



STANDARD INTERPRETATION GUIDELINE - 03

CUSTOMS CONCESSION – CODE 298

GOODS APPROVED FOR DUTY CONCESSION FOR MEDICAL CARE DURING A PANDEMIC

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 the importation of goods for medical/healthcare during a pandemic under Concession Code 298 under Part 3, Schedule 2 of Customs Tariff Act (CTA) 1986. (Code 298)

It is issued with the authority of the Comptroller of Customs and Excise (the Comptroller) , who is also 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 may need to be reviewed in the event of any relevant legislative amendments.

CONTENTS

Purpose	Error! Bookmark not defined.
Introduction	2
Legislative Analysis.....	2
Governing Conditions	3
Qualifying Criteria and Conditions.....	3

Purpose

1. Even with the most updated and planned healthcare in any country, with the outbreak of any diseases or virus which is declared as pandemic or epidemic by the World Health Organization and the Government of the country, it becomes a priority for the government of the day to ensure its citizens have the necessary medical/healthcare services that is required during outbreaks.
2. While the hospitals have all the necessary equipment and facilities to treat their patients, the sudden influx in numbers may become a cause of concern and the required facilities will need to be setup as quickly as possible.
3. To ensure continuity of good medical/healthcare to all the citizens of the country, a concession is being made available to a company, entity or an individual to import listed goods that are required to curb, contain and treat the outbreak of such diseases or viruses.
4. While the legislative provisions are set out in the CTA, the industry needs to be very clear in terms of the administration and the application of the law.
5. This SIG therefore, sets out the Comptroller official position on the application of Customs Concession Code 298.
6. The SIG relates to the list of goods, persons and bodies that can qualify for duty concession under Code 298.

INTRODUCTION

7. The purpose of this SIG is to provide clarity and certainty on the application of the provisions under Concession Code 298. The pre-requisites to qualify test rules and the entitlements under the code are discussed.
8. This SIG will also serve as a checklist to the applicants to self-assess their eligibility.
9. Furthermore, it will ensure that there is a uniformed approach by FRCS officers to the processing of applications under this provision.

LEGISLATIVE Analysis

Code No.	Persons or Bodies	Goods Eligible for duty Conc.	Import Duty Rates			Conditions	Certificate To
			Fiscal	Excise	VAT		Be Signed By
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
298	Companies, entities and individuals	(i) Diagnostic test instruments, apparatuses, hand sanitisers, anti-bacterial hand wash, gloves, masks, disposable hair nets, face shields, protective clothing and equipment, disinfectant wipes, tissue paper, medical spectacles and goggles, scanners	Free	Free	Free	(a) That the goods are imported for the purposes of responding to medical emergencies as declared by the World Health Organization or the Government; (b) That the goods and ethanol specified in this concession are used exclusively by the company, entity	The person approved by the Comptroller

		<p>and cameras (HS 9018/9022), protective garments for surgical/medical use, disinfectants, medical consumables, medical/surgical/lab sterilizers, medical ventilators, electro-diagnostic apparatus, air purifiers, boots for use in medical facilities, hospital beds, hydrogen peroxide, paper bed sheets, thermometers, medical equipment, medicaments under chapter 30 of Schedule 2 to the Act, microscopes</p> <p>and any other medical goods that are required to manage any medical emergencies;</p>				<p>or individual for the purposes for which the concession was granted;</p> <p>(c) That for the purposes of the import of ethanol, the company or entity is approved by the Comptroller;</p> <p>(d) That the concession must be reflected in the price of the goods;</p> <p>(e) That the disposal or use of the goods for purposes other than that for which the concession is granted be subject to the provisions of section 17 of the Act; and</p> <p>(f) That this concession</p> <p>will be valid only within a period determined by Government.</p>	
	(ii)	Ethanol alcohol to be specifically used in the manufacture of hand sanitizers.	Free	Free	Free		

GOVERNING CONDITIONS

10. The concession is to be claimed at the time of importation or at the time of clearance from any customs controlled areas by the person or body specified in column (2).
11. The goods are of a kind relating to a name or description specified in column (3)
12. All conditions specified in column (7) and any other conditions that may be specified by the Comptroller are to be fulfilled.
13. The concession code 298 will be governed as per the conditions as stated under Part 3, Schedule 2, of the Customs Tariff Act – Note 3. Application of the concessional rates of import duty under this part is governed by the following conditions specifically “(g) *That the goods are not manufactured and available locally*”.
14. When any conditions affecting the goods is not fulfilled after the goods leave Customs Control, the Comptroller 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

15. This concession code has been developed to cater for any medical crisis or emergencies that affects the health and well-being of the citizens of our country. Such medical

emergencies shall be as declared by the World Health Organization (WHO) or the Government of Fiji.

16. This concession shall be valid for the specified period determined by the Government of Fiji.
17. Since this is a short-term/temporary measure ~~that has been~~ put in place, the actual tariff rates of the specified goods is not amended in the Customs Tariff. To facilitate this Concession Code 298 shall be used to allow for duty concession on goods that are eligible under this concession code.
18. The Concession Code 298 is to allow companies, entities and individuals to import goods for such medical emergencies so that the supply of essential medical and hygiene goods is maintained in the country and that all people have ready access to these items at an affordable price.
19. The customs duty and Import VAT has been exempted on goods that are identified to be required to manage any medical emergencies in the country. It is important that the concessions granted must be reflected in the price of the goods sold in Fiji.
20. Medicaments and medical equipment on which the fiscal duty is already free under the Customs Tariff will be VAT exempted under this code. This is to allow the importers to get these goods into the country as quickly as possible by reducing the burden of duty & VAT payment.
21. Under Part 3 of the Customs Tariff, Note 3 - application of the concessional rates of import duty under this part is governed by the following conditions *“(g) That the goods are not manufactured and available locally”* therefore it is to be noted that concession on item such as tissue is confined to tissues which is required to be used in the medical facility. In line with the condition (g) and in order to protect the interests of the local manufacturer and assist the company in business continuity considering the current economic situations, other tissues which are manufactured and available locally will need to be sourced from the local manufacturer first before any concession consideration is granted. It is advised that the term tissue is not extended to include toilet paper. In the event that the local manufacturer is unable to sustain the local market, duty concession shall be assessed for importers who wish to import other tissues provided that the local manufacturer provides confirmation on their inability to manufacture and supply. Furthermore, the local manufacturer has to ensure that the importer of other tissues is able to purchase these items at an affordable and reasonable price.
22. Ethanol: The purpose of the duty and Import VAT exemption is to allow the import of ethanol to the approved companies/entities to produce hand sanitizers so that this product is available to each individual in our country during medical emergencies and where the market supply has been distorted. Duty and VAT exemption on the importation of ethanol shall be specifically for companies involved in the production of hand sanitizers. The concession on ethanol is not extended to the manufacture of alcohol based products.
23. To be eligible for concession on the importation of ethanol, the company must make a written application to FRCS stating the reason for import, the quantity to be imported, the specifications of the product, input & output of the raw material, approvals from other

agencies such as Ministry of Health, flow charts of the process to be undertaken, product information and retail market etc. FRCS may request for further information during the processing of this application.

24. Once this concession is approved, the company should then import the ethanol into Fiji. While there is a local supplier of ethanol, companies & entities may opt to procure this from the local company and concession shall apply provided that the ethanol is used specifically in the production of hand sanitizers.
25. Companies & entities must strictly abide by the policies set in place by the Government and refrain from abuse of duty concession on ethanol. In the event of any breach of duty concession on the importation of ethanol, the importer shall be liable to pay duty at normal tariff rates and a penalty may also be imposed.
26. For any other medical goods that is required to manage the medical emergency which is not specifically listed in column 3, FRCS will need to be notified prior to the import of goods to allow verification and assessment of concession eligibility.
27. For concession eligibility on goods mentioned in column 3 (apart from other tissues and ethanol), the Single Administrative Document (SAD) has to be lodged in ASYCUDA WORLD along with other mandatory documentations such as the Invoice, Bill of Lading/Air Way Bill, product specifications and other documents relevant to the consignment (concession declaration) for clearance of the goods.
28. The Assessment unit shall verify all information as submitted and once satisfied, the concession code shall be approved and linked for the clearance of approved goods under duty concession. In the event that the goods are not eligible, the importer shall be advised to pay duty at normal tariff rates.
29. Where there is a need, FRCS may also liaise with the supplier, Ministry of Health and Ministry of Economy for more information for clarifications on the product for duty concession eligibility.
30. For any other clarifications you may contact the FRCS TIPU team on tipu.techs@frcs.org.fj