

# BILL NO. 19 OF 2018

## 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 2018.
- (2) This Act comes into force on 29 June 2018.
- (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) deleting the duty rates appearing in the third column and substituting the new duty rates in the fourth column specified in the table below for the following tariff items—

<i>Tariff Items</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
0703.90.00	3	“5%”	“Free”
0704.10.00	3	“5%”	“Free”

*Customs Tariff (Budget Amendment) — of 2018*

<i>Tariff Items</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
0704.20.00	3	“5%”	“Free”
0704.90.00	3	“5%”	“Free”
0706.10.00	3	“5%”	“Free”
0706.90.00	3	“5%”	“Free”
0709.20.00	3	“5%”	“Free”
0709.40.00	3	“5%”	“Free”
0709.51.00	3	“5%”	“Free”
0709.59.00	3	“5%”	“Free”
0709.60.00	3	“5%”	“Free”
0709.70.00	3	“5%”	“Free”
0710.90.00	3	“5%”	“Free”
0805.10.00	3	“5%”	“Free”
0805.40.00	3	“5%”	“Free”
0806.10.00	3	“5%”	“Free”
0808.10.00	3	“5%”	“Free”
0808.30.00	3	“5%”	“Free”
0809.10.00	3	“5%”	“Free”
0809.30.00	3	“5%”	“Free”
0809.40.00	3	“5%”	“Free”
0810.10.00	3	“5%”	“Free”
0810.20.00	3	“5%”	“Free”
0810.30.00	3	“5%”	“Free”
0810.40.00	3	“5%”	“Free”
0810.50.00	3	“5%”	“Free”
0810.60.00	3	“5%”	“Free”
0810.70.00	3	“5%”	“Free”
0810.90.00	3	“5%”	“Free”
0902.30.00	3	“5%”	“Free”
0902.40.00	3	“5%”	“Free”
2106.90.32	3	“\$98.62”	“\$113.41”
2106.90.39	3	“\$172.70”	“\$198.60”
2203.00.10	3	“\$4.63”	“\$5.32”
2203.00.90	3	“\$6.29”	“\$7.23”

<i>Tariff Items</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
2204.10.90	3	“\$9.82”	“\$11.29”
2204.21.90	3	“\$8.72”	“\$10.03”
2204.22.90	3	“\$8.72”	“\$10.03”
2204.29.90	3	“\$8.72”	“\$10.03”
2205.10.90	3	“\$8.72”	“\$10.03”
2205.90.90	3	“\$8.72”	“\$10.03”
2206.00.19	3	“\$6.01”	“\$6.91”
2206.00.22	3	“\$6.01”	“\$6.91”
2206.00.29	3	“\$9.60”	“\$11.04”
2206.00.92	3	“\$6.01”	“\$6.91”
2206.00.99	3	“\$8.72”	“\$10.03”
2207.10.00	3	“\$172.70”	“\$198.60”
2207.20.10	3	“\$98.62”	“\$113.41”
2207.20.90	3	“\$172.70”	“\$198.60”
2208.20.10	3	“\$3.90”	“\$4.48”
2208.20.20	3	“\$98.62”	“\$113.41”
2208.20.90	3	“\$172.70”	“\$198.60”
2208.30.10	3	“\$3.90”	“\$4.48”
2208.30.20	3	“\$98.62”	“\$113.41”
2208.30.90	3	“\$172.70”	“\$198.60”
2208.40.10	3	“\$3.90”	“\$4.48”
2208.40.20	3	“\$98.62”	“\$113.41”
2208.40.90	3	“\$172.70”	“\$198.60”
2208.50.10	3	“\$3.90”	“\$4.48”
2208.50.20	3	“\$98.62”	“\$113.41”
2208.50.90	3	“\$172.70”	“\$198.60”
2208.60.10	3	“\$3.90”	“\$4.48”
2208.60.20	3	“\$98.62”	“\$113.41”
2208.60.90	3	“\$172.70”	“\$198.60”
2208.70.11	3	“\$3.90”	“\$4.48”
2208.70.12	3	“\$98.62”	“\$113.41”
2208.70.19	3	“\$172.70”	“\$198.60”
2208.70.21	3	“\$3.90”	“\$4.48”

