MINISTRY OF FORESTS

FORESTRY

Business Guide
August 2017 - July 2018
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VISION

The leader in forests sustainability and innovation for small island economies

MISSION

To drive sustainable resource management, economic growth and improve livelihoods through SMART forestry policies that is based on research and development

VALUES

1. Responsible We will discharge duties with accountability
2. Resolute We will discharge duties with determination and be firm and fair on our decisions
3. Respectful We will be sensitive to individual needs and the diversity of views
4. Resourceful We will be practical, creative, effective and efficient and maintain uncompromising integrity in our daily work
5. Reliable We will do and deliver what we have committed and promised to our customers
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Interested parties or Investors may wish to first visit the Ministry of Forests to seek advice on the potential areas for investment in the sector, prior to registering their interest and obtaining a Foreign Investment Registration Certificate (FIRC) from Investment Fiji.

They will however need to follow the formal approval procedures in first registering their business venture and acquire licenses/approvals from the respective local authorities (town/city councils), licensing authority or agency.

### Potential Forestry Investment Opportunities

i. Logging
ii. Sawmilling
iii. Treatment plants
iv. Timber processing
v. Forest Parks
vi. Value-adding
vii. Furniture making
viii. Handicraft

### Applications with Foreign Interest

Conditions of Foreign Investment Trades Act (Regulation) will prevail through applications to Investment Fiji. It should be noted that approvals from Investment Fiji do not constitute a Forestry License.

### Foreign Investment Checklist

(Administered by Investment Fiji)

**Business Venture in Forestry (Plant management & harvesting)**

1. Investment condition requires that the Investor must have at least 30% equity held by Fiji Citizen(s) and the foreign investor must have at least $500,000 in owner’s contribution or paid-up capital for companies in the form of cash from the operational date, to be fully brought into Fiji within the implementation period.

2. Investment Approval process include:
   i. Register with Investment Fiji;
   ii. Submit Investment Project proposal to Investment Fiji;
Applications with no Foreign Interest
(Local Investor)

Does not require going through Investment Fiji but goes directly to the Ministry of Forests. However, local companies need to follow similar process from 2 (v) to (ix) above.

How to get a Harvesting License

I. Initial Requirements
The applicant is to consult with Landowners (mataqali) and their Provincial Office, TLTB, Ministry of Forests and any other interested parties. The applicant obtains a signed letter of consent from the owning Mataqali (60% of all members over the age of 18 years) and submits to the Provincial office, who will assist to verify by checking against the Vola ni Kawa Bula and iTaukei Lands & Fisheries Commission records that the names on the letter are consistent with each Mataqali members. The applicant should ensure that an Environment Impact Assessment (EIA) is carried out in accordance with the relevant provision of the EMA 2005.

II. Harvesting Application Submitted to TLTB
The applicant is to complete a Letter of Application of intention to Log and submit this to TLTB with an application fee with the EIA report. The fee is levied to meet the cost of processing the application whether it is successful or not and is not refundable. With this application, the applicant should also submit:

- The Mataqali consent letter (verified with the comments by Provincial Office) together with the response to the questionnaire;
- A map of the area from TLFC;
- Details of the proposed logging contractor (background, logging
experience, equipment and resources available).

In the course of the application, TLTB may consult with the Ministry of Forests to verify the technical competence and past performance of the proposed contractor. TLTB will make a decision on whether or not to proceed further with the application within 4 weeks of receipt.

III. TLTB forwards application to Ministry of Forests, Provincial Office and Department of Environment

Application Distribution
Once processed, the Divisional Forestry Office (DFO), Provincial Office and the Ministry of Environment should be advised via copies of the documents requesting to set a date for a joint inspection.

TLTB notifies other key stakeholders of the joint inspection to include TLTB, Ministry of Forests, Environment, Provincial Office, the Applicant and the Landowners.

The licensee, should he/she wish, may undertake an assessment of the approximate volume of commercial timber in his/her subject area.

IV. Joint Preliminary Field Investigation
A joint field survey of the subject area consisting of reps from Para 3.1.3 to verify the following:

- Boundary;
- Terrain;
- Accessibility;
- Check the tree marking within the subject basing on diameter limit guideline;
- Commercial stockings on the basis of government policy for tree removal and retention;
- Existence of significant historical, ecologically, wildlife habitat and other sensitive sites; and
- Determine potential impact on water resources, fuel supply etc.

V. 1:10,000 Map Production and Agreement Negotiation
“Should the Investigation establish that Logging is feasible and that it can be properly managed – a process of Harvesting Planning is initiated” (Logging License Procedures 1997).

Applicant at his own costs, requests DFO to advise the Management Services Division (MSD) to prepare a 1; 10,000 base map. As a guide maps of up to the
first 500ha of each area requested is completed within 4-6 weeks of request.

VI. Pre-Harvesting Inspection
Once a map is received, applicants update it with the information compiled in the course of the preliminary field inspection.

The applicant then consults the Beat Officer on the preparation of a logging plan considering the coupe boundaries, watercourse buffer and the boundaries of special management areas. The proposed roading and main skid track system, prospective landing site and possible water crossing are also defined plus any other matters which are appropriate to discuss in preparation for the pre-harvesting inspection.

All features considered for field demarcations are plotted on map with their preliminary bearings and distances recorded. TLTB and Provincial Office are invited to participate in this planning.

