

BILL NO. 49 OF 2016

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 2016.
- (2) This Act comes into force on 23 June 2016, except for section 6 of this Act which comes into force on 1 January 2017.
- (3) In this Act, the Customs Tariff Act 1986 shall be referred to as the “Principal Act”.

Section 11A amended

2. Section 11A of the Principal Act is amended by deleting subsection (1) and substituting the following—

“(1) The Minister responsible for finance may, subject to such conditions as the Minister considers necessary, exempt the payment of duty on the importation or purchase of—

- (a) ex-bond of machinery, equipment and materials if the Minister is satisfied that they are to be used by any company licensed under the Tax Free Zones Decree 1991; and

- (b) any goods, materials or equipment determined by the Minister responsible for finance as necessary for the purposes of humanitarian aid and natural disaster relief and recovery from a natural disaster declared in accordance with section 17 of the Natural Disaster Management Act 1998.”

Part 1 of Schedule 2 amended

3. Part 1 of Schedule 2 to the Principal Act is amended by—

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

<i>Tariff Item</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
1901.10.00	3	“5%”	“Free”
2106.90.32	3	“\$74.57”	“\$85.75”
2106.90.39	3	“\$130.58”	“\$150.17”
2203.00.10	3	“\$3.50”	“\$4.03”
2203.00.90	3	“\$4.76”	“\$5.47”
2204.10.90	3	“\$7.43”	“\$8.54”
2204.21.90	3	“\$6.59”	“\$7.58”
2204.29.90	3	“\$6.59”	“\$7.58”
2205.10.90	3	“\$6.59”	“\$7.58”
2205.90.90	3	“\$6.59”	“\$7.58”
2206.00.19	3	“\$4.55”	“\$5.23”
2206.00.22	3	“\$4.55”	“\$5.23”
2206.00.29	3	“\$7.26”	“\$8.35”
2206.00.92	3	“\$4.55”	“\$5.23”
2206.00.99	3	“\$6.59”	“\$7.58”
2207.10.00	3	“\$130.58”	“\$150.17”
2207.20.10	3	“\$74.57”	“\$85.76”
2207.20.90	3	“\$130.58”	“\$150.17”
2208.20.10	3	“\$2.95”	“\$3.39”
2208.20.20	3	“\$74.57”	“\$85.76”
2208.20.90	3	“\$130.58”	“\$150.17”
2208.30.10	3	“\$2.95”	“\$3.39”
2208.30.20	3	“\$74.57”	“\$85.76”
2208.30.90	3	“\$130.58”	“\$150.17”
2208.40.10	3	“\$2.95”	“\$3.39”
2208.40.20	3	“\$74.57”	“\$85.76”
2208.40.90	3	“\$130.58”	“\$150.17”

<i>Tariff Item</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
2208.50.10	3	“\$2.95”	“\$3.39”
2208.50.20	3	“\$74.57”	“\$85.76”
2208.50.90	3	“\$130.58”	“\$150.17”
2208.60.10	3	“\$2.95”	“\$3.39”
2208.60.20	3	“\$74.57”	“\$85.75”
2208.60.90	3	“\$130.58”	“\$150.17”
2208.70.11	3	“\$2.95”	“\$3.39”
2208.70.12	3	“\$74.57”	“\$85.76”
2208.70.19	3	“\$130.58”	“\$150.17”
2208.70.21	3	“\$2.95”	“\$3.39”
2208.70.22	3	“\$74.57”	“\$85.76”
2208.70.29	3	“\$130.58”	“\$150.17”
2208.90.11	3	“\$2.95”	“\$3.39”
2208.90.19	3	“\$2.95”	“\$3.39”
2208.90.21	3	“\$74.57”	“\$85.76”
2208.90.29	3	“\$74.57”	“\$85.76”
2208.90.91	3	“\$130.58”	“\$150.17”
2208.90.99	3	“\$130.58”	“\$150.17”
2401.10.00	3	“\$228.74”	“\$263.05”
2401.20.00	3	“\$228.74”	“\$263.05”
2401.30.00	3	“\$228.74”	“\$263.05”
2402.10.00	3	“\$147.27”	“\$169.36”
2402.20.00	3	“\$242.52”	“\$278.90”
2402.90.10	3	“\$147.27”	“\$169.36”
2402.90.90	3	“\$242.52”	“\$278.90”
2403.11.00	3	“\$147.27”	“\$169.36”
2403.19.00	3	“\$147.27”	“\$169.36”
2402.20.00	4	“\$132.73”	“\$263.05”
2402.90.90	4	“\$132.73”	“\$263.05”
3808.91.10	3	“15%”	“5%”
4015.11.00	3	“32%”	“5%”
4823.90.10	3	“5%”	“Free”
6307.90.10	3	5%	“Free”
8517.62.10	2	“Wireless”	
8544.70.00	3	“5%”	“Free”