*Customs Tariff (Budget Amendment) — of 2018*

<i>Tariff Items</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
2208.70.22	3	“\$98.62”	“\$113.41”
2208.70.29	3	“\$172.70”	“\$198.60”
2208.90.11	3	“\$3.90”	“\$4.48”
2208.90.19	3	“\$3.90”	“\$4.48”
2208.90.21	3	“\$98.62”	“\$113.41”
2208.90.29	3	“\$98.62”	“\$113.41”
2208.90.91	3	“\$172.70”	“\$198.60”
2208.90.99	3	“\$172.70”	“\$198.60”
2401.10.00	3	“\$302.51”	“\$347.89”
2401.20.00	3	“\$302.51”	“\$347.89”
2401.30.00	3	“\$302.51”	“\$347.89”
2402.10.00	3	“\$194.76”	“\$223.97”
2402.20.00	3	“\$278.90”	“\$320.74”
2402.20.00	4	“\$302.51”	“\$347.89”
2402.90.10	3	“194.76”	“\$223.97”
2402.90.90	3	“\$278.90”	“\$320.74”
2402.90.90	4	“\$302.51”	“\$347.89”
2403.11.00	3	“\$194.76”	“\$223.97”
2403.19.00	3	“\$194.76”	“\$223.97”
2403.91.00	3	“\$169.36”	“\$194.76”
2403.99.90	3	“\$169.36”	“\$194.76”

- (b) deleting tariff item 2202.10.00 and substituting the following new tariff item—

<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>
“2202.10	-Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matters or flavoured, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09						
2202.10.10	--- Sweetened or flavoured mineral waters (artificial or natural)	32%	15%	9%	Free	111.02	L
2202.10.20	--- Beverages, aerated with carbon dioxide gas	32% or \$2 per litre whichever is greater	15%	9%	Free	111.02	L”

- (c) after tariff item 3920.10.10, inserting the following new tariff item—

<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>
“3920.10.20	--- Linear low density polyethylene (polyethylene)	32% or \$0.54 per kg whichever is greater	Free	9%	Free	582.21	kg”

(d) deleting tariff item 4202.91 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>
“4202.91	--With outer surface of leather or of composition of leather”						

- (e) in tariff item 7210.30.10, column 2, deleting “--- Roofing sheets” and substituting “--- Roofing and structural floor (decking) sheets”;
- (f) in tariff item 7210.41.10, column 2, deleting “--- Roofing sheets” and substituting “--- Roofing and structural floor (decking) sheets”;
- (g) in tariff item 7210.49.10, column 2, deleting “--- Roofing sheets” and substituting “--- Roofing and structural floor (decking) sheets”;
- (h) in tariff item 8414.60.00, column 2 after “side” inserting “not”;
- (i) deleting tariff item 8544.42.00;
- (j) deleting tariff item 8544.49.00 and inserting the following new tariff item—

<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>
“8544.42	-- Fitted with connectors						
8544.42.10	--- Electrical conductors	15%	10%	9%	Free	773.16	kg
8544.42.20	--- other electrical conductors, of a kind used for telecommunications	5%	Free	9%	Free	773.16	kg
8544.49	-- Other						
8544.49.10	--- Electrical conductors	15%	10%	9%	Free	773.16	kg
8544.49.20	--- other electrical conductors, of a kind used for telecommunications	5%	Free	9%	Free	773.16	kg”

(k) after tariff item 8708.99.10, inserting the following new tariff items—

<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>
“8708.99.20	--- new bare chassis (excluding engine and wheels)	5%	Free	9%	Free	784.39	U
8708.99.30	--- used bare chassis (excluding engine and wheels)	32%	Free	9%	Free	784.39	U”

*Part 2 of Schedule 2 amended*

3. Part 2 of Schedule 2 to the Principal Act is amended after concession code 135 by inserting the following new concession code—

<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)
“136	Used or reconditioned motor vehicles under tariff items 8701 – 8705, Chapter 87 of Part 1 of Schedule 2 to the Act, 2 years or less from the year of manufacture	15% or half the existing specific rate of duty, whichever is greater	15%	9%”