The applicant is responsible for the provision of manpower and materials needed for the work.

VII. Harvesting Plan Preparation & Report
Once field demarcation are completed, the applicant in collaboration with the Beat Officer finalizes the logging plan details on a blank 1:10,000 map area based on the confirmed field information and prepares a text report and company profile for the plan.

The harvesting plan generally comprises of the following components:
- A harvesting coupe map (1:10,000);
- A text report (signed by the applicant/contractor); and
- Field demarcation and markings.

VIII. Issues of Licenses
The TLTB receives the two (2) logging plans and conducts a desk study to ensure that the area boundaries marked on them are consistent with the ground demarcation and that they are satisfied with the other features marked on the map.

The TLTB then forwards a letter of offer to the applicant, with details of license conditions. This letter also informs the applicant of the requirement for an advance premium and royalty payments, and specifies the amount to be paid. This letter will be forwarded to the applicant within one clear working week from the date TLTB receives its two copies of the logging plan.

(Note: For licenses for two years and more, the document also must be countersigned by the Conservator of Forests prior to distribution to the
Applicant. This refers to the license provided by TLTB – Harvesting License).

As the applicant satisfies the terms and conditions of TLTB’s letter of offer, TLTB stamps the Logging Plans and Issues the License. These documents are then submitted to the Divisional Forest Officers.

Ministry of Forests – Right License
DFO issues a Right License within one week of receiving documents back from TLTB. The Right License authorizes the applicant to operate hence the applicant becomes the Licensee.

DFO sends a copy of the Right License to the Beat Office while copies of the Ministry of Forests’ Right License are sent to TLTB and Provincial Office for their records.

IX. Harvesting Commencement
The Beat Officer to be present to supervise commencement of operations, ready to provide guidance regarding the proper adherence to FFHCOP 2013 and sound implementation of the coupe logging plan and right license conditions. The role continues throughout the operation.

X. Harvesting Monitoring and Evaluation
Ministry of Forests’ Responsibilities
Monthly evaluation and monitoring is conducted by the Beat Officer in charge, using a standard Objective Monitoring Form (OMF). Quarterly monitoring is to be conducted by Forester TPOs and ADFOs. The evaluation results are submitted to DFO for comments and actions with a copy sent to Ministry of Environment for their information.

The Ministry through its Monitoring, Control and Surveillance (MCS) project will conduct monitoring biannually.

XI. Final Inspection
At a reasonable time prior to completion of operation, the Beat Officer inspects coupe and identifies any matters which may require special attention while the licensee has on-site capability. Ministry of Environment is given an opportunity to participate and comment. Licensee and contractor are advised of the requirements and reminded of the rehabilitation provisions of the FFHCOP 2013 and the coupe harvesting plan.

XII. Rehabilitation
Beat Officer, Forester TP and if possible Ministry of Environment, inspect rehabilitation work.
XIII. Coupe Closure

Once the Beat Officer, in consultation with the Forester TP and the Ministry of Environment are satisfied with the rehabilitation work in the area, a coupe report is submitted to DFO, MSD and Forestry HQ advising on the post harvesting condition, with recommendation for the official closure/surrender of the coupe.

A copy of this report is submitted to TLTB, who will resume responsibility for the management of the area.

How to get a Sawmillers & Other Wood Processing License

I. Application Form

i. Any person intending to install or operate sawmills or other wood processing mills for commercial purposes, he/she should apply to the Conservator of Forests for a license to operate. The application form can be obtained from Forestry HQ and in all Divisional Offices.

ii. The application form should clearly record in full the required details which must include:

- Evidence of the availability of log resource. In this respect a TLC map with the mataqali land leased clearly demarcated and a consent letter from the mataqali must be produced.
- Statements from the licensed loggers who will be supplying logs to the sawmill and other wood processing mills.
- Location and layout of the mill showing the type of machines to be used. Mills plan/layout.
- Type of antisapstain dipping facility.
- Evidence of applicant’s financial resource from a financial institution.

II. Important Points to be noted in the Application

i. **Log Resource**

A volume assessment of species availability of the identified area should be obtained from the Ministry of Forests. Assistance in obtaining this information can be provided by TLTB and the Ministry of Forests.

ii. **Machine Specification**

Types and specification of the different machines to be used clearly stated. If brochures are available then these should be submitted with...
the application.

iii. *Town and Country Planning Approval*  
Location approval for the mill should be obtained from the Department of Town and Country Planning, and evidence of this should accompany the application. For static mills, an EIA will be required by the Ministry of Environment.

iv. *Registration Requirements*  
The proposed sawmilling & other wood processing operation should be registered with the Registrar of Companies and evidence of this should be included with the application. Business license from relevant local authorities is also required.

III. **Provisional Approval**  
When the Conservator of Forests is satisfied that all the required conditions are met than a provisional approval is given for the applicant to purchase and install the mill.

IV. **Mill Inspection**  
When the mill is ready to operate, it is required to be inspected by a Forestry official.

V. **Sawmill & Other Wood Processing License**  
The Conservator of Forests will issue the sawmill & other wood processing license based upon the recommendation from the Principal Utilization Officer.

The license which may be subject to further conditions is issued annually and shall expire on the 31st of December in the current year.

