



Fiji Islands Trade and Investment Bureau
...WE MEAN BUSINESS

A Guide for Exporters on Export Requirements

Compiled by Fiji Islands Trade and Investment Bureau
VERSION DATED: MAY 2010
ENQUIRIES AND COMMENTS TO BE SENT TO INFO@FTIB.ORG.FJ

A Guide for Potential Exporters on Export Requirements

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1.0 INTRODUCTION

This document is designed to assist exporters and traders with information pertaining to export. It is especially for new exporters, or those thinking about exporting products, even if only occasionally. It does *not* deal with Tax Free Factories or Tax Free Zones.

Export is the shipment of goods from within the Fiji territory to a place outside Fiji. You can freely export anything that is not subjected to an export prohibition or restriction. A few goods are prohibited from exportation altogether, e.g. narcotic drugs. Other goods are subject to an export restriction, usually for environmental, cultural, public protection or security reasons. Restricted goods may only be exported with a licence issued by the appropriate government department.

Exporting involves many and sometimes complex procedures, which must be carried out correctly and completely. If the appropriate processes are not followed, it can cost businesses lots of money. For example it would be an expensive exercise to get your goods to an overseas market and have them returned, or worse still, destroyed because of improper documentation, or not meeting the customs, quarantine, labelling or packing requirements.

It is important to note, that once you are “export ready”, the goods that you are going to export are of *internationally acceptable standards*. The quality and packaging of goods have important standards to adhere to, in order to acquire and sustain an export market or client.

This document also deals with rebate schemes for exporters who use imports to manufacture goods, and also discusses tax rebates on export receipts.

For those at pre-export stage and looking for export markets/clients through travel and use of promotional materials, there is an Inland Revenue Department scheme available which is discussed under the “After Exporting Relief” section of this document.

2.0 QUICK START TIPS – Use of Freight Forwarder

For first time exporters, liaising with a licensed Customs Broker or Freight Forwarding agents is recommended when exporting your first consignment. A list of freight forwarders can be found in the Fiji Directories. A freight forwarder can advise on shipping options while a Customs Broker can handle all other aspects of your shipment with the Fiji Islands Revenue & Customs Authority (FIRCA), Fiji Biosecurity Services Division (FBSD - Quarantine) and other government agencies.

In Fiji there are many companies who offer combined services from trucking, warehousing, documentation and international forwarding. Depending on your needs, freight forwarding services varies from basic services export to complete supply chain solution. You can pay a freight forwarder to provide a basic or full-level service. A freight forwarder can advise you on:

- (1) how to pack or crate your product;
- (2) availability and appropriateness of domestic and international transportation; and
- (3) export permits you require

What is the role of a freight forwarder?

Traditionally freight forwarders provide exporters or importers with assistance in transporting their product from point A to point B. This includes assisting exporters with advice and formal paper work that must be completed to ensure smooth export of cargo. Over the years, their role has been extended to the entire supply chain. Not only do they act as an exporter's "shipping department", their roles also encompass shipping, product sourcing, inventory management, customs clearance, warehousing and distribution.

Do I need a freight forwarder?

You do not necessarily require a freight forwarder but first time exporters can save themselves a lot of trouble if they engage a freight forwarder to ensure that their product makes it safely to its intended destination. Freight forwarders can assist importers and exporters through advice on trade developments, government incentives, customs clearance, insurance, inventory management, logistics and supply-chain management of value-added activities, as well as other documentation issues, to name a few.

What are the disadvantages and advantages of using a freight forwarder?

Advantages:

- ◆ Freight forwarders are aware of the formal paper work and border agency requirements of most export destinations for air-freight and sea-freight shipments. Thus, their expertise is critical in ensuring that the clients' shipment reaches its intended destination in the shortest possible time.
- ◆ They are able to assist exporters in completing the documentation requirements for most products. However, for some dangerous or hazardous goods, the exporter must complete certain documents.
- ◆ A freight forwarder usually has access to preferential rates/services from airlines, shipping lines, trucking companies, etc. They are able to pass these savings on to the exporter.
- ◆ They can arrange for the transport of huge numbers of consignments and consolidate loads going to a single destination to keep freight charges down for individual traders. However, as with most business transactions, one should compare prices from a range of suppliers to find the best level of cost and service for you.
- ◆ A freight forwarder can complete the necessary export permits as well as provide: freight collect services (financial); and also assist in collecting funds from the importer.

Disadvantages:

- ◆ A primary limitation to a freight forwarder relates to their services fee which varies between companies. A freight forwarder generally operates on bundle rate and it can be difficult to define services to applicable fee.
- ◆ A freight forwarder may change agency representation and if transition is not managed properly, clients end up paying exorbitant fees.
- ◆ Some freight forwarders do not operate as Custom license agents so you will need to deal with Licensed Custom Brokers to handle your custom paper work.

How do I find a freight forwarder?

Most export forwarders can be found in the telephone directory. They are usually categorized under 'Freight forwarders' or 'Air service & agents'. You may also contact the Fiji Export Council which is equipped in providing you advice on export and import needs.

What paper work has to be done?

There are two main documentations that you are required to process for standard export namely, Commercial Invoice and Packing List. For goods valued at more than \$20,000.00, you will be requested to complete an Export License Form (Form F) for Reserve Bank of Fiji's remittance purposes.

Depending on the type of goods, certain commodities may require a License or Permit, Phytosanitary Certificate or Certificate of Origin. For countries that have bilateral agreements with Fiji, there may be specific documentations or validation required by the importing countries' recommended agencies.

Where do I lodge this paper work?

Paper work can be lodged at a number of places, including:

- **Fiji Islands Revenue and Customs Authority (FIRCA) & Fiji Biosecurity (Quarantine) Service Division (FBSD):** If a freight forwarder is involved, they will complete all your Government paper work requirements. Alternatively if no forwarder is involved than you, the exporter, must lodge documents with FIRCA and FBSD to receive the necessary export permits (if required).
- **Banking:** If the shipment is under letter of credit or another form of controlled bank payment then the exporter needs to lodge all document with his/her respective bank.
- **Consignee:** If there are no banking requirements, the exporter must immediately mail or courier copies or originals of the paper work, required for exporting the product, to the importer e.g. Customs Declarations, Quarantine Certificates, Export Permits, etc.