Customs Tariff (Budget Amendment) — of 2016

<i>Tariff Item</i>	<i>Column</i>	<i>Delete</i>	<i>Substitute</i>
8703.22.50	3	“\$5,350”	“\$7,500”
8703.22.90	3	“\$5,350”	“\$7,500”
8703.23.15	3	“\$9,150”	“\$11,500”
8703.23.19	3	“9,150”	“\$11,500”
8703.23.25	3	“\$9,150”	“\$18,000”
8703.23.29	3	“\$9,150”	“\$18,000”
8703.24.50	3	“\$13,000”	“\$23,000”
8703.24.90	3	“13,000”	“\$23,000”
8703.31.50	3	“\$5,350”	“\$7,500”
8703.31.90	3	“\$5,350”	“\$7,500”
8703.32.50	3	“\$9,150”	“\$11,500”
8703.32.90	3	“\$9,150”	“\$11,500”
8703.33.15	3	“\$9,150”	“\$18,000”
8703.33.19	3	“\$9,150”	“\$18,000”
8703.33.25	3	“\$13,000”	“\$23,000”
8703.33.29	3	“\$13,000”	“\$23,000”
8716.39.90	3	“32% or \$6,707”	“15% or \$3,000”

- (b) deleting tariff items 0105.11, 0105.11.10, 0105.11.90, 0105.12, 0105.12.10, 0105.12.90, 0105.13, 0105.13.10, 0105.13.90, 0105.14, 0105.14.10, 0105.14.90, 0105.15, 0105.15.10 and 0105.15.90 and substituting 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>
“0105.11.00	--Fowls of the species <i>Gallus domesticus</i>	Free	Free	9%	Free	001.41	u
0105.12.00	--Turkeys	Free	Free	9%	Free	001.41	u
0105.13.00	--Ducks	Free	Free	9%	Free	001.41	u
0105.14.00	--Geese	Free	Free	9%	Free	001.41	u
0105.15.00	-- Guinea fowls	Free	Free	9%	Free	001.41	u”

- (c) inserting the following new tariff item 4802.62.20 after tariff item 4802.62.10—

Item No	Description	Import Duty			Export Duty	Statistical	
		Fiscal	Excise	VAT		Code	Unit
“4802.62.20	---Thermal paper and bond rolls	32%	Free	9%	Free	641.29	kg”

Part 2 of Schedule 2 amended

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

- (a) in the heading “Concession Applicable to Particular Goods”, inserting the following new paragraphs after paragraph 3(b)—

“(c) that the goods are not manufactured and available locally;

(d) that the supplier is not able to respond to a request for supply within 24 hours;

(e) that the goods are not supplied within the period agreed by the supplier and purchaser;

(f) that all conditions specified under this Part and any additional conditions that may be specified by the Comptroller under this Note are fulfilled, provided that—

(i) when any condition affecting the goods is not fulfilled after the goods leave Customs control, the Comptroller may disallow the concession and collect the rate of duty applicable under Part 1; and

(ii) such collection shall be without prejudice to any other law for the time being in force.”; and

- (b) in Concession Code 131, inserting “new Rough Terrain Vehicles (RTV) and new 2 and 3 seater panel vehicles less than 3 tonnes” after “New Quad Bikes”.