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**Sawmillers & Other Wood Processing Licensing Checklist**

I. Standard application form for saw milling license is filled.  
Attachments:
- Approval of site from relevant authorities Rural – Local authorities and Provincial Councils, Landowners if native or lease;  
- Site plan – sawmill layout;  
- Copy of company registration certificate;  
- Proof of Log resource; -  
  o Native – volume assessment report/confirmation of supply from logging contractors;  
  o Plantation – confirmation of supply from plantation owners
How to get a Treatment Plant License

The procedure for licensing a Treatment Plant is the same to the Sawmill License except in the Treatment Plant Procedure there is no Provisional Approval.

How to get a Forest Export License

I. Overseas buyer issues Purchase order to Local Company.

II. Maximum dimension of any piece of timber exported should not exceed 300mm x 150mm (12 x 6 inch or 72 inch sq.)

III. Original inspection certificate is sent to Quarantine, a copy and original timber grading certificate is sent to HQ with the following:
   a. Copy of purchase order
   b. Packing list
   c. Company invoice and tally sheet
   d. CITES permit if native species
   e. Custom entry for previous consignment

IV. Lodged to Ministry of Forests (processing time is 48 hours as stated in the export procedure).

V. Conservator of Forest issues Export License.
**Checklist for Exporting Forest Products**

1. Sawn timber/plywood/veneer/block board/sandalwood/raintree
2. In order for your consignment to qualify for an Export License, the following documents are required.
   - Completed Export Application Form with signed and stamped with company seal and attach the following documents.
   - Copy of PO from overseas buyer(Purchase Order)
   - Packing List-From the exporter
   - Register of Companies(New Exporter)or Custom Entry-Invoice (Last Export)
   - Invoices-From the exporter
   - CITES Permit (Issued from Ministry of Environment upon paying the appropriate fee) only on CITES listed species.
3. Contact nearest Forestry Office for appointment with a TI for the inspection and certifying of the consignment.
4. TI after inspection issued two forms namely:
   - Inspection Certificate-I/C(For bio-security purpose)
   - Timber Grading Certificate.
5. Attach copy of I/C (Original I/C to be handed to nearest Bio-Security office) and original Timber grading Certificate to the attachment bulleted on No.3
6. Sent to Ministry of Forests (Head Quarters), P.O Box 2218, Government Building, Suva or hand deliver to Level 3 Takayawa Building, Toorak Road, Suva.
7. Processing time is within 2 working days provided all the required documents are attached.
8. Export Permit is then collected from Forestry HQ Suva and can also be collected by shipping agent if Exporter is based out of Suva or by email or fax.

**How to get a Forest Import License**

I. All importers of log, branchwood, firewood and bark, and all wood which has been split, sawn or dressed but not otherwise manufactured and fabricated building units, poles and the like, cross-arms, shakes and shingles, rattan furniture, plywood, blockboard and others are required to submit an application for a permit to import to the Conservator of Forests. This is to include any imports in-transit through a port of entry in Fiji to another country.

II. An application should be made using the prescribe form, clearly recording all the required details in full.

III. It is only when the Conservator of Forests is satisfied that all quarantine
requirements are met that a permit is issued which may also be subject to additional conditions as the Conservator sees fit for example, the import to be covered by an official phytosanitary certificate etc.

*Note: Timber imported without an Import permit will be re-shipped.*

**Timber In-Transit to another Country**

Timber in transit to another country shall remain under the quarantine control until re-shipped.

**How to Get a CITES Permit**

For those intending to be involved in harvesting in areas concerned with species listed under CITES as stipulated under the Endangered and Protected Species (Amendment) Act 2017, the proponents will first need to enquire a CITES permit from the Ministry of Environment prior to applying for a license to operate a commercial entity in the Forestry sector.

Currently there are 27 commercial timber species under CITES.
Incentives Guides for the Forestry Sector

It is critical to note that these incentives are ascertained from the Budget Announcement of the state hence some of these facilities are subject to change accordingly.

Incentives outlined in this information guide fall under two main legislations;

i. Income Tax Act 2015
ii. Customs Tariff Act 1986

and thereafter are being administered by the Ministry of Economy and the Fiji Revenue & Customs Authority (FRCA).

Unless indicated in the guide, applications are to be submitted to the following authorities:

i. Code 235 applications - the Comptroller of Customs (CEO FRCA);
ii. Other Duty Concessions applications - addressed to the Comptroller of Customs (CEO FRCA);
iii. Other Incentives - addressed to the Minister for Economy.
INDUSTRY INCENTIVES/ CONCESSIONS OFFERED

(i) 2001 – 2016 Tax Rate Reduction

<table>
<thead>
<tr>
<th>YEAR</th>
<th>RESIDENT COMPANIES</th>
<th>NON-RESIDENT COMPANIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>From 35% to 34%</td>
<td>From 45% to 34%</td>
</tr>
<tr>
<td>2002</td>
<td>From 34% to 32%</td>
<td>From 34% to 32%</td>
</tr>
<tr>
<td>2003</td>
<td>No change – 32%</td>
<td>No change – 32%</td>
</tr>
<tr>
<td>2004</td>
<td>From 32% - 31%</td>
<td>From 32% - 31%</td>
</tr>
<tr>
<td>2005-2008</td>
<td>No change – 31%</td>
<td>No change – 31%</td>
</tr>
<tr>
<td>2009</td>
<td>From 31% to 29%</td>
<td>From 31% to 29%</td>
</tr>
<tr>
<td>2010</td>
<td>From 29% to 28%</td>
<td>From 29% to 28%</td>
</tr>
<tr>
<td>2011</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>2012</td>
<td>From 28% to 20%</td>
<td>From 28% to 20%</td>
</tr>
<tr>
<td>2013 – Jul 2016</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Aug 2016 – Jul 2017</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Aug 2017 – Jul 2018</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

(ii) Investment Allowance

- Investment allowance (excluding cost of labor) of 40% for extension and renovation expenses with a minimum qualifying capital expenditure of $50,000. This is only available to existing businesses in Vunua Levu.

