

BILL NO. 9 OF 2021

A BILL

FOR AN ACT TO AMEND THE CUSTOMS TARIFF ACT 1986

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

- 1.**—(1) This Act may be cited as the Customs Tariff (Budget Amendment) Act 2021.
- (2) This Act comes into force on 17 July 2021, except for section 6 of this Act which comes into force on 31 August 2022.
- (3) In this Act, the Customs Tariff Act 1986 is referred to as the “Principal Act”.

Part 1 of Schedule 2 amended

- 2.** Part 1 of Schedule 2 to the Principal Act is amended by—
- (a) in chapter 50, deleting paragraph 15;

- (b) as specified in the table below, deleting the duty rates in column 3 and substituting the new duty rates in column 4 for the following tariff items —

<i>Tariff Items</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
0902.10.00	3	“5%”	“Free”
0902.20.00	3	“5%”	“Free”
2009.21.00	3	“32%”	“15%”
2009.29.00	3	“32%”	“15%”
2009.50.00	3	“32%”	“15%”
2009.61.00	3	“32%”	“15%”
2009.69.00	3	“32%”	“15%”
2009.81.00	3	“32%”	“15%”
2009.89.00	3	“32%”	“15%”
2106.90.90	3	“32%”	“5%”
7306.30.10	3	“5%”	“32% or 40c per kg whichever is the greater”
7306.30.10	4	“Free”	“10%”
7306.40.10	3	“5%”	“32% or 40c per kg whichever is the greater”
7306.40.10	4	“Free”	“10%”
7306.50.10	3	“5%”	“32% or 40c per kg whichever is the greater”
7306.50.10	4	“Free”	“10%”
7306.61.10	3	“5%”	“32% or 40c per kg whichever is the greater”
7306.61.10	4	“Free”	“10%”
7306.69.10	3	“5%”	“32% or 40c per kg whichever is the greater”
7306.69.10	4	“Free”	“10%”
7306.90.10	3	“5%”	“32% or 40c per kg whichever is the greater”
7306.90.10	4	“Free”	“10%”
8507.10.00	3	“32%”	“15%”
8507.20.00	3	“32%”	“15%”
8517.69.00	3	“5%”	“Free”
8525.80.00	3	“5%”	“Free”
8527.12.00	3	“5%”	“Free”
8527.13.10	3	“5%”	“Free”
8527.13.90	3	“5%”	“Free”
8527.19.10	3	“5%”	“Free”

<i>Tariff Items</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
8527.19.90	3	“5%”	“Free”
8527.21.10	3	“5%”	“Free”
8527.21.90	3	“5%”	“Free”
8527.29.10	3	“5%”	“Free”
8527.29.90	3	“5%”	“Free”
8527.91.10	3	“5%”	“Free”
8527.91.90	3	“5%”	“Free”
8527.92.10	3	“5%”	“Free”
8527.92.90	3	“5%”	“Free”
8527.99.10	3	“5%”	“Free”
8527.99.90	3	“5%”	“Free”
8543.90.00	3	“5%”	“Free”
8709.19.00	3	“15%”	“5%”

(c) deleting tariff item 2009.19.00 and substituting the following—

<i>Item No</i>	<i>Description</i>	<i>Import Duty</i>			<i>Export Duty</i>	<i>Statistical</i>	
		<i>Fiscal</i>	<i>Excise</i>	<i>VAT</i>		<i>Code</i>	<i>Unit</i>
2009.19	-- Other						
2009.19.10	--- Fruit juice, containing no added sugar, or other sweetening matter	15%	Free	9%	Free	059.1	kg
2009.19.90	--- Other	32%	Free	9%	Free	059.1	kg

(d) deleting tariff item 2009.39.00 and substituting the following—

<i>Item No</i>	<i>Description</i>	<i>Import Duty</i>			<i>Export Duty</i>	<i>Statistical</i>	
		<i>Fiscal</i>	<i>Excise</i>	<i>VAT</i>		<i>Code</i>	<i>Unit</i>
2009.39	-- Other						
2009.39.10	--- Fruit juice, containing no added sugar, or other sweetening matter	15%	Free	9%	Free	059.3	kg
2009.39.90	--- Other	32%	Free	9%	Free	059.3	kg