What clearances do I need?

Shipments to most countries require completed Customs clearance forms. Some products might need additional compliance procedures to be followed, which will also necessitate additional customs clearance paper work to be completed. These additional requirements might be quarantine related, that is, a certificate from authorities showing that the product has been treated in a particular way, excise duties or special permits (if necessary).

What is the role of the importer in the receiving country?

The role of the importer varies according to the agreed exporter-importer relationship pre-arranged. Traditionally the importer is responsible for the marketing and selling of the product. For this service he/she will buy from the exporter at an agreed price and sell the product (wholesale or retail) at an agreed price. This relationship is usually formalized in a written agreement. In addition there are product and liability requirements that have to be agreed upon by both parties, for example product specifications. The parties must also form an agreement on the warehousing of the product, stock control insurance and accounting issues.

What are my responsibilities (as the exporter) once my product has arrived at the export destination?

The exporter must ensure that the product has arrived with the correct paper work. Specific product and liability requirements depend on the sale agreement the exporter has with the importer.

How does my product get cleared through Customs?

Usually your importer has a nominated customs broker/agent who is duly authorized to clear all shipments for the importer through Customs and Quarantine Department of the receiving country. On completion of the necessary customs procedures and after relevant taxes/duties are paid, the shipment will be released from customs control to the importer's customs agent.

What is a customs agent & do I need a customs agent?

A customs agent is an authorized representative of the importer who is able to act on his/her behalf in relation to all the regulatory government organisations, such as FIRCA and FBSD. Freight forwarders can provide this service or recommend a customs agent to the importer.

The use of a customs agent is not mandatory. However, the complexity of some government regulations and requirements of importing countries regarding customs clearances often demand the services of Customs brokers/agents.

This will expedite the clearance process and also minimize incorrect information being provided to customs authorities. As a result, the possibility of having to pay excess duty, potential fines, and additional storage and staff costs, because of customs issues and delays, is reduced.

3.0 QUARANTINE CONTROLS

WHAT IS THE ROLE OF THE QUARANTINE DEPARTMENT?

The Fiji Biosecurity Services Division (FBSD) manages quarantine controls at our borders to minimize the risk of exotic pests and diseases entering the country. The FBSD also provides import and export inspection and certification to help retain Fiji's highly favorable animal, plant and human health status and wide access to overseas export markets.

Fiji is free from a number of exotic pest and disease, such as foot and mouth disease that have had major economic and environmental consequences for other countries.

As international travel has become easier, the job of keeping Fiji free of unwanted pests has become more demanding. FBSD continuously looks to improve the effectiveness of the quarantine effort by working closely with other areas within stakeholders to manage Fiji's Biosecurity system. The Division also works closely with other Fiji Government agencies—such as Fiji Customs, Fiji ports, Airline Terminal Services, Airport Fiji Limited, Post Fiji—to support their management of post-border detections and incursions of quarantine pests and diseases, and to support our own verification and certification activities for agriculture and food products.

HOW DO QUARANTINE CONTROLS AFFECT INTERNATIONAL TRADE?

Market Access

The Ministry of Primary Industries and Fiji Biosecurity (Quarantine) Services Division works to remove trade barriers and improve access in key markets for Fiji's primary and processed food industries.

The Division:

- Identifies trade barriers and addresses them through bilateral talks at ministerial and senior official level, including through the ministries representatives in Fiji's missions in Australia, Beijing, Brussels, Malaysia, New Delhi, London, Wellington, Tokyo and Washington;
- Contributes to Fiji Government policies affecting agricultural trade and international relations;
- Maintains and improves market access opportunities through Free Trade Agreements and other bilateral agreements;
- Maintains and improves opportunities through technical market access negotiations;
- Facilitates technical assistance and agricultural cooperation with other countries;
- Mitigates external risks to our plant and animal health status; and,
- Works with international organizations to develop international trade standards that facilitate trade of Fiji products, and reflects Fiji policy positions and interests. These organizations include:
 - WTO Committee on Sanitary and Phytosanitary Measures.
 - Food and Agriculture Organization of the United Nations

- World organization for Animal Health
- International Plant Protection Convention
- Codex Alimentarius Commission

Its role is to:

- open up trade opportunities for Fiji's agricultural exporters and maintain existing trading relationships;
- establish strong multilateral, bilateral and regional relationships with trading partners;
- reduce international trade distortions;
- provide technical assistance to support Fiji's agricultural exports;
- oversee policies to reduce risks to Fiji's plant and animal health status from exotic pests and diseases, and
- develop international trade standards for agricultural exports.

GETTING YOUR PRODUCT OVERSEAS

'Getting your product overseas' is designed to help potential exporters of Fiji's agricultural and fisheries products meet Fiji and importing country requirements.

Registering your premises

Some prescribed goods intended for export must be prepared at registered premises. This means that your premises must be constructed, equipped and operate in an effective and hygienic manner, and be approved by the FBSD.

To register your premises, you must first submit an application form to FBSD. Once your form is received, a Biosecurity officer will inspect your premises. You can begin export operations when you receive notification of approval by FBSD and (where required) overseas government authorities.

How Fiji Biosecurity Services Division Helps Exporters

Fiji Biosecurity Services Division provides advice and assistance to existing and potential exporters of agricultural and fisheries produce on the following:

- Import conditions of destination countries for all agricultural, fisheries and forestry products;
- Fiji's export legislation requirements;
- Export documentation, including export permits, health and phytosanitary certificates;
- Premises registration requirements; and
- Inspection procedures

FBSD can also provide assistance when exporters are experiencing difficulties with their exports in relation to government health documentation or other quarantine barriers. If an issue does not come

under Fiji Biosecurity Services Division's jurisdiction, FBSD can refer clients to other relevant agencies that may be able to be of assistance.