Part 3 of Schedule 2 amended

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

- (a) in paragraph 3 of the heading “Concession Applicable to Particular Persons or Bodies”, inserting the following new paragraphs after paragraph (f)—

“(g) that the goods are not manufactured and available locally; or

(h) the supplier is not able to respond to a request for supply within 24 hours; and

(i) the goods are not supplied within the period agreed by the supplier and purchaser.”;

(b) inserting the following new Concession Code after Concession Code 213A—

Code No.	Persons or bodies	Goods Eligible for Duty Concession	Import Duty			Condition	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
“213B	Licensed downtown duty free shops	All goods approved by the Comptroller	Free	Free	9%	<p>(a) that the downtown duty free shop owner shall be approved to sell by retail;</p> <p>(b) that the goods shall be exported as a result of a retail sale from a licensed downtown duty free shop prior to the departure of a person leaving Fiji from an approved airport or seaport;</p> <p>(c) that the removal from bond, storage display and subsequent sale of the goods shall be effected under such conditions as the Comptroller may from time to time impose;</p> <p>(d) that the downtown duty free owner is required to pay the duty on all goods missing, damaged or any other deficiencies found in stock at the packing store or at the dispatch and the sale centers.</p>	The person approved by the Comptroller”

(c) inserting the following new Concession Code after Concession Code 215—

Code No.	Persons or bodies	Goods Eligible for Duty Concession	Import Duty			Condition	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
“215A	Approved entities and individuals	Any goods, material or equipment determined by the Minister responsible for finance as necessary for the purposes of humanitarian aid, natural disaster relief and recovery from a natural disaster declared in accordance with section 17 of the Natural Disaster Management Act 1998.	Free	Free	Free	<p>(a) that the goods are a donation to or are imported by or on behalf of an organisation or individuals approved under column (2);</p> <p>(b) that the goods are for free distribution to the persons in need of support and assistance;</p> <p>(c) that the goods are not for resale and are used exclusively for the purposes the concession is granted;</p> <p>(d) that the disposal or use of the goods for the purpose other than that which the concession is granted subject to the conditions laid pursuant to section 11A of the Customs Tariff Act 1986.</p>	The person approved by the Comptroller”

- (d) in column 4 of Concession Code 248, deleting “3%” wherever it appears and substituting “Free”;
- (e) inserting the following new Concession Codes after Concession Code 278—

Code No.	Persons or bodies	Goods Eligible for Duty Concession	Import Duty			Condition	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
“279	Licensed telecommunications service providers	Batteries for telecommunications related equipment	5%	Free	9%	<p>(a) provided that the goods are specifically used for telecommunication related equipment;</p> <p>(b) provided that the goods are not manufactured and available locally;</p> <p>(c) the goods are not for resale and are used exclusively for the purposes the concession is granted;</p> <p>(d) the disposal or use of the goods for the purposes other than that for which the concessions are granted subject to the conditions determined by the Comptroller.</p>	The person approved by the Comptroller”

Code No.	Persons or bodies	Goods Eligible for Duty Concession	Import Duty			Condition	Certificate to be signed by
			Fiscal	Excise	VAT		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
"280	Shooting Association of Fiji	Target shooting shotgun, sporting pistols and shotgun rifles; Target ammunition; Any other goods as approved by the Comptroller	Free	Free	9%	(a) Provided that the goods are specifically used for the purpose of target shooting; (b) that the importer holds a licence to carry or use those goods; (c) the goods are not for resale and are used exclusively for the purposes the concession is granted; (d) that the disposal or use of the goods for the purposes other than that for which the concessions are granted subject to the conditions determined by the Comptroller.	The person approved by the Comptroller"

Amendment to cater for hybrid electric vehicles, plug in hybrid vehicles, electric motor vehicles and decrease in tariff for brand new passenger motor vehicles