(e) deleting tariff item 2009.49.00 and substituting the following—

<i>Item No</i>	<i>Description</i>	<i>Import Duty</i>			<i>Export Duty</i>	<i>Statistical</i>	
		<i>Fiscal</i>	<i>Excise</i>	<i>VAT</i>		<i>Code</i>	<i>Unit</i>
2009.49	-- Other						
2009.49.10	--- Fruit juice, containing no added sugar, or other sweetening matter	15%	Free	9%	Free	059.91	kg
2009.49.90	--- Other	32%	Free	9%	Free	059.91	kg

(f) deleting tariff item 2009.79.00 and substituting the following—

<i>Item No</i>	<i>Description</i>	<i>Import Duty</i>			<i>Export Duty</i>	<i>Statistical</i>	
		<i>Fiscal</i>	<i>Excise</i>	<i>VAT</i>		<i>Code</i>	<i>Unit</i>
2009.79	-- Other						
2009.79.10	--- Fruit juice, containing no added sugar, or other sweetening matter	15%	Free	9%	Free	059.94	kg
2009.79.90	--- Other	32%	Free	9%	Free	059.94	kg

(g) deleting tariff item 2009.90.00 and substituting the following—

<i>Item No</i>	<i>Description</i>	<i>Import Duty</i>			<i>Export Duty</i>	<i>Statistical</i>	
		<i>Fiscal</i>	<i>Excise</i>	<i>VAT</i>		<i>Code</i>	<i>Unit</i>
2009.90	- Mixture of juices						
2009.90.10	--- Of a brix value not exceeding 20	32%	Free	9%	Free	059.96	kg
2009.90.20	--- Fruit juice, containing no added sugar, or other sweetening matter	15%	Free	9%	Free	059.96	kg
2009.90.90	--- Other	32%	Free	9%	Free	059.96	kg

(h) deleting tariff item 6305.90.00 and substituting the following—

<i>Item No</i>	<i>Description</i>	<i>Import Duty</i>			<i>Export Duty</i>	<i>Statistical</i>	
		<i>Fiscal</i>	<i>Excise</i>	<i>VAT</i>		<i>Code</i>	<i>Unit</i>
6305.90	- Of other textile materials						
6305.90.10	--- Non-woven bags (reusable)	32%	10%	9%	Free	658.19	kg
6305.90.90	--- Other	5%	Free	9%	Free	658.19	kg

- (i) in column 2 of tariff items 7304.31.10, 7304.39.10, 7306.30.10, 7306.40.10, 7306.50.10, 7306.61.10, 7306.69.10 and 7306.90.10 after “2581mm²”, inserting “; having a wall thickness of 1.6mm to 2.3mm”; and
- (j) in column 3 of tariff item 8702. 90. 91 after “\$2,600”, inserting “per unit”.

Part 2 of Schedule 2 amended

3. Part 2 of Schedule 2 to the Principal Act is amended by—

- (a) in concession code 115, deleting “(Headings 89.01, 89.02, 89.03, 89.04 and 89.06)” and substituting “(Tariff item 8903.99.90)”;
- (b) in concession code 117, deleting paragraphs (i) and (v); and
- (c) in concession code 124, in column 2, deleting paragraph (x) and substituting the following—

<i>Code No.</i>	<i>Description and Part 1 Chapter Heading or Item No. Applicable</i>	<i>Import Duty</i>		
		<i>Fiscal</i>	<i>Excise</i>	<i>VAT</i>
(1)	(2)	(3)	(4)	(5)
124	(x) Steel pipes, galvanised pipes, stainless steel pipes, rectangular tubing, cement, timber/wood, reinforcing bars, veneer plywood, nails and/or any other locally manufactured goods proved to the satisfaction of the Comptroller as not being manufactured in Fiji to a specification which he or she considers reasonable provided the required industry standards are complied with.	5%	Free	9%

Part 3 of Schedule 2 amended

4. Part 3 of Schedule 2 to the Principal Act is amended by—

- (a) in concession code 218, in column 3, in paragraph (ix), deleting “F\$1000.00” and substituting “F\$2,000”;