REGIONAL CONTACTS

For further information local exporters can contact FBSD Quarantine in the relevant district:

SUVA HEAD OFFICE Phone: 679-3312512 Fax: 679-3305043	NADI AIRPORT Phone: 679-6725091 Fax: 679-6720053	LAUTOKA Phone: 679-6665894 Fax: 679-6650084
SIGATOKA Phone: 679-628533 Fax: 679-6282534	BA Phone: 679-66743554 Fax: 679-6673053	SAVUSAVU Phone: 679-8850874 Fax: 679-8850874

Do I need a license to export?

- **Obtaining an export license**

Application forms are available on the website - www.quarantine.gov.fj

The steps below outline the process involved in obtaining an export license:

1. Forward to Fiji Biosecurity Services Division an Application for a Export Licenses
2. License application fee (\$5.63)
3. Renewal of license
4. Amendments to a current license
5. Auditing

- **License Application fee**

A \$5.63 export license application fee is applicable.

Renewal of license

An export license must be renewed every year. A new Application for an Export License form will need to be submitted. Exporters will be advised of requirements and procedures for having their license renewed closer to the expiry date of their license.

Amendments to a Current License

Amendments to an exporter's current export license can be made throughout the year. These may include the following:

- Amendments to types of species/varieties permitted to be exported.
- Amendments to mode of transport.
- Amendments to person in management and control.
- Amendments to partnership of business
- Other (e.g. change of relocation, contact details)

Auditing

As a holder of an export license, the exporter will be formally audited by FBSD. The purpose of this audit is to determine the extent that the licensed exporter has prepared for export in accordance with the following:

- The *Fruit Export & Marketing Act (chapter 154) (section 7)* and Biosecurity Promulgation 2008
- Fiji's Standards for the Export of Fruits & Vegetables and animals products
- The exporter's operations and BQA manuals
- Any license conditions

What are the costs associated with Quarantine Services?

- **Fees for quarantine stations for cats and dogs**

Please be aware that fees are subject to change without notice. It is the responsibility of the client to regularly check with the Fiji Biosecurity Services division.

The total fee for quarantine service is calculated after your animal/s arrives. Invoices are issued for these services. The total of the invoice is payable before the collection of animal(s) from quarantine.

The Division accepts payment by cash.

Further to the fees and charges listed below there may be other costs associated with import clearance, parasite treatment, veterinary care or other services provided for your animal(s) whilst in quarantine. These additional fees will appear on the final invoice.

All invoices must be paid in full before FBSD will release your animal/s from quarantine.

Approximate quarantine costs for dogs and cats

A dog quarantine accommodation and eligible for minimum quarantine period of 7 days will cost approximately \$212 and 30 days will cost approximately \$742 .Note: This is an approximate cost only. The total cost will be confirmed by the quarantine station after your dog's arrival.

Further to the fees and charges listed above there may be other costs associated with import clearance, parasite treatment, veterinary care or other services provided for your dog/cat whilst in quarantine. These additional fees will appear on the final invoice.

Additional Information

About Fiji Biosecurity (Quarantine) Services Division

Contact

FIJI BIOSECURITY SERVICES DIVISION
MINISTRY OF PRIMARY INDUSTRIES
PO BOX 18360, SUVA.

Tel: [679-3312512](tel:679-3312512)

FAX:679-3305043

Website: www.quarantine.gov.fj

4.0 EXCHANGE CONTROL

This section is particularly for those that are engaged in international trade and investment, and briefly highlights Fiji's current Exchange Control Regulations.

What is Exchange Control?

Exchange Control is the Government's regulations with regards to foreign exchange transactions directly and indirectly, between Fiji and the rest of the world.

Why do we have Exchange Control?

Primarily Exchange Control is imposed for the purpose of regulating and monitoring capital inflows and outflows in order to protect Fiji's foreign exchange reserves and maintain a healthy balance of payments position.

The exchange control regulations of Fiji are being progressively relaxed on an annual basis with the aim of attaining complete deregulation in its foreign exchange policy as the country's economic fundamentals improve.

Who administers Exchange Control in Fiji?

The Reserve Bank of Fiji administers the Exchange Control Act as delegated to it by the Minister of Finance (Government) under Section 48 of the Reserve Bank of Fiji Act.

This role is in line with one of the principal aims of the Reserve Bank, which is to promote credit and exchange conditions conducive to the orderly and balanced economic development of the country.

How does Exchange Control affect my international trade?

You have to comply with the documentation requirements of the Reserve Bank of Fiji for monitoring purposes. As the international trade between residents of Fiji and the rest of the world involves payments and/or receipts in foreign exchange, the reserves of Fiji have to be managed prudently, safely and profitably in order to meet external payment obligations.

Are all Exchange Control Regulations exercised by the Reserve Bank only?

No. Most of the controls are applied by the Commercial Banks acting as agents of the Reserve Bank. They are licensed by the Reserve Bank to exchange foreign currencies against Fiji dollars

and vice versa. These are known as Authorised Dealers. There are also Authorised Restricted Foreign Exchange Dealers and Money Changers whose activities are limited by the amount they can deal in.

What transactions in foreign exchange are delegated to Authorised Dealers?

Trade related current account transactions have been delegated up to certain limits to Authorised Dealers .

What trade related transactions still require Reserve Bank approval?

All capital account transactions and some current account transactions require approval of the Reserve Bank. These include:

- Transfer of capital and income for which there is no ceiling provided, however all amounts require an RBF approval;
- Maintenance of foreign currency accounts and selected external accounts;
- Issue and transfer of shares involving non-resident shareholders;
- Local borrowing by non-resident individuals and non-resident controlled companies;;
- Offshore borrowing;
- Overseas investment by residents is suspended;
- Payments and advance import payments above \$20,000 per invoice;;
- Emigration allowance (no delegated limit);
- Withdrawal of Investment (no delegated limit);
- Offsetting of Foreign Exchanges against foreign exchange bills payable in respect of merchandise imports above \$100,000 per amount due.
- Loan repayment above \$100,000 per scheduled payment.

