



Importation of Used Tyres

In this week's Tax Talk, we will focus on policy and operational practice in relation to the prohibition on importation of used tyres under Customs (Prohibited Imports and Exports) Regulation 1986(CPIER).

The importation of used tyres was prohibited in Fiji from 2017.

Prohibited and Restricted Goods

In Fiji, prohibited and restricted goods are goods the importation or exportation of which is prohibited or restricted under the provisions of Customs (Prohibited Imports and Exports) Regulation 1986 (CPIER) or any other Act.

Prohibition on Importation of Used Tyres

According to Schedule 2 of CPIER, importation of used tyres is absolutely prohibited unless specified conditions, restrictions or requirements are complied with. An **approved manufacturer** of retread tyres can import used tyre casings as raw material. The approved manufacturer has to apply for licence to import tyre casings from the Fiji Revenue and Customs Service (FRCS). An **approved manufacturer or producer** is a person/company who is approved under the Customs Act to produce approved goods.

Tyre Casing

The layer beneath the **tyre-tread** is the casing. Essentially, **tyre casings** are the foundation upon which the tread sits. The tyre casing is the body of the tyre and includes components such as the Bead, Sidewall, Body Ply and Inner liner. Basically everything except the Tread and Belt System. Re-treaded tyre manufacturers import used tyres as a raw material for scrapping leftover tread and use the casing for re-treading.



Qualifying Conditions and Criteria

- The approved manufacturer of retread tyres must obtain the approval from the Comptroller (FRCS CEO) prior to the importation of tyre casing. The importer must be an existing approved manufacturer of retreaded tyre.
- An approved manufacturer or producer is a person/company who is approved under the Customs Act to make approved goods. The approval is granted by the Comptroller.

In case of importation of used vehicles:

- Spare tyres are no longer a standard equipment on many newer-model cars. For those car models that have provisions for spare tyre, only one used spare tyre per importation of a used vehicle will be allowed.
- The used spare tyre has to be within the used vehicle and more than one used tyre in a vehicle will not be allowed.

All prohibited and restricted goods which are dealt with contrary to any condition regulating their importation, exportation or carriage coastwise shall be liable to forfeiture and may be seized or detained.

All seized goods are liable to forfeiture under the Customs Act and shall be delivered into the custody of the Comptroller and may be sold or otherwise disposed of by the Comptroller (FRCS CEO).

Scenarios/Examples on how the law is applied

Below are scenarios or examples on how the law will be applied in these situation.

Example 1:

There is a shipment of 5 vehicles consigned to an importer of used vehicles. Upon arrival, one vehicle has 5 used tyres as spares.

Comptroller's (FRCS CEO) position: *Only one tyre per vehicle is allowed for only those vehicles that has provisions for spare tyres. The other four tyres would be seized as prohibited import.*

Example 2:

For used vehicles imported that do not have manufacturers specification.

Some used vehicles with 15inch tyres are fitted with 16 inch tyres because the wheel drum has provisions for upgrade in tyre size and also width.

So what if the used vehicles are fitted with 15 inch tyres and spare tyre is not of the same specifications.

Comptroller's (FRCS CEO) position: *The spare tyre would be seized as prohibited import. The seizure would be the used tyre as imported, with or without rims.*

Example 3:

There is a shipment of 30 used cars in March, 2020. In June 2020, there is a container with 30 used tyres. The importer states that the used tyres are for the 30 used vehicle imported in March. The supplier confirms this.

Comptroller's (FRCS CEO) position: *The split shipment for used tyres imported would be deemed prohibited import.*

Only one used tyre per used vehicle that has provisions as manufactures specification would be allowed if fitted within the vehicle spare tyre provision at the time of the import of the vehicle. The used spare tyre should be accompanying the used vehicle.

For more information on importation of used tyres in Fiji please refer to the Standard Interpretation Guidelines (SIG) on <https://www.fracs.org.fj/wp-content/uploads/2020/11/SIG-used-tyres.pdf> or email tiputechs@fracs.org.fj or info@fracs.org.fj.

Ends