6.—(1) The Principal Act is amended by—

- (a) in Concession Code 129 of Part 2 of Schedule 2, deleting “Electric motor vehicles, Hybrid Vehicles”;
- (b) in Part 1 of Schedule 2—
 - (i) in column 3 of tariff items 8703.21.40, 8703.21.60, 8703.22.40, 8703.22.60, 8703.23.14 and 8703.23.16, deleting “15%” and substituting “5%”; and

(ii) inserting the following new tariff items after tariff item 8703.33.29—

Item No	Description	Import Duty			Export Duty	Statistical	
		Fiscal	Excise	VAT		Code	Unit
“8703.40	-- Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power.						
	--- of a cylinder capacity not exceeding 1000cc						
8703.40.10	---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.40.20	---- used or reconditioned passenger motor cars and racing cars	\$2000 per unit	15%	9%	Free	781.2	u
	--- of a cylinder capacity exceeding 1000cc not exceeding 1500cc						
8703.40.30	---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.40.40	---- used or reconditioned passenger motor cars and racing cars	\$2000 per unit	15%	9%	Free	781.2	u
	--- of a cylinder capacity exceeding 1500cc not exceeding 2500cc						
8703.40.50	---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.40.60	---- used or reconditioned passenger motor cars and racing cars	\$2500 per unit	15%	9%	Free	781.2	u
	--- of a cylinder capacity exceeding 2500 not exceeding 3000cc						
8703.40.70	---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.40.80	---- used or reconditioned passenger motor cars and racing cars	\$3000 per unit	15%	9%	Free	781.2	u
	--- of a cylinder capacity exceeding 3000cc						
8703.40.90	---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.40.99	---- used or reconditioned passenger motor cars and racing cars	\$6500 per unit	15%	9%	Free	781.2	u
8703.50	-- Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power.						

Item No	Description	Import Duty			Export Duty	Statistical	
		Fiscal	Excise	VAT		Code	Unit
8703.50.10	--- of a cylinder capacity not exceeding 1000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.50.20	---- used or reconditioned passenger motor cars and racing cars	\$2000 per unit	15%	9%	Free	781.2	u
8703.50.30	--- of a cylinder capacity exceeding 1000cc not exceeding 1500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.50.40	---- used or reconditioned passenger motor cars and racing cars	\$2000 per unit	15%	9%	Free	781.2	u
8703.50.50	--- of a cylinder capacity exceeding 1500cc not exceeding 2500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.50.60	---- used or reconditioned passenger motor cars and racing cars	\$2500 per unit	15%	9%	Free	781.2	u
8703.50.70	--- of a cylinder capacity exceeding 2500 not exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.50.80	---- used or reconditioned passenger motor cars and racing cars	\$3000 per unit	15%	9%	Free	781.2	u
8703.50.90	--- of a cylinder capacity exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.50.99	---- used or reconditioned passenger motor cars and racing cars	\$6500 per unit	15%	9%	Free	781.2	u
8703.60	-- Other vehicles, with both spark-ignition internal combustion reciprocating piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power						
8703.60.10	--- of a cylinder capacity not exceeding 1000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.60.20	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u

Item No	Description	Import Duty			Export Duty	Statistical	
		Fiscal	Excise	VAT		Code	Unit
8703.60.30	--- of a cylinder capacity exceeding 1000cc not exceeding 1500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.60.40	---- used or reconditioned passenger motor cars and racing cars	\$2,000 per unit	15%	9%	Free	781.2	u
8703.60.50	--- of a cylinder capacity exceeding 1500cc not exceeding 2500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.60.60	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.60.70	--- of a cylinder capacity exceeding 2500 not exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.60.80	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.60.90	--- of a cylinder capacity exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.60.99	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70	-- Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power						
8703.70.10	--- of a cylinder capacity not exceeding 1000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.20	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.30	--- of a cylinder capacity exceeding 1000cc not exceeding 1500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.40	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.50	--- of a cylinder capacity exceeding 1500cc not exceeding 2500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.60	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u