Are imports liberalised in Fiji?

Yes. Imports are fairly liberalised.

How can I make advance payments for imports?

Commercial banks can arrange advance payment for imports not yet landed in Fiji on the basis of supporting documents from suppliers.

How much advance payment can commercial banks allow without Exchange Control approval?

The current limit delegated to commercial banks is \$20,000 per invoice. Any application in excess of this amount will be referred to the Reserve Bank for approval.

How are payments made for regular commercial imports?

Commercial banks are fully delegated to effect payments for imports that have arrived in Fiji against sight of the relevant Customs Invoice.

What investment opportunities exist in Fiji for non-resident investors?

A wide range of investment opportunities exist in Fiji for which Government provides support and offers various incentives, especially for investment in areas of export related businesses, tourism and the agricultural products processing sector.

How is approval to invest obtained?

The Fiji Islands Trade and Investment Bureau (FTIB) is the first point of contact for all investment by non-resident investors for obtaining approval.

Prior approval from the Reserve Bank of Fiji, in liaison with FTIB, is required when shares and other securities in businesses incorporated in Fiji are to be issued to or sold by non-resident investors.

What type of accounts can non-resident investors maintain and operate in Fiji?

Foreign investors can open and operate either one or both of the following accounts with the commercial banks without Reserve Bank approval if they meet standard individual criteria:

- Fiji dollar external or foreign currency account for personal use. This includes all foreign currency provided by the commercial banks.
- Fiji dollar resident account for a company.

Both accounts are interest bearing.

Is transfer of capital and income out of Fiji easy?

Yes. Foreign investors can repatriate all funds brought into Fiji and recorded with the Reserve Bank plus any income earned from their business.

Applications need to be first referred to the Reserve Bank for approval which is readily provided if documentary requirements are met.

Is offshore investment possible for Fijians or businesses incorporated in Fiji?

No. This is currently suspended.

Can locally incorporated companies set up sales offices or subsidiaries abroad?

This was previously possible, however currently suspended.

5.0 EXPORT FINANCE FACILITIES AND PROCEDURES

This section is designed to advise exporters about Export Finance Facilities and export related incentives.

Is exporting cumbersome in Fiji?

No. It is rather a simplified operation. For all exports valued at \$20,000 and above, the exporter has to complete an Export Licence (Form F) in 4 copies and submit it to Customs together with the Customs Export Entry. After Customs have processed the export documentation, two copies of Form F will be returned to the exporter, one copy will be sent to the Reserve Bank and the other will be retained by Customs.

Is there any encouragement to export?

Yes. The Government has fully recognised the importance of exports and the need for export led growth for the country. Each year it awards the prestigious Prime Minister's Exporter of the Year Award to one of the country's leading exporters, as an acknowledgement of their contributions to Fiji. In addition, a facility termed Export Finance Facility is available with the Reserve Bank. This facility is provided to help improve international competitiveness and also ensure the availability of credit to the export sector. Exporters can access this fund through their commercial banks at concessional rates of interest.

What does the Reserve Bank do to encourage exports?

The Reserve Bank, in line with its objective to enhance growth and safeguard the country's foreign reserves, introduced various measures to facilitate growth and increase receipt of export proceeds. The principal facilities are set out in the following paragraphs.

Export Retention Scheme

The Reserve Bank allows exporters to hold up to 25% of their annual export proceeds in a "retained foreign currency account" with domestic banks or offshore banks of their choice. This is to enable the exporter to meet import payments and other liabilities.

Repatriation of Export Proceeds

An exporter is given a maximum of 6 months from the date of the export of goods from Fiji to bring back to Fiji the resultant foreign exchange from the sale of the goods exported. This facility may enhance export credit and thereby promote export competitiveness.

Export Finance Facilities

The Export Finance Facility (EFF) was introduced by the Reserve Bank to assist eligible exporters to obtain credit at concessional rates of interest, to help improve international competitiveness and also to ensure the availability of credit to the export sector. There are two types of finance available under the EFF – pre-shipment finance and post shipment finance. The scheme is available at concessional rates of interest from commercial banks and the Fiji Development Bank, which in turn are eligible to borrow from the Reserve Bank at 2% for on-lending purposes.

Value added rule of at least 40% for eligible exporters is required to qualify for the scheme. For more detailed information, please visit the RBF website. (www.rbf.gov.fj)

Forward Exchange Facility

This facility is set up to encourage authorised banks to enter into forward contracts with their customers to buy and sell foreign currency.

For an exporter waiting to receive payment in Fijian dollars for exports invoiced in a foreign currency there is an exchange rate risk. The currency in which he quoted his exports might become weaker or cheaper in relation to his own currency by the time that the export proceeds arrive.

Exporters and importers need, therefore, to hedge themselves against such risk by entering into a forward exchange contract with their commercial banks. This will enable them to fix their costs from day one, which will help them to price their products with more certainty.

How can I avoid incurring extra cost when confirming the receipt of my export proceeds to the Reserve Bank as required under the Exchange Control Act?

Extra costs can be avoided by strict instructions to buyers to quote Export Licence Number(s) (on Form F) in addition to other important particulars, when making payments. Exporters are required to quote Export Licence Number(s) in shipping documentation.

The reference given in the payment instruction(s) will enable the commercial banks in Fiji to quote the same reference to the Reserve Bank when reporting their overseas exchange transactions. This will greatly save exporters from incurring extra costs in dealing with queries from the commercial banks. For more information contact:

Reserve Bank of Fiji, Pratt Street Private Mail Bag Suva, Fiji Tel: 3313 611 Fax: 3301 688 Website: www.reservebank.gov.fj

6.0 CUSTOMS EXPORT PROCEDURES

Can I claim back import duty paid on goods or materials exported?