(iii) Accelerated Depreciation

a) Accelerated depreciation for buildings erected before 2001 has been extended to 2018. 20% depreciation for building used for agricultural, commercial or industrial purpose can be written off within any 5 of 8 years.

b) 100% write off will be available in the year the expenditure was incurred on water storage facilities and renewable energy plant and machineries.

c) This will also be available to new plants and machineries used for manufacturing purposes.

(iv) Loss Carried Forward

Loss carried forward can be claimed up to 4 years. Loss carried forward by a company is allowed if that entity satisfies the continuity of ownership test or the same business test.
(v) **Export Income Deduction**

a) “Export Income” means net profits derived by a taxpayer from the business of exporting goods and services but excludes re-exports. Deduction shown below.

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

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PERCENTAGE OF EXPORT INCOME TO BE DEDUCTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>50%</td>
</tr>
<tr>
<td>2012</td>
<td>40%</td>
</tr>
<tr>
<td>2013</td>
<td>40%</td>
</tr>
<tr>
<td>2014</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>50%</td>
</tr>
<tr>
<td>Jan – Jul 2016</td>
<td>50%</td>
</tr>
<tr>
<td>Aug 2016 – Jul 2017</td>
<td>50%</td>
</tr>
<tr>
<td>Aug 2017 – Jul 2018</td>
<td>50%</td>
</tr>
</tbody>
</table>

(vi) **Duty Concessions:**

**Production Inputs**

All goods used as raw materials in the manufacture of approved goods not available locally will attract 0% fiscal duty + 9% VAT. Concessions on Packaging materials will apply to those that are not available locally.

**Capital Items**

Duty rates on capital items (which refer to machinery used for converting/processing raw materials) will attract 0% fiscal duty + 9% VAT.
<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>INCENTIVES/ CONCESSIONS OFFERED</th>
</tr>
</thead>
<tbody>
<tr>
<td>(vii) Small and Micro Enterprises (SME’s)</td>
<td>Income tax exemption to be applicable to selected sectors with maximum turnover threshold of $500,000. The sectors include:</td>
</tr>
<tr>
<td></td>
<td>a. Agriculture and Fishing. (For Agriculture, this will cover activities in the entire Agriculture Sector);</td>
</tr>
<tr>
<td></td>
<td>b. Tourism (Sea Cruise and River Tour Operators);</td>
</tr>
<tr>
<td></td>
<td>c. Community and Social Services (Amusement, recreation services; traditional handicraft producers (not “middleman” or agents);</td>
</tr>
<tr>
<td></td>
<td>d. Supportive projects to tourism industry (flora, fauna and other natural characteristics of Fiji; and history, traditions, cultures and ways of life of its people).</td>
</tr>
<tr>
<td>INDUSTRY</td>
<td>INCENTIVES/ CONCESSIONS OFFERED</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>(viii)</td>
<td>Tax Free Regions (TFR)</td>
</tr>
<tr>
<td></td>
<td><em>Who will qualify for this incentive?</em></td>
</tr>
<tr>
<td></td>
<td>• This incentive is available to a newly incorporated entity engaged in a new business established in the following areas:-</td>
</tr>
<tr>
<td></td>
<td>▪ Vanua Levu – includes Taveuni, Rabi, Kioa and other islands generally included for government’s administrative purpose as being in the Northern Division.</td>
</tr>
<tr>
<td></td>
<td>▪ Rotuma, Kadavu, Levuka, Lomaiviti, Lau and Nausori-Lautoka region (from Nausori Airport side of the Rewa River (excluding township boundary) to the Ba side of the Matawalu River).</td>
</tr>
<tr>
<td></td>
<td>• Any company may apply to the Minister for Economy in a prescribed form for an operating license.</td>
</tr>
<tr>
<td></td>
<td><strong>Criteria for Grant of License</strong></td>
</tr>
<tr>
<td></td>
<td>(i) The company is a newly incorporated entity engaged in a new business.</td>
</tr>
<tr>
<td></td>
<td>(ii) The minimum initial level of investment should be $250,000.</td>
</tr>
<tr>
<td></td>
<td><strong>Tax Exemptions Available</strong></td>
</tr>
<tr>
<td></td>
<td>The income of any new activity approved and established between</td>
</tr>
<tr>
<td></td>
<td>1. 1 January 2009 to 31 December 2018 for Rotuma, Kadavu, Levuka, Lomaiviti &amp; Lau</td>
</tr>
<tr>
<td></td>
<td>2. 1 January 2014 to 31 December 2018 for East of Viti Levu (Korovou to Tavua region)</td>
</tr>
<tr>
<td></td>
<td>3. 1 January 2016 to 31 December 2018 from the airport side of the Rewa Bridge excluding the town boundary of Nausori, up to the Ba side of the Matawalu River shall be exempt from tax as follows:</td>
</tr>
<tr>
<td></td>
<td>o capital investment from $250,000 to $1,000,000, for a period of 5 consecutive fiscal years; or</td>
</tr>
<tr>
<td></td>
<td>o capital investment from $1,000,000 to $2,000,000, for a period of 7 consecutive fiscal years; or</td>
</tr>
<tr>
<td></td>
<td>o capital investment above $2,000,000 for a period of 13 consecutive fiscal year.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Amendments to TFR Regulations:</strong></td>
</tr>
<tr>
<td></td>
<td>o The Minister has the powers to extend time of commencement of business under the TFR license if the business cannot commence at the date fixed by the Minister.</td>
</tr>
<tr>
<td></td>
<td>o The Minister has the powers to change the conditions of the TFR license.</td>
</tr>
</tbody>
</table>
## Duty Exemption