## Part 3 of Schedule 2 amended

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

(a) after concession code 217, inserting the following new concession code—

Code No	Persons or Bodies	Goods Eligible for duty Conc.	Import Duty			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
"217A	A local airline involved in international air service as approved by the Minister responsible for civil aviation	<ul style="list-style-type: none"> <li>(i) Aircraft paints, paint thinner and paint hardener;</li> <li>(ii) Aircraft cleaning chemicals (various specialised chemicals for aircraft cleaning for e.g. lavatory chemical, sink cleaning etc);</li> <li>(iii) Aircraft adhesives and sealants (various to be used on board);</li> <li>(iv) Aircraft disinfection spray – aerosol and liquid (for fumigation and disinfectant purposes);</li> <li>(v) Aircraft biocide chemicals (used to clean aircraft fuel tank to eliminate fungus);</li> <li>(vi) Aircraft seat cover material – fabric and leather;</li> <li>(vii) Aircraft decals and placards (signage used on the aircraft);</li> <li>(viii) Aircraft pre-mask spray set (stencils for aircraft logo, design etc.);</li> <li>(ix) Aircraft manual-books and compact discs;</li> <li>(x) In-flight audio-tapes, compact discs and on-board media loaded drives;</li> <li>(xi) Aircraft fuel tank treatment kits (to check fuel samples before and after biocide cleaning);</li> <li>(xii) Oil sample kits;</li> <li>(xiii) Water finding paste (to test for any leakages). Comes in a form similar to "plasticine" or "crystals";</li> <li>(xiv) All kinds of tapes used for aircraft maintenance (Aluminum Tapes, Ducting Tape, High Speed Tape etc.);</li> <li>(xv) Grease for aircraft servicing</li> </ul>	Free	Free	9%	<ul style="list-style-type: none"> <li>(i) The goods shall be used by a local airline approved for scheduled international flights;</li> <li>(ii) That the goods mentioned in column 3 may be subject to such conditions as the Comptroller may impose;</li> <li>(iii) Goods are not for re-sale;</li> <li>(iv) Goods shall be used directly for the purposes the concession is granted."</li> </ul>	The person approved by the Comptroller"



(b) after concession code 231, inserting the following new concession code—

Code No	Persons or Bodies	Goods Eligible for duty Conc.	Import Duty			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
"231A	An approved exporter of local fresh produce	Approved packaging materials for packing of Fiji fresh produce or Fiji origin fish for export only	Free	Free	9%	(i) That the exporter is approved for the export of Fiji grown produce or Fiji origin fish;  (ii) That the packaging materials are not manufactured and available locally in terms of specifications and quality;  (iii) That the imported packaging materials shall not be for re-sale purposes;  (iv) Section 17 of the Act shall be invoked in case of any breach of duty concession.	The person approved by the Comptroller"

(c) in concession code 236, column 2, deleting "Minister" and substituting "Comptroller";

(d) after concession code 236 inserting the following new concession code—

Code No	Persons or Bodies	Goods Eligible for duty Conc.	Import Duty			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
“236A	Manufacturer or producer approved by the Comptroller	Food grade plastic pallets	Free	Free	9%	<p>(a) That the food grade plastic pallets are used by approved food manufacturers and approved fish exporters;</p> <p>(b) That the food grade plastic pallets are used directly in the factory and export of approved goods;</p> <p>(c) That the food grade plastic pallets are not for re-sale purposes;</p> <p>(d) That the goods shall be used for the purposes the concession is granted.</p>	The person approved by the Comptroller”

(e) in concession code 244, column 3, deleting “11th Schedule of the Income Tax Act (Cap. 201)” and substituting “Income Tax (Hotel Investment Incentives) Regulations 2016”;