Claims may be made on import duty paid on goods or materials exported, either through **drawback** or **Duty Suspension Scheme (DSS)** discussed later in this document.

How does exchange control affect my exports?

If the (Freight On Board) FOB value of the export consignment exceeds \$20,000, applications are to be made to Customs for an Exchange Control Export Licence, wherein a Form F (CU503) will be issued by the Comptroller of Customs. After processing, a copy will be sent to the Reserve Bank of Fiji. For further information see the *Exchange Control* section.

Are there export duties to pay?

At present export duties apply only to gold and sugar.

What about VAT?

Exports are normally zero rated. This means VAT is claimed on exports. For more information, check with Customs about zero rating of exports.

What do I need to do to export?

Declare goods to Customs before exporting.

What information do I have to declare?

Declaration of the following full information is mandatory:

- Shipment arrangements;
- Bill of Lading;
- Packing and Marks and Numbers;
- Consignor including their TIN (Tax Identification Number);
- Consignee (that is the person to whom the goods are being sent);
- The goods, classified in accordance with the Customs Tariff, including quantity, value and any licence requirements.

How do I make an export declaration?

The exporter or a nominated Agent must make a written export declaration known as an Export Entry, to Customs prior to shipment.

What forms are needed?

A Customs Export Entry (Form EX1) which is available electronically from Customs, or enquire with an Agent, if their service is being used. The form must be accompanied by the following supporting documents:

- Invoices
- Exchange Control Export Licence (Form F) if required
- Other Export Licence if required

How do I set about making my declaration to Customs?

The exporter may make the declaration or a nominated licensed Customs Agent.

What is a Customs Agent?

A Customs Agent is a person licensed by Customs to complete Customs documentation and liaise with the Customs authority on the exporter's behalf as they are familiar with Customs procedures. The agent is required to enter into a Bond (like a guarantee) with Customs.

What does the Customs Agent do?

The Customs Agent will complete the necessary Customs documentation and deal with Customs' requirements, including attending to the Customs House and dealing with any other formalities. The Agent should have the authority to act on the exporter's behalf. The Agent will sign the EX1Form if submitted in hard copy (electronic lodgement will only require the Custom Agent's pin number), but the exporter will have to sign the Exchange Control License, Form F and the Agent will submit all documentation to Customs for approval.

Do I have to pay the Customs Agent?

Yes. As with any business transaction, payment for the services rendered by the Agent will be required.

Do I have to employ an Agent?

Only if necessary, otherwise the exporter can complete all the Customs documents directly deal with Customs. However, exporters need to be mindful that Customs' rules and procedures can be complicated. Customs may impose penalties for incorrect declarations. Exporters may also be required to enter into a Bond (guarantee) with Customs. For new exporters, unless fully conversant with the technicalities of documentation, it could save time, effort and, possibly money to employ an Agent. Therefore, engaging an Agent is not mandatory.

Are there any other charges?

Yes. There is a Customs processing fee of \$7.00, which must be paid when the export declaration is lodged with Customs. If an Agent is engaged, such fees will be paid by the Agent.

There may also be other processing fees and in some circumstances charges will be levied for the attendance of a Customs Officer depending on the nature of your export business, e.g. if export requires the attendance of such an Officer under drawback or the DSS.

7.0 THE DUTY SUSPENSION SCHEME (DSS)

What Is It?

The Duty Suspension Scheme (DSS) is one of Government's incentive schemes introduced on 1st July 2002 to encourage and assist manufacturers and exporters who produce mainly for overseas markets.

The Scheme (DSS) is designed to assist regular exporters import raw materials required for transformation to export production without upfront payment of Import duties and VAT. This allows all Fiji Exporters to implement world priced inputs in their products to improve competitiveness and releases resources (cash), which might otherwise be tied up with duties and taxes to allow the exporters to operate at their maximum potential.

Who Can Use The Duty Suspension Scheme?

All manufacturers engaged in an activity that involves the import of raw materials which are substantially transformed into export products are eligible to join DSS.

The activities that will not be considered under the scheme are Agriculture and Mining. This can be further clarified with the Fiji Exports Council (FEC).

How Does It Work?

Interested organization may apply to FEC to join the scheme by submitting a formal 'Application for Membership to DSS' (Form DSS 6).

FEC will determine the Entitlement Proportion Ratio (EP Ratio) = approved import input ÷ DSS exports, vets and processes the application before forwarding to the Comptroller of Customs for final approval. Every application submitted will have a list of goods or materials that is intended for importation under the scheme.

Customs will verify the information submitted by FEC that the applicant has concrete intentions to engage in an activity that involves import of raw materials or goods. The substantial transformation of these into products for subsequent re-exportation outside Fiji will determine whether the application is approved or declined.

‘Substantial transformation’ means that imported inputs used for manufacturing or processing will result in a finished product, that is substantially different from the original, resulting in change to the classification of goods in its first four digits of nomenclature. If the application is approved, Customs will issue a DSS licence to the exporter. If disapproved Customs will advise FEC accordingly. FEC will activate the membership on approval and enter the approved exporter’s details into a software program which allows exporter to receive a licence and commence operation as a DSS firm.

How Can I Get More Information on this Scheme?

Contact the:
Fiji Export Council
32 High Street
Toorak
Suva

Tel: 679 – 331 8032/ 331 6344

Fax : 679 – 331 5575

Email: info@fijiexportcouncil.com

Website: www.fijiexportcouncil.com

8.0 CUSTOMS DRAWBACK AND OTHER RELIEF FROM DUTY

What is Customs Drawback

It is an import duty relief scheme for all exporters and traders exporting imported goods or materials. It is designed especially to assist new exporters.

What about if I pay import duty on materials used to make my exports?

Import duty paid on materials or components used to manufacture exportable goods can be claimed back. This procedure is known as **drawback**.