(i) Import duty exemption on the importation of raw materials, machinery and equipment (including parts and materials) insofar as they are required for the establishment of the business in the Tax Free Region.

## Other benefits under the TFR:

(i) Additional 5 years of income tax exemption is available to any company granted a license and having indigenous Fijian landowner equity of at least 25 percent.

(ii) Additional 7 years of income tax exemption is available to any hotel developer granted a license and having Indigenous Fijian landowner equity of at least 25 percent.

**NOTE:** (Applications to be made to FRCA. The Incentive Committee will scrutinize the application before making recommendation to Minister for Economy)

## (ix) Manufacturers Incentives

### Food Processing & Forestry

- 100% of the amount of investment as a deduction for investing in food processing as well as forestry. Re-investment will also be allowed for expansion purposes. In order to qualify, the investor should utilize 50% of local produce in its production process.

## (x) Shipping Companies

### Maritime Shipping

- **A 7 years tax holiday** will be introduced for shipping companies servicing uneconomical routes, which includes Rotuma and Lau. The uneconomical routes will be ring-fenced.
- All importation of spare parts for Maritime vessels will be subject to zero duty.
<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>INCENTIVES/ CONCESSIONS OFFERED</th>
</tr>
</thead>
<tbody>
<tr>
<td>(xi) Employment Taxation Scheme</td>
<td></td>
</tr>
<tr>
<td>Tax deduction on wages paid on first full-time employee to continue, with an increased rate of 200%, effective from 1 August, 2016.</td>
<td></td>
</tr>
<tr>
<td>200% tax deduction on apprenticeship in the related area of study up to 6 months in a year before graduation, as part of course requirements.</td>
<td></td>
</tr>
<tr>
<td>200% tax deduction on wages paid to students employed in the related area of study up to 3 months in a year during holidays.</td>
<td></td>
</tr>
<tr>
<td>300% tax deduction on wages paid in the employment of disabled people who will be employed continuously for a period of 3 years.</td>
<td></td>
</tr>
<tr>
<td>150% tax deduction of employees’ education fees who are allowed to study (up-skill) and attend training to obtain a professional qualification during their course of employment.</td>
<td></td>
</tr>
<tr>
<td>All the above will expire in 2020 except the 300% tax deduction on wages paid in the employment of disabled people, which will expire in 2022.</td>
<td></td>
</tr>
</tbody>
</table>

Duty/Customs Concession under Section 10 of the Customs Tariff Act

<table>
<thead>
<tr>
<th>Duty/Customs Concession under Section 10 of the Customs Tariff Act</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Specialized equipment and machinery</td>
<td></td>
</tr>
<tr>
<td>Free fiscal duty, free import excise duty and 9% VAT on specialized Forests equipment and machinery</td>
<td></td>
</tr>
<tr>
<td>The importation under concession is subject to the condition that a letter of approval/support is issued by the Ministry of Forests in relation to goods under concession.</td>
<td></td>
</tr>
<tr>
<td>b. 100% Income tax exemption to be applicable to selected sectors with maximum turn over threshold of $500,000</td>
<td></td>
</tr>
<tr>
<td>The sectors include: Agriculture and Fishing (Sugarcane Farmers; Coconuts; Rice; Ginger; Yaqona; Fishing; Raising Livestock; Vegetable; Dalo, Cassava and other root crops production; farming and Bee keeping)</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** (These concessions are already approved by the Minister for Economy. All they (Importers) need to do is lodge a customs entry for clearance of the goods).
<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>INCENTIVES/ CONCESSIONS OFFERED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(i) <strong>Fiscal &amp; Import Duty Excise Changes for PRIME MOVERS &amp; SPECIALIZED MOVING MACHINERY</strong></td>
</tr>
<tr>
<td></td>
<td>a) Machinery used in the manufacture of goods</td>
</tr>
<tr>
<td></td>
<td>x. Reduce Fiscal Duty to 0%</td>
</tr>
<tr>
<td></td>
<td>b) New road tractors for semi-trailers of heading 8701 and trailers of heading 8716</td>
</tr>
<tr>
<td></td>
<td>xi. Reduce Fiscal Duty from 32% to 5% excluding agricultural tractors, which is 0%</td>
</tr>
<tr>
<td></td>
<td>xii. Include prime-movers and</td>
</tr>
<tr>
<td></td>
<td>xiii. Self-loading and other trailers for transport of goods</td>
</tr>
<tr>
<td></td>
<td>c) New trucks (goods vehicles) of gross vehicle weight exceeding 3 tonnes</td>
</tr>
<tr>
<td></td>
<td>xiv. Reduce Fiscal Duty from 32% to 5%</td>
</tr>
<tr>
<td></td>
<td>d) New special type of vehicles of heading 8705</td>
</tr>
<tr>
<td></td>
<td>xv. Reduce Fiscal Duty from 32% to 5%</td>
</tr>
<tr>
<td></td>
<td>e) New trucks (goods vehicles) of gross vehicle weight exceeding 3 tonnes</td>
</tr>
<tr>
<td>NOTE:</td>
<td>(No need to apply, customs entry to be lodged with Customs and paid)</td>
</tr>
</tbody>
</table>