(f) in concession code 245—

(i) in column 7, deleting paragraph (c); and

(ii) inserting the following new paragraph—

Code No	Persons or Bodies	Goods Eligible for duty Conc.	Import Duty			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		“(viii) Marine paint	15%	Free	9%	<p>(c) That the disposal or use of goods for the purposes other than that for which the concession is granted be subject to the conditions laid down in section 17 of the Act;</p> <p>(d) In addition to the conditions in paragraphs (a) to (c), for the purposes of column 3 (viii), that the marine paint is not manufactured and available locally as per the specifications and quality.”</p>	

(g) deleting concession code 275 and substituting the following—

Code No	Persons or Bodies	Goods Eligible for duty Conc.	Import Duty			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
“275	Companies and entities involved in the manufacturing of noodles	(i) Noodle taste maker imported in sachet  (ii) Noodle taste maker imported in bulk	3%  Free	Free  Free	9%  9%	(a) The sachets are to be part of the locally manufactured noodle packet;  (b) With regard to the description in column 3(ii), that there should be a value addition process and the noodle taste maker imported in bulk needs to be re-packed in sachets by the company;  (c) The goods are not for sale and are to be used exclusively for purposes for which the concession is granted;  (d) That the disposal or use of the goods for purposes other than that for which concessions are granted to be subject to the condition laid down in section 17 of the Act.	The person approved by the Comptroller”

(h) in concession code 287, after paragraph (iii), inserting the following new paragraph—

Code No	Persons or Bodies	Goods Eligible for duty Conc.	Import Duty			Conditions	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		“(iv)Used or reconditioned vehicles (petrol/ diesel) 2 years or less from the year of manufacture for use as public service vehicles for taxi owners who own only one taxi	7.5% or quarter of the existing specific rate of duty whichever is greater	15%	9%”		

(i) in concession code 290, paragraph (b) of column 7, after “Region” inserting “Provisional”.

June 2018

## **CUSTOMS TARIFF (BUDGET AMENDMENT) BILL 2018**

### **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 2017 ('**Bill**') seeks to amend the Customs Tariff Act 1986 ('**Act**').

#### **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 29 June 2018.

2.2 Clauses 2, 3 and 4 of the Bill amend Parts 1, 2 and 3 of Schedule 2 to the Act to provide for the following changes —

- (a) reducing fiscal duty on used vehicles 2 years or less from the year of manufacture, from 32% to 15% or half the existing specific rate of duty whichever is greater;
- (b) providing a concession for the public transportation sector by extending concessionary duty rates for taxis to vehicles 2 years or less from the year of manufacture, that run on diesel or petrol and reducing the fiscal duty from 15% to 7.5% or quarter of the existing specific rate whichever is greater;
- (c) including in concession code 245 'marine paints not manufactured or available locally' at 15% fiscal, free import excise and 9% VAT;
- (d) allowing for duty free fresh fruits and vegetables by reducing duty from 5% to 0% on apples, carrots, tea, grapes, oranges, pears, mixed vegetables, celery, capsicum, mushrooms, kiwi fruits, asparagus, strawberries, leeks, spinach, apricots, peaches, plums, grapefruit, raspberries, cranberries, pomegranates, cauliflower, broccoli and brussel sprouts to ensure the affordability of healthy foods, promote combating of non-communicable diseases;

- (e) providing a new concession code for food grade plastic pallets to the food manufacturing industry;
- (f) expanding concession code 275 to reduce duty on the importation of noodle taste makers (flavours) in bulk for repacking;
- (g) including a new concession code 217A for goods used by local airline companies providing international flights;
- (h) separating telecommunications and electrical cables in the tariff breakdown and providing a duty reduction on telecommunications cables from 15% to 5%;
- (i) including a new concession code 231A to grant a concession on packaging material to approved exporters of local fresh produce;
- (j) increasing fiscal duty on linear low density polyethylene (LLDPE) stretch wraps to protect the local manufacturers;
- (k) increasing fiscal duty from 5% to 32% on structural floor (decking) sheets to protect the local manufacturers;
- (l) increasing fiscal duty on imported sweetened and carbonated drinks to 32% or \$2 per litre whichever is greater; and
- (m) increasing import excise duty on cigarettes, tobacco and alcohol by 15%.

### **3.0 MINISTERIAL RESPONSIBILITY**

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

A. SAYED-KHAIYUM  
Attorney-General