What is drawback?

Drawback is a Customs procedure that enables the manufacturer to reclaim import duty already paid on goods exported. There are two types of drawback.

- **Same state drawback** may be paid when goods are re-exported in the same state as that in which they were imported. This means that no changes have been made to them. It often applies when goods are returned as not being in accordance with the contract under which they were imported.
- **Industrial drawback** is drawback granted on the materials used in a manufacturing process.

Which type of drawback applies to exporters?

Exporters are usually interested only in industrial drawback. For information about same state drawback please contact Customs or an Agent.

How does industrial drawback operate?

For import of materials used to process goods for full or partial export, approval for industrial drawback can be sought for some (if not all) of the products used. Customs will assess the proportion of imported material used in the final product and agree on a formula applicable to exports in order to calculate the drawback.

Does industrial drawback apply only to materials?

No. It may also apply to components incorporated into a manufactured product. E.g. if an electric or electronic component essential for manufacturing a machine is imported as item not available

locally (although such parts required to be Fiji-made), drawback on the import duty of that component is claimable.

Remember that there may be other relief available that would save you from claiming drawback. See the paragraphs about the cost of claiming drawback and Industrial Rebate.

How do I apply for industrial drawback?

By writing to the Director General Customs Division, applying for authorisation to claim Industrial Drawback.

Is there a form to fill?

No. Request letter to be clearly marked *Application for Industrial Drawback*

What information is required in the request letter?

The Director General must be advised of your intentions, including details of proposed import, manufacturing process involved, and detail of end product. An indication of import material as a proportion of final product must be clarified. Details of all inputs that will be used in the manufacturing process must also be included, and an indication of what proportion of the final product will comprise imported material on which duty was paid.

Is there anything else that I should tell Customs?

The Director General must be advised on what proportion of the final production will be for export and what will be for domestic sales. Including key details such as the exporter's correct name, address, telephone number and Taxpayer's Identification Number (TIN), could help fast track the processing of submissions.

What will Customs do with my application?

The Director General will refer your application to the section of Customs that specialises in the control of drawback for their advice. You will be contacted by Customs and arrangements made for Customs Officers to visit your premises.

Why would Customs want to visit my premises?

Customs needs to assess the manufacturing process that you are intending to use to check the proportion of duty paid imported materials that will be used in the finished product. They will also

wish to examine your commercial records to verify the accuracy of your application and to ensure that they will be adequate to enable checks to be made on any claims for drawback that you make. Customs may also visit your premises again to verify your drawback claims.

What happens after Customs visits my premises?

Customs may still contact you to clarify certain points and to agree on a formula for the proportion of imported material in your product. Finally, if your application is approved you will be notified by the Comptroller or an Officer acting on his behalf.

How do I declare drawback goods for export?

When you pack goods for export on which industrial drawback is payable, you follow the usual export declaration procedure except that your declaration *must* be on EX3. Details of the import of the materials involved, sufficient to enable Customs to identify the import entry and duty paid must be provided. You will have to request Customs to attend the export packing or loading.

Are there any other requirements?

Yes. You must provide a General Bond to Customs sufficient to cover the amount of drawback that you are claiming. This is to safeguard the Customs' revenue against fraudulent claims. The easiest way for this is may be by using a licensed Customs agent, all of whom have General Bonds with Customs.

Do I have to employ an agent?

You are free to act on your own behalf. However, most new exporters find it easier to use an agent.

How do I claim my drawback?

After export you must complete and submit an Application for Payment of Drawback on Form C37. Customs will pay your claim as quickly as possible, but delays can occur when the documents are incomplete. The claim must give full details of the shipment, original importation and amount of drawback claimed.

What will it cost me to claim drawback?

The charges payable to Customs are the processing fees, \$6.60 on the Export Entry (EX3), and \$11.00 on the Drawback Claim and \$18.00 per hour for Customs' attendance. There may be fees associated with the Bond. You will have to obtain the Export Entry (EX3) from the Customs

Department. If you employ an agent to act on your behalf in dealing with Customs you will have to pay the agent's fees.

Remember that many basic materials are either free of duty or only pay at very low rates. **The cost of claiming drawback may be more than the duty you get back.**

******Plan ahead and you may be able to enjoy duty relief without using drawback.***

Apart from drawback, are there any other import reliefs for exporters?

No. For the larger or well established manufacturers there was the **Tax Free Factory** and **Tax Free Zone** scheme which some companies are still using, but no new TFF licence was issued to companies from year 2001. Such information is outside the scope of this document. For further information contact FTIB. There is also the usual Customs Bonded Warehouse arrangement and an import duty rebate scheme, called **Industrial Rebates**.

What is a Bonded Warehouse?

A Bonded Warehouse is a special warehouse under Customs control where imported goods may be deposited without payment of import duty. Import duty becomes payable when the goods are delivered from warehouse to the domestic market. Goods may be re-exported from the warehouse without paying import duty.

Can I manufacture in a Bonded Warehouse?

No. You cannot not process or work on goods in warehouse. You are allowed to re-pack the goods and to split or consolidate consignments. Please contact Customs for further information on allowable handling.

What is Industrial Rebate

Industrial Rebate is a scheme under which the Minister of Finance may grant rebate of import duty on machinery, equipment and parts thereof, and materials for use in the manufacture of goods. Applications are considered by an inter-departmental project committee which makes recommendations to the Minister for approval. FTIB can assist with information on how to apply.

9.0 EXPORT PROHIBITIONS AND RESTRICTIONS

Export Prohibitions and Restrictions are imposed by the Customs (Prohibited Imports and Exports) Regulations 1986, as amended. The details are contained in schedules 6 to 9 of these Regulations.

Please visit

[http://www.frca.org.fj/docs/firca/legislations_regulations/customs\(prohibited imports and exports\) regulations 1986.pdf](http://www.frca.org.fj/docs/firca/legislations_regulations/customs(prohibited_imports_and_exports)_regulations_1986.pdf) for more information.

