



Duty Concession on Importation of New Ready-Made Clothing for Children

In its 2019-2020 National Budget, the Fijian Government announced a significant reduction in import duty on the new ready-made children's clothing from 32% to 5%. The intention of this reduction is to ensure that children's clothing becomes affordable.

This week's Tax Talk looks at the pre-requisites to qualify and the entitlements in relation to the duty Concessions granted for the importation of New Ready-Made Clothing for Children.

This duty Concession applies to importing children's brand new ready-made clothing whether for commercial or personal use.

The incentive on importation of new ready-made clothing for children is summarized below:

Description	Fiscal Duty	Import Excise Duty	Value Added Tax (VAT)
New ready-made clothing for children (global sizes in children's category)	5%	Free	9%

How the Eligibility Applies

- The importer can claim the duty Concession on the brand new ready-made children's clothing when importing the products or while having it cleared from the customs controlled stations which are licensed areas for the temporary holding of imported goods for the purpose of storage and examination of those goods.
- The duty Concession on importation of new ready-made clothing for children is only for importing brand new ready-made children's clothing and not for second hand or used children's clothing.
- For the purpose of this Concession, children's clothing has been restricted to clothing from the age of 2 to 14 to ensure that this concession does not impact on provisions of babies garments under the Customs Tariff Act 1986.
- The Concession is for new ready-made clothing for children (global sizes in children's category). FRCS has prepared a Standard Interpretation Guideline to assist members of the public better understand the requirements and entitlements for duty Concession on importation of new ready-made clothing for children. The Standard Interpretation Guideline has a guideline on children's sizes based on internationally accepted clothing sizes of the United States of America (USA), the United Kingdom (UK), Europe, Australia and Japan.

To determine whether the imported garments meet the requirements and are eligible for the Concession, the importer needs to present the sewn in label and invoice with accurate description, sizing of the garment and age group. In case, where detailed description is not provided and it is difficult to ascertain if the garment is genuine children's wear then the respective Customs Officer may use his/her discretion based on the design and length of the garments with reference to international children's clothing size charts.

In addition to the above, the importer may be required to fulfill any other condition specified by the Chief Executive Officer (CEO) of the Fiji Revenue and Customs Service (FRCS).

Duty Concession Must be used Appropriately

Importers must use the goods cleared by Customs under duty Concession for the purpose for which the duty concession was granted. Mis-description of goods in order to qualify for duty Concession is an offence and may attract a maximum penalty of \$25,000 or maximum of 10 years' imprisonment of both.

Traders Must Pass On the Duty Concessions to Consumers

Benefits from Government duty concessions must be passed onto to consumers to ensure consumers get a better pricing for the goods. While Government has played its role in reducing the duty, traders are also obligated to ensure the concessions are passed on to the consumers. Traders are kindly reminded that as per the Customs and Tariff Act 1986, the selling price for any imported goods under concession needs to reflect the duty or concessionary rate existing at the time of clearance from Customs control. Non complying to this, may attract a maximum penalty of \$25,000 or maximum of 10 years' imprisonment or both. Also, the non-compliance may result in goods being forfeited.

Contact Details

For further clarifications, please refer to Standard Interpretation Guideline available on FRCS website: <https://www.frcs.org.fj/wp-content/uploads/2021/02/SIG-Conc-code-104viii-New-Ready-Made-Clothing-for-Children1.pdf>.

Should you require any further information, please contact the FRCS TIPU team on tipu.techs@frcs.org.fj or send your queries on info@frcs.org.fj.