that duty exemptions are solely utilized for the purpose of the policy. These concessions are made available to a number of economic players in the industry for the purpose of tangible economic benefits.

### **SME centers**

FRCS over the past few years has also supported the development and growth of Small and Medium Enterprises (SME). The development of micro and SME sector is critical for the social and economic development of Fiji. FRCS has established a SME Support Center at its head office in Nasese, Suva which provides free advisory services to all SME operators. Plans are in pipeline to have SME centers in all our offices Fiji wide. To access our free SME services, please call us on 3243812. You can also email us on [info@frcs.org.fj](mailto:info@frcs.org.fj).

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