Schedule 6 of these Regulations prohibits absolutely the export of the following items:

<p>Dangerous Drugs. Raw Opium. Any seed of the opium poppy (paparer samniform) that is no longer capable of geminating as certified under the plant quarantine act that the product has been sterilized and no longer capable of germinating including an exemption certificate issued under elicit drugs control act. Indian Hemp (Cannabis Sativa or Cannabis Indica). Any resin obtained from Indian Hemp and preparations of which such resins form a base. Any seed of Indian Hemp or any portion of the plant. Coca leaf. Any seed of Coca leaf or any portion of the plant. Prepared Opium. Opium pipes or other utensils for use in connection with the smoking of opium or any utensil for use in connection with the preparation of opium for consumption.</p>

Schedule 7 of these Regulations prohibits the export of the following goods unless the exporter produces to the Comptroller of Customs a licence issued by the appropriate authority.

Item	Description of Goods	Conditions, Restrictions or Requirements
1	All birds (other than domestic fowl, ducks, turkeys, geese and pigeons) alive or dead and the plumage or any part of the plumage of such birds;	The exporter shall produce to the Comptroller the written permission of the Permanent Secretary for Primary Industries.
2	All live cattle;	The exporter shall produce to the Comptroller the written permission of the Permanent Secretary for Primary Industries.
3	All reptiles with the exception of the marine turtle; All amphibians, with the exception of the toad (Bufo Marinus); All Bats; Fiji Gos Hawk (Accipiter Rufitorgues).	The exporter shall produce to the Comptroller the written permission of the Permanent Secretary for Primary Industries.
4	Whales' Teeth (commonly known as "Tabua"), breastplates of pearl and ivory ("civa vono-vono) and ivory necklaces ("Wasekaseka").	The exporter shall produce to the Comptroller the written permission of the Permanent Secretary for Primary Industries.
5	Unprocessed turtle shell	The exporter shall produce to the Comptroller the written permission of the Permanent Secretary for Primary Industries.
6	Fiji manufactured sugar in any consignment exceeding 5kg	Except in accordance with the conditions specified in licence issued by the Comptroller of Customs.

7	Copra.	Except under a permit granted by the Coconut Board.
8	Wheat Bran. Oil cake and meal of copra	The exporter shall produce to the Comptroller a licence to export issued by to the Customs Tariff Act. the Permanent Secretary for Primary Industries
9	The following articles: (a) all Fijian weapons made for war, as distinct from those made for the souvenir trade, and including clubs, throwing clubs, spears, bows and arrows and slings; (b) forks of bone, ivory or wood made for the eating of human flesh, as distinct from modern replicas thereof made for the souvenir trade; (c) all artifacts made from whale tooth including breastplates, pendants, necklaces, food hangers and human and animal figures; (d) all stone adzes and pounders; all wooden or stone carvings of human or animal figures, as distinct from modern replicas thereof made for the souvenir trade.	The exporter shall produce to the Comptroller a licence to export issued by the Permanent Secretary for Housing and Urban Affairs.
10	Wood and wood products classified in certain specified headings of the Customs Tariff (refer to Customs for details)	The exporter shall produce to the Comptroller a licence to export issued by the Conservator of Forests.
11	Coffee in any form classified in certain specified headings of the Customs Tariff (refer to Customs for details)	The exporter shall produce to the Comptroller a valid certificate issued by the Permanent Secretary for Primary Industry in accordance with the rules of International Coffee Organisation.

Schedule 8 of these Regulations prohibits the export of:

Unprocessed Trochus Shells unless the exporter produces to the Comptroller of Customs a licence issued by the Permanent Secretary for Industry & Trade

Schedule 9 of these Regulations lists for information the following goods, the exportation of which is **prohibited** under other laws, unless specified Conditions, Restrictions or Requirements are complied with.

Item	Description of Goods	Conditions, Restrictions or Requirements
1	Arms and Ammunition Act	Arms and ammunition unless the exporter holds a licence in that behalf issued by the Commissioner of Police. Except the following:- 1 (a) any antique or obsolete arm imported or exported, carried and kept with the permission in writing of the Commissioner of Police and in accordance with such conditions as he may specify therein, as a curiosity or ornament: Provided that such arm on account of the lack of ammunition or otherwise shall be incapable of being discharged; (b) ammunition from which all explosive

Item	Description of Goods	Conditions, Restrictions or Requirements
		<p>has been removed, imported or exported, carried, kept or used solely as ornaments or decorations;</p> <p>(c) arrows which when discharged are dangerous to persons, imported or exported, carried, kept or used solely as ornaments or decorations; and</p> <p>(d) for the purpose of avoiding doubt, all bows, imported or exported, carried, kept or used solely for sport or recreation.</p> <p>2 (a) humane killers, captive bolt pistols or any arm specially designed for the humane killing or stunning of animals and blank cartridges thereof, imported or exported, carried, kept or used solely for the killing or stunning of animals;</p> <p>(b) verey pistols and line throwing projectors and ammunition thereof being part of the equipment of any ship or aircraft and retained thereon;</p> <p>(c) verey pistols and line throwing projectors and ammunition thereof, imported and exported, carried, kept or used solely for warning or life-saving purposes in connection with ships or aircraft;</p> <p>(d) blank cartridges, imported or exported, carried, kept or used solely for starting track or sporting events or for purposes connected therewith.</p> <p>3. (a) arms and ammunition carried by members of Her Majesty's Armed Forces or of foreign Armed Forces lawfully in Fiji in their capacity as such;</p> <p>(b) arms and ammunition which are part of the ordinary armament of a vessel;</p> <p>(c) arms and ammunition belonging to any member of the crew of a foreign-going vessel;</p> <p>Provided that</p> <p>(i).such arms and ammunition are retained in safe custody on board such vessels under customs seal; or</p> <p>(ii).Where in the opinion of an officer of Customs no proper facilities for safe custody exist, such arms and ammunition are handed to a police officer for safe keeping.</p> <p>(d) arms and ammunition the property of Her Majesty, consigned to or by a unit or member of Her Majesty's Forces;</p>