Item No	Description	Import Duty			Export Duty	Statistical	
		Fiscal	Excise	VAT		Code	Unit
8703.70.70	--- of a cylinder capacity exceeding 2500cc not exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.80	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.90	--- of a cylinder capacity exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.70.99	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80	--Other vehicles, with only electric motor for propulsion						
8703.80.10	--- of a cylinder capacity not exceeding 1000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.20	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.30	--- of a cylinder capacity exceeding 1000cc not exceeding 1500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.40	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.50	--- of a cylinder capacity exceeding 1500cc not exceeding 2500cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.60	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.70	--- of a cylinder capacity exceeding 2500cc not exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.80	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.90	--- of a cylinder capacity exceeding 3000cc ---- new motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.80.99	---- used or reconditioned passenger motor cars and racing cars	Free	Free	9%	Free	781.2	u
8703.90.00	- Other	15%	15%	9%	Free	78.12	u”

CUSTOMS TARIFF (BUDGET AMENDMENT) BILL 2016

EXPLANATORY NOTE

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

1.0 BACKGROUND

1.1 This Bills seeks to amend the Customs Tariff Act 1986 ('Act').

2.0 CLAUSES

2.1 Clause 1 of the Bill provides the short title and commencement provisions.

2.2 Clause 2 of the Bill amends section 11A of the Act by deleting subsection (1) and introducing provisions which allow the Minister responsible for finance to exempt duty on the importation or purchase of any goods, materials or equipment determined by the Minister as necessary for the purposes of humanitarian aid and natural disaster relief and recovery from a natural disaster declared in accordance with section 17 of the Natural Disaster Management Act 1998.

2.3 Clauses 3, 4 and 5 of the Bill amend Part 1, Part 2 and Part 3 of Schedule 2 to the Act in order to—

- (a) reduce fiscal duty from 15% to 5% on 2 and 3 seater panel vehicles less than 3 tonnes;
- (b) provide duty free concessions on materials for rehabilitation of the Fiji pearl industry for a period of 1 year;
- (c) reduce duty on second hand goods-trailers from 32% to 15%, or \$6,707 to \$3000, whichever is greater. This applies to both trucks and boat trailers;
- (d) reduce duty on Rough Terrain Vehicles (RTV) from 15% to 5%;
- (e) reduce duty on all modems from 5% to 0%;
- (f) reduce duty on batteries used for telecommunication related equipment from 32% to 5%;

- (g) reduce duty on optic fibre cables from 5% to 0%;
- (h) reduce duty on vape mats from 15% to 5%;
- (i) reduce duty on surgical gloves from 32% to 5%;
- (j) reduce duty on dress patterns from 5% to free;
- (k) increase duty on all reconditioned and second hand vehicles except for hybrid vehicles;
- (l) impose 32% duty on import of cash register thermal and bond rolls to protect the local industry; and
- (m) increase import duty on cigarettes, tobacco and alcohol by 15%.

2.4 Clause 6 of the Bill is an amendment which pursuant to clause 1 will come into force on 1 January 2017. This amendment will enable the reduction in duty on hybrid electric vehicles, plug in hybrid vehicles and electric motor vehicles which have yet to be introduced in Fiji.

2.5 The deferment of the commencement of this clause to 1 January 2017 is to allow for the installation of charging stations at various locations in Fiji where these vehicles can be recharged. There are also tax incentives for companies to set up these charging stations. The aim of this amendment is to encourage Fijians to buy more electric and hybrid vehicles and to decrease fuel usage in Fiji.

2.6 However, regardless of these amendments, new hybrid vehicles will continue to attract zero duty as is the current practice.

2.7 Additionally, clause 6 also provides for the reduction in duty from 15% to 5 % for new passenger motor vehicles, which will also come into effect on 1 January 2017.

3.0 MINISTERIAL RESPONSIBILITY

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

A. SAYED-KHAIYUM
Attorney-General