**Goods eligible for Duty Concessions – Under Part 3**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Items</th>
<th>Fiscal</th>
<th>VAT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies involved in or with Logging Industry</td>
<td>New cabs &amp; chassis</td>
<td>5%</td>
<td>9%</td>
</tr>
</tbody>
</table>

*Conditions applied can be obtained from FRCA*
For local investors interested in setting up businesses pertaining to the Forestry Sector, the following financial assistance schemes/programs are available to their advantage provided they meet the criteria/requirements set by responsible Organizations, Ministries and Statutory bodies.

1. National Export Strategy (NES)

The NES aims to achieve sustainable growth by encouraging exports, competitiveness, value addition and diversification. The Forestry sector is one of the 6 major sectors prioritized from the 13 sectors in the NES to improve our export performance under current economic conditions.

General criteria:

- Proposals will be invited from on-going projects in the 6 prioritized sectors (Agro-Business, Forestry, Marine Products, Mineral Water, ICT and Audio Visual);
- Proposals should be current exporters;
- Proposals must address issues of increasing exports, value adding and diversification;
- Proposals must state direct and positive impact on foreign exchange earnings in the medium-term;
- Proposals must demonstrate benefits to the livelihood of the general populace.

Specific criteria:

- Proposals must be submitted using the NES standard Application Form (form can be downloaded from the MITT website);
- Proposals that require construction works must set clear timelines, budget and an Implementation Plan;
- Proposals must provide 3 quotations of project works to be carried out, for instance, construction works and equipment;
- Proposals must provide company’s Bank Account number, TIN number and Company Registration Certificate;
- Proposals should provide copies of latest tax returns lodged with FRCA;
- Proposals should provide valid export license and approved export premises issued by Biosecurity Authority of Fiji (BAF);
- Proposal from import substitution related projects will be excluded;
- Proposals must provide Customs Entry for export for last 2 years;
Proposals should be operating for at least 2-3 years; and
The Minister may accept additional criteria if the need arises.

Application forms & additional information can be obtained from the MITT website (www.mit.gov.fj)

2. Fiji Development Bank (FDB)

FDB aims at developing local resources, encouraging greater participation in the economy, creating long term employment and enhancement of a better standard of living for all.

FDB provides interest subsidy for its focused sector loans below $50,000.00 and this includes:

- Agriculture (includes floriculture, horticulture, sugarcane, apiaries, livestock, copra, dairy etc.)
- Fisheries (includes in-shore fishing, tilapia and prawn farming, aquaculture, pearls etc.)
- Forestry (includes logging, associated cartage, machinery, equipment etc.)
- Mining & Quarrying (includes working capital, heavy equipment)

Application forms & additional information can be obtained from the FDB website (www.fdb.com.fj)

3. Integrated Human Resource Development Program (IHRDP)

IHRDP is a key coordinating agency for all relevant stakeholders in a participatory approach to promote economic and social well-being for all communities.

The programme is designed to address “unemployment” in a holistic way by combining efforts of the public, private and civil society sectors.

Requirements for submission

Criteria
- Unemployment level in village/settlement
- No. of business in operation in village/settlement
- Average weekly income for working population
- Available land & sea resources
- Maximum 6 months for construction
Who is eligible?
Communities, villages, settlements.

What type of projects can be funded?
Any type of income generating projects [IGPs] that creates decent work.

National Centre for Small and Micro Enterprises Development (NCSMED)

Originally set up in 2002 under the Small and Micro Enterprises (SMEs) Development Act 2002, this government statutory organization was established to support the creation and development of SMEs in Fiji.

Its objective is to encourage sustainable business growth, investment and meaningful employment.

Under the NCSMED, financial assistance [via grants & soft loans] is also provided through these programs:

Northern Development Program
- Provides equity assistance through grants to enterprises to improve the livelihoods of the people of the Northern Division.
- Economic sectors covered include Agriculture, Fisheries, Forestry, Tourism and Manufacturing.
- Beneficiaries are micro, small & medium enterprises.

Micro-Finance Unit - South Pacific Business Development (SPBD)

Fiji Council of Social Services (FCOSS)
5. **Import Substitution & Export Finance Facility (ISEFF)**

- Administered by the Reserve Bank of Fiji (RBF).
- Aims to advance competitiveness and ensure the availability of credit to the export sector.
- Provides back-to-back finance through commercial banks, licensed credit institutions and FDB.
- This facility continues to provide loans at concessional interest rates to promote investment in exports, import substitution and renewable energy. As of April 2017, the facility had issued a total of $89.2 million loans, out of which $29.3 million are cleared by debtors.
- Details of eligibility criteria can be obtained from RBF.