Item	Description of Goods	Conditions, Restrictions or Requirements
		<p>(e) arms and ammunition the property of Her Majesty, consigned to or by the Fiji Police Force or a member thereof;</p> <p>(f) arms and ammunition the property of Her Majesty, consigned to or by the Fiji Prison Service or a member thereof.</p>
2	Dangerous Drugs	Dangerous Drugs within the meaning of the Dangerous Drugs Act. Unless the consignee is in possession of a valid and subsisting export authorisation relating to such drug issued under the Dangerous Drugs Act.
3	Exchange Control Act	<p>(i) Gold-coin or bullion;</p> <p>(ii) Notes, including parts of notes, which are or have at any time been legal tender in Fiji or in any other country. Except with the written permission of the Reserve Bank of Fiji, permission is not required for travellers to places outside Fiji to take on their person or in their baggage:-</p> <p>(a) notes which are or have at any time been legal tender in Fiji not exceeding \$500 in value per person;</p> <p>(b) foreign currency notes up to a total value not exceeding \$5,000 per person;</p> <p>(iii) All consignment of goods with an FOB value in excess of \$20,000 except in accordance with the provisions of the Exchange Control Act.</p>
4	Explosives Act-	Except in accordance with a licence issued by a Licensing Officer appointed under the Act
5	Fisheries Act	<p>Live fish of any kind;</p> <p>Turtle flesh;</p> <p>Turtle shell of length less than 45.72cm;</p> <p>Any shell –</p> <p>(a) of the species Trochus Niloticus (Sici) (Trocas shell) measuring less than 8.89 centimeters across the whorl;</p> <p>(b) of the species Pinctada Margaratiferam (Civa) (pearl oyster shell) of which the nacre of mother-of-pearl measures less than 10.16 centimeters from the butt or hinge to the opposite edge or lip; Beche-de-mer (Holothurians) of the species Holothuria Scabra (Metriatyla Scabra) (Dairo) (Sand fish) or of any other species, of a length, less than 7.6cm; Meat of giant clam (Tridacnid Clam) (Vasua) of the Species Tridacna Derasa (Vasua Dina), Tridacna Squamosa (Cega) and Tridacna Maxima (Katavatu).</p>
6	Mining Act	<p>Minerals-</p> <p>Except in accordance with a Mineral Export Permit issued by the Director of Mines duly endorsed with a certificate to that effect that</p> <p>—</p>

Item	Description of Goods	Conditions, Restrictions or Requirements
		(a) all royalties payable thereon have been paid; or (b) all royalties payable thereon have been secured to the satisfaction of the director; or (c) no royalties are payable thereon.
9	Preservation of Objects of Archaeological and Palaeontological Interest Act	Monuments or objects of archaeological and palaeontological interest. Except in accordance with a permit issued by the Board of Trustees established under the provisions of the Fiji Museum Act.

What are Customs export prohibitions and restrictions and how does it affect export?

When goods are the subject of an export **prohibition** it means that there is an absolute ban on their export.

When goods are the subject of an export **restriction** it means that they may only be exported on the authority of the Controlling Authority, which is usually given in the form of an export licence or export permit.

Why are some goods prohibited or restricted at export?

The export of some goods is prohibited for the protection of society, health, environmental or cultural reasons; or because Fiji is a signatory to international conventions, like the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) to protect endangered species.

Goods may be subject to export restriction when it is necessary for government to control or monitor their export.

What goods are prohibited or restricted at export?

A list of current export prohibitions and restrictions is set out on Schedule 9 tables above. In the case of restrictions it also shows the authority, authorised by the Government of Fiji, responsible for the issue of export licences or export permits. This list is subject to amendment. If in doubt, check with the Fiji Customs Service before you commit yourself to exporting.

******Do not be tempted to try and evade Customs export controls.***

What is an export licence or permit?

An export licence or export permit is a document, issued by the authorised authority that grants permission for the export of restricted goods. It will specify the goods covered the quantity and the person to whom the permission is given. It may also specify a period of validity and may have conditions attached to it, like a requirement that export may only be to a specified destination or consignee, or for a specified purpose.

How do I obtain an export licence or export permit?

If you wish to export goods that are subject to an export restriction you should apply in writing to the appropriate authority. Make your application in good time, as they may need to make enquiries before reaching a decision.

What do I do with the export licence or export permit?

When you export goods covered by an export licence or permit you will have to produce it to Customs at the time of export. If you are using an agent to clear your goods at export you should give it to him for submission to Customs with your export declaration

What happens if I do not have an export licence or permit?

If you export or attempt to export prohibited goods, or goods that require an export licence or export permit without such a licence, you commit a serious offence. The goods involved become liable to seizure and forfeiture, and you become liable to prosecution. Depending on the nature and seriousness of the offence you could, on conviction, be faced with imprisonment or a substantial fine.

For more information contact either:

The General Manager - Fiji Islands Customs Services PO Box 175, Suva, Fiji Tel: 3243000 Fax: 3302 864
The Chief Executive – Fiji Islands Trade & Investment Bureau 6 th Floor, Civic Tower, Victoria Parade, PO Box 2303, Government Buildings, Suva, Fiji Tel: 3315 988 Fax: 3301 783

10.0 AFTER EXPORTING RELIEFS

Are there any more export incentives available?

Yes, there are export income incentives available.

TAX DEDUCTION ON EXPORT INCOME

All enterprises involved in exports are allowed deductions from total income for taxation purposes as follows:

Year of assessment	Percentage of export income to be deducted
2008	50%
2009	50%
2010	50%

Export Income deduction will remain at 50% in 2010.

The Export income deduction will only be allowed if the Commissioner of Inland Revenue is satisfied that the export earnings will be remitted to Fiji.

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May, 2010