(b) after concession code 218, inserting the following—

Code No.	Persons or Bodies	Goods Eligible for Duty Concession	Import Duty Rates			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
218A	Crew allowance for international commercial scheduled flight	(i) Cigarettes, not exceeding 200 sticks; (ii) Cigars, not exceeding 200g net weight; (iii) Tobacco, not exceeding 200g net weight; (iv) Any combination of the goods in paragraph (i) to (iii) above, provided the total net weight does not exceed 200g; (v) Spirituous liquors, not exceeding 2.25 litres; (vi) Wine, not exceeding 4.5 litres; (vii) Beer, not exceeding 4.5 litres; (viii) Any combination of the goods in paragraphs (v) to (vii) above, provided that the combination does not exceed the equivalent quantity under any one paragraph; (ix) Other dutiable goods, not exceeding F\$2,000 in value.	Free	Free	Free	(a) That the allowance is for an approved crew member of the international commercial scheduled flight; (b) That the allowance is claimed on the agreed quarterly basis; (c) That the allowance is properly documented for reference purposes; (d) That the allowance is for the crew members' personal use and not for gifts or re-sale; (e) That the disposal or use of the goods for purposes other than that for which this concession is granted be subject to section 17 of the Customs Tariff Act 1986.	No certificate required

(c) after concession code 219, inserting the following—

Code No.	Persons or Bodies	Goods Eligible for Duty Concession	Import Duty Rates			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
219A	A bona fide passenger finally disembarking in Fiji	Unaccompanied luggage (except liquor, cigarettes)	Free	Free	Free	(a) That the value of such goods does not exceed F\$2,000; (b) That any excess over F\$2,000 is to be paid by the passenger at the time of clearance of the unaccompanied luggage; (c) That the goods are addressed specifically to the passenger at the time of their arrival into Fiji and are for their personal use; (d) Not intended for gifts and sale; (e) Not imported into Fiji 3 months after the final disembarkation of the passenger.	The passenger

(d) in concession code 221, in column 3, after “tags”, inserting “, plastic seals, bolt seals, dangerous goods stickers”;

(e) deleting concession code 235 and substituting the following—

Code No.	Persons or Bodies	Goods Eligible for Duty Concession	Import Duty Rates			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
235	Existing hotels and resorts	Building materials, furnishings and fittings, equipment including front office equipment, room amenities, kitchen and dining room equipment/ utensils and outdoor equipment	Free	Free	9%	(a) That the hotel/resort is registered as a hotel/ resort in Fiji; (b) That the hotel/resort renovation/refurbishment project is approved by the Comptroller; (c) That the hotel/resort seeking duty concession makes a written submission to the Comptroller with the details of works to be carried out with other relevant particulars; (d) That the Comptroller grants a written approval for approved goods to be cleared under duty concession; (e) That the goods are not manufactured and available locally; (f) That the goods will be used for the construction or equipping of the hotel/ resort and which are proved to the satisfaction of the Comptroller as not being manufactured in Fiji to a specification which he or she considers reasonable; (g) Any other conditions as the Comptroller may require from time to time; (h) That the goods are specifically for the purposes with which the concession is granted; (i) That the goods are not for re-sale; (j) That the disposal or use of the goods for purposes other than that for which concession is granted be subject to section 17 of the Customs Tariff Act 1986; (k) That this concession is valid from 1 August 2021 to 31 December 2022.	The person approved by the Comptroller

- (f) in concession code 252—
 - (i) in column 2, after “industry” inserting “or mining exploration”; and
 - (ii) in column 3, paragraph (ii), deleting “8429.11.10, 8429.19.10, 8429.20.10, 8429.30.10, 8429.40.10, 8429.51.10, 8429.59.10, 8430.10.10, 8430.39.10, 8430.41.10, 8430.49.10, 8430.69.10”;
- (g) deleting concession code 256;
- (h) in concession code 273, deleting column 3 and substituting “Desalinisation and sewage treatment plant machinery, equipment, accessories, chemicals and other relevant approved goods”;
- (i) in concession code 287—
 - (i) in column 3, paragraph (iv), deleting “2 years” and substituting “5 years”; and
 - (ii) in column 5 deleting “15%” and substituting “Free”;
- (j) deleting concession code 291; and
- (k) after concession code 300 inserting the following—

Code No.	Persons or Bodies	Goods Eligible for Duty Concession	Import Duty Rates			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
301	Approved companies or entities	Termidor chemicals	Free	Free	9%	(a) That a permit is obtained from the Ministry of Agriculture prior to import; (b) That the goods are imported for the treatment and eradication of termites; (c) That the goods must be used for the purposes for which the concession is granted; (d) That the disposal or use of the goods for the purposes other than that for which the concession is granted be subject to section 17 of the Customs Tariff Act 1986.	The approved company

Code No.	Persons or Bodies	Goods Eligible for Duty Concession	Import Duty Rates			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
302	Approved companies involved in broadcasting and network service provider	Approved broadcasting and telecommunication equipment for upgrade works including spare parts	Free	Free	9%	(a) That the approved goods are specifically for the upgrade of broadcasting and network services; (b) That the goods are used for the purpose for which the concession is granted; (c) That the goods are not for re-sale purposes; (d) That the disposal or use of the goods for purposes other than that for which the concession is granted be subject to section 17 of the Customs Tariff Act 1986.	The approved company
303	Investment in ICT Structure for ICT Purposes as per the Income Tax Regulations relating to this incentive	Raw materials, machinery and equipment including spare parts	Free	Free	9%	(a) That a provisional approval for the project is issued by the Minister; (b) That the goods are imported for the initial establishment of the ICT Structure; (c) That the goods must be used for the purposes for which the concession is granted; (d) That the disposal or use of the goods for purposes other than that for which the concession is granted be subject to section 17 of the Customs Tariff Act 1986.	The approved company

Code No.	Persons or Bodies	Goods Eligible for Duty Concession	Import Duty Rates			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
304	Incentive for investment in Telecom ICT Park as per the Income Tax Regulations relating to this incentive	Raw materials, machinery, and equipment including spare parts	Free	Free	9%	(a) That a provisional approval for the project is issued by the Minister; (b) That the goods are imported for the establishment of the ICT Park; (c) That the goods must be used for the purposes for which the concession is granted; (d) That the disposal or use of the goods for purposes other than that for which the concession is granted be subject to section 17 of the Customs Tariff Act 1986.	The approved company
305	Incentive for investment in network cabling & infrastructure as per the Income Tax Regulations relating to this incentive	Raw materials, machinery, and equipment including spare parts	Free	Free	9%	(a) That a provisional approval for the project is issued by the Minister; (b) That the goods are imported for the establishment of the business; (c) That the goods must be used for the purposes for which the concession is granted; (d) That the disposal or use of the goods for purposes other than that for which the concession is granted be subject to section 17 of the Customs Tariff Act 1986.	The approved company

Code No.	Persons or Bodies	Goods Eligible for Duty Concession	Import Duty Rates			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
306	Incentive for investment in recycling business as per the Income Tax Regulations relating to this incentive	Raw materials, machinery, and equipment including spare parts	Free	Free	9%	(a) That a provisional approval for the project is issued by the Minister; (b) That the goods are imported for the establishment of business; (c) That the goods must be used for the purposes for which the concession is granted; (d) That the disposal or use of the goods for purposes other than that for which the concession is granted be subject to section 17 of the Customs Tariff Act 1986.	The approved company

Part 4 of Schedule 2 amended

5. Part 4 of Schedule 2 to the Principal Act is amended in concession code 301, in column 1 by deleting “301” and substituting “401”.

*Amendment to cater for the decrease in duty for powdered milk,
liquid milk, butter, yogurt and cheese*

6. Part 1 of Schedule 2 to the Principle Act is amended as specified in the table below, by deleting the duty rates in column 3 and substituting the new duty rates in column 4 for the following tariff items —

<i>Tariff Items</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
0401.10.10	3	“32%”	“5%”
0401.10.90	3	“32%”	“5%”
0401.20.10	3	“32%”	“5%”
0401.20.90	3	“32%”	“5%”
0401.40.10	3	“32%”	“5%”
0401.40.90	3	“32%”	“5%”
0401.50.10	3	“32%”	“5%”
0401.50.90	3	“32%”	“5%”
0402.10.10	3	“32%”	“5%”
0402.10.90	3	“32%”	“5%”
0402.21.10	3	“32%”	“5%”
0402.21.90	3	“32%”	“5%”
0402.29.10	3	“32%”	“5%”
0402.29.90	3	“32%”	“5%”
0402.91.90	3	“32%”	“5%”
0402.99.90	3	“32%”	“5%”
0403.10.00	3	“32%”	“5%”
0403.90.00	3	“32%”	“5%”
0405.10.10	3	“32%”	“5%”
0405.10.90	3	“32%”	“5%”
0405.20.00	3	“32%”	“5%”
0406.10.10	3	“32%”	“5%”
0406.10.90	3	“32%”	“5%”
0406.20.10	3	“32%”	“5%”
0406.20.90	3	“32%”	“5%”
0406.30.10	3	“32%”	“5%”
0406.30.90	3	“32%”	“5%”
0406.40.10	3	“32%”	“5%”
0406.40.90	3	“32%”	“5%”
0406.90.10	3	“32%”	“5%”
0406.90.90	3	“32%”	“5%”

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July 2021

CUSTOMS TARIFF (BUDGET AMENDMENT) BILL 2021

EXPLANATORY NOTE

(This note is not part of the Bill and is intended only to indicate its general effect)

1.0 BACKGROUND

- 1.1 The Customs Tariff (Budget Amendment) Bill 2021 (**‘Bill’**) seeks to amend the Customs Tariff Act 1986 (**‘Act’**) to address budgetary policy changes in the 2021-2022 Budget.

2.0 CLAUSES

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 17 July 2021, except for clause 6 which comes into force on 31 August 2022.

- 2.2 Clause 2 of the Bill amends Part 1 of Schedule 2 to the Act to provide for the following changes—

- (a) reduction of fiscal duty on green tea from 5% to free;
- (b) reduction of fiscal duty on fruit juice that is not manufactured locally or that has no added sugar from 32% to 15%;
- (c) reduction of fiscal duty on vegemite and the like from 32% to 5%;
- (d) reduction of fiscal duty on lead acid batteries from 32% to 15% as a means of assisting public service vehicle operators such as buses and taxis;
- (e) reduction of fiscal duty on audio visual equipment such as television cameras, digital cameras, video camera recorders, pocket-sized radio cassette players and radio receivers from 5% to free;
- (f) reduction of fiscal duty on spare parts for electrical equipment from 5% to free; and
- (g) increase in the fiscal and excise duty on non-woven bags from 5% to 32% and free to 10% respectively to provide protection for domestic suppliers.

- 2.3 Clause 3 of the Bill amends Part 2 of Schedule 2 to the Act to extend concession code 124 to include cement, timber/wood, reinforcing bars, veneer plywood, nails and/or any other locally manufactured goods which may not be available locally at a reduced rate of duty at 5% fiscal and free import excise. Given the current shortage of cement locally, these items can now be imported into Fiji at a concessionary rate of 5% for a period of 6 months from 1 August 2021 till 31 January 2022.
- 2.4 Clause 4 of the Bill amends Part 3 of Schedule 2 to the Act to provide for the following changes—
- (a) increase in the fiscal duty under heading 6305 from 5% to 32% to protect domestic suppliers of sacks and bags that fall under that heading;
 - (b) increase in the allowance for accompanied luggage from F\$1,000 to F\$2,000 for *bona fide* passengers disembarking in Fiji;
 - (c) introduction of additional allowance for unaccompanied luggage to a value not exceeding F\$2,000 for *bona fide* passengers disembarking in Fiji;
 - (d) introduction of crew allowance for flight crew members of international commercial scheduled flights;
 - (e) increase in the age limit for used and reconditioned petrol and diesel vehicles from 2 years to 5 years from the year of manufacture under concession code 287 to ensure accessibility to more recent and quality models of public service vehicles;
 - (f) to extend concession code 235 to include outdoor equipment; and
 - (g) to provide hotels and resorts that have been granted duty concessions under concession code 235 for renovations and refurbishments a further reduced rate of free fiscal and free import excise from 1 August 2021 to 31 December 2022.
- 2.5 Clause 5 of the Bill amends Part 4 of Schedule 2 to the Act to renumber concession code 301 as concession code 401.
- 2.6 Clause 6 of the Bill amends Part 1 of Schedule 2 to the Act to allow for the reduction of fiscal duty on dairy products such as powdered milk, liquid milk, butter, yogurt and cheese from 32% to 5% with effect from 31 August 2022.

3.0 MINISTERIAL RESPONSIBILITY

- 3.1 The Act comes under the responsibility of the Minister responsible for finance.

A. SAYED-KHAIYUM
Attorney-General