6. **Forestry Subsidy Assistance Scheme**

- Support income generating forestry projects through subsidy—specifically targeting minor forest produce, wood waste utilization, community driven forest base production and provide assistance to other small scale wood industry.
- Scheme is regulated by Ministry of Forests

7. **Seed Capital Revolving Fund (SCARF)**

- SCARF is regulated by Ministry of Forests and managed by FDB (co-financier)
- Main objective is to assist resource owners in making use of their resource
- Ministry of Forests vets applications before submission to FDB who have their own requirements.
- Project proposal should not exceed $250,000.00.
Individuals or Businesses seeking technical assistance, advice and detailed information are welcome to visit any of our Forestry Offices located around the country:

<table>
<thead>
<tr>
<th>Forestry Office</th>
<th>Address</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters</td>
<td>Level 3 Takayawa Building, Toorak, Suva</td>
<td>330 1611</td>
</tr>
<tr>
<td>Northern Division</td>
<td>Level 2 Macuata House, Labasa</td>
<td>881 2077</td>
</tr>
<tr>
<td>Western Division</td>
<td>Tagimoucia Street, Lautoka</td>
<td>666 1300</td>
</tr>
<tr>
<td>Central/Eastern Division</td>
<td>Level 1, River House, Nausori</td>
<td>347 7995</td>
</tr>
<tr>
<td>Colo-i-Suva Forestry Station</td>
<td>Colo-i-Suva, Tamavua</td>
<td>332 2311</td>
</tr>
<tr>
<td>Timber Industry Training Centre (TITC)</td>
<td>Nasinu</td>
<td>334 3039</td>
</tr>
<tr>
<td>Timber Utilization Division (TUD)</td>
<td>Nasinu</td>
<td>339 3611</td>
</tr>
<tr>
<td>Ba Office (Forest Ranger)</td>
<td>Koronubu House, Ba</td>
<td>626 4287</td>
</tr>
<tr>
<td>Vunimaqo Station (Forest Ranger)</td>
<td>Deuba</td>
<td>345 1078</td>
</tr>
<tr>
<td>Dreketi (Forest Ranger)</td>
<td>Dreketi</td>
<td>829 2077</td>
</tr>
<tr>
<td>Rakiraki (Forest Ranger)</td>
<td>Riverside Plaza Building</td>
<td>669 4161</td>
</tr>
<tr>
<td>Savusavu (Forest Ranger)</td>
<td>Valeci, Savusavu</td>
<td>885 0436</td>
</tr>
<tr>
<td>Tailevu (Forest Ranger)</td>
<td>Korovou town, Tailevu</td>
<td>343 0100</td>
</tr>
<tr>
<td>ACRONYMS</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>CITES</td>
<td>Convention on International Trade in Endangered Species</td>
<td></td>
</tr>
<tr>
<td>DFO</td>
<td>Divisional Forest Officer</td>
<td></td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
<td></td>
</tr>
<tr>
<td>FDB</td>
<td>Fiji Development Bank</td>
<td></td>
</tr>
<tr>
<td>FFHCOP</td>
<td>Fiji Forest Harvesting Code of Practice</td>
<td></td>
</tr>
<tr>
<td>FIRC</td>
<td>Foreign Investment Registration Certificate</td>
<td></td>
</tr>
<tr>
<td>FNPF</td>
<td>Fiji National Provident Fund</td>
<td></td>
</tr>
<tr>
<td>FRCA</td>
<td>Fiji Revenue &amp; Customs Authority</td>
<td></td>
</tr>
<tr>
<td>IHRDP</td>
<td>Integrated Human Development Program</td>
<td></td>
</tr>
<tr>
<td>ISEFF</td>
<td>Import Substitution &amp; Export Finance Facility</td>
<td></td>
</tr>
<tr>
<td>MITT</td>
<td>Ministry of Industry, Trade and Tourism</td>
<td></td>
</tr>
<tr>
<td>NCSMED</td>
<td>National Centre for Small and Micro Enterprises Development</td>
<td></td>
</tr>
<tr>
<td>NTPC</td>
<td>National Training &amp; Productivity Centre</td>
<td></td>
</tr>
<tr>
<td>SME</td>
<td>Small Micro Enterprises</td>
<td></td>
</tr>
<tr>
<td>TFR</td>
<td>Tax Free Region</td>
<td></td>
</tr>
<tr>
<td>TI</td>
<td>Timber Inspector</td>
<td></td>
</tr>
<tr>
<td>TIN</td>
<td>Tax Identification Number</td>
<td></td>
</tr>
<tr>
<td>TLTB</td>
<td>I-Taukei Lands Trust Board</td>
<td></td>
</tr>
<tr>
<td>TPO</td>
<td>Timber Production Officer</td>
<td></td>
</tr>
</tbody>
</table>
TLC  
Tauleni Lands Commission

VAT  
Value Added Tax

REFERENCES:

- Fiji Development Bank
- Fiji Revenue & Customs Services
- Ministry of Economy
  - 2017-2018 Budget Supplement
  - 2017-2018 Budget Summary of Revenue Policies
- Integrated Human Development Program
- Investment Fiji
- Licensing & Logging – Planning Procedures
- Ministry of Industry and Trade
- National Centre for Small & Micro Enterprises Development
- Reserve Bank of Fiji
FOREST PRODUCE INSPECTION CERTIFICATE FOR EXPORT

To: Conservator of Forest

This is to certify that the Forest Produce described below was examined on ………………… by the undersigned, an authorized officer of the Department of Forestry, and was found to the best of his knowledge to be free from harmful insects, fungi and other organisms.

DEPARTMENT OF FORESTS

DESCRIPTION OF FOREST PRODUCE TO BE EXPORTED

Name of Exporter: ____________________________________________________________

Address: __________________________________________________________________

C onsignee: _________________________________________________________________

Address: ________________________________________________________________

Shipping Marks or Brand: ____________________________________________________

Type of Forest Produce (sawn timber, logs, etc. Details recorded overleaf if necessary):

____________________________________________________________________________

____________________________________________________________________________

Treatment Specified by Exporter: ______________________________________________

Treatment (Spray/Dip/Fumigation): ____________________________________________

Chemical and Concentration: ________________________________________________

Duration: ___________________________________________________________________

Ship: ________________________________________________________________________

Port of Loading: ______________________________________________________________________

Date of Departure: ______________________________________________________________________

Destination: ______________________________________________________________________
**TIMBER GRADING REPORT**

To: Conservator of Forests

The grade of the following export consignment has been checked:

### CONSIGNMENT DETAILS

Name of Exporter: ________________________________________________

<table>
<thead>
<tr>
<th>Species</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost/m³-FOB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cost-FOB</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moisture Content</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preservative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### GRADING RESULTS

Date of Inspection: _______________ Inspection Details: ________________________________

Issue of Export License  
[ ] recommended  [ ] not recommended

Date: ________________________________
DEPARTMENT OF FORESTS

APPLICATION FOR EXPORT LICENSE

To: Conservator of Forests

I hereby apply for an Export License for the forest produce detailed below:

CONSIGNMENT DETAILS

<table>
<thead>
<tr>
<th>Species</th>
<th>Dimensions</th>
<th>Volume</th>
<th>Cost/m³-FOB</th>
<th>Total Cost-FOB</th>
<th>Moisture Content</th>
<th>Preservative Treatment</th>
<th>Grade</th>
</tr>
</thead>
</table>

SHIPPING PARTICULARS

<table>
<thead>
<tr>
<th>Date of Loading:</th>
<th>FD Application No:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Port of Loading:</th>
<th>UD Ref. No:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vessel:</th>
<th>FD Export License No:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Destination: _________________________ Fumigation: Yes No
Consignee: _________________________ Chemical/Concentration: _________________

STATISTICAL RETURN

If I am granted a license as a result of this application, I undertake to submit to the Department of Forestry a true copy of the “Invoice for Customs Purposes” as supplied to the Customs Department when the consignment is shipped. The information therein will be treated as Confidential.

Signed: ........................................

Date: .............................

Address: _____________________________________________________________

Contact (Name): _______________________________________________________

Phone: _______________________________________________________________

Record full details overleaf if space is inadequate
APPLICATION FOR TIMBER IMPORT PERMIT

To: Conservator of Forests

I hereby apply for a permit to import timber as described below to be imported in accordance with the requirements of the Quarantine Regulations, 1992.

DESCRIPTION OF TIMBER TO BE IMPORTED

a. Source of Supply (include address of company):

______________________________________________________________________________________

b. Species: ____________________________

c. Grade [specify standard used]: ____________________________

d. Product Type: ____________________________

e. Quantity [m³]: ____________________________ Total value (FJD): ____________________________

f. Moisture content (State if kiln dried): ____________________________

g. Preservative Treatment: ☐ Yes ☐ No Fungi./Insecticidal Treatment: ☐ Yes ☐ No

i. Chemical: ____________________________ i. Type: ____________________________

ii. Retention: ____________________________ ii. Rate of application: ____________________________

iii. Standard Used: ____________________________

h. Fumigation Treatment at Point of Loading: ☐ Yes ☐ No

i. Gas Used: ____________________________
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ii.</td>
<td>Dosage:</td>
</tr>
<tr>
<td>i.</td>
<td>Expected Arrival Date:</td>
</tr>
<tr>
<td>j.</td>
<td>Name of Vessel:</td>
</tr>
</tbody>
</table>

**DETAILS OF IMPORTER**

| a. | Name and Address:  |
|    |  |
|    |  |
| b. | Telephone:  Mobile:  |

**LOCATION OF STORAGE AREA FOR FURTHER INSPECTION**

____________________________________________________________________________________

Signature:  
Date:  

Note: All imported timber are subject to inspection on arrival. An application for inspection should be lodged with the Conservator of Forests before the timber arrives into the country.
DEPARTMENT OF FORESTS

INSPECTION CERTIFICATE FOR IMPORTED FOREST PRODUCE

To: Chief Quarantine Officer

The Imported forest produce described below is (delete those not applicable)

1. Cleared/ Not Cleared for Importation
2. To be Treated as Specified Below
3. To be Disposed Of as Specified Below

Name of Importer: ________________________________________________________________

Address: ________________________________________________________________________

Country of Origin of Imported Forest Produce: __________________________________________

Vessel: _________________________________________________________________________

Voyage: ________________________________________________________________________

_______________________________________________________________________________________

_______________________________________________________________________________________

Brandmarks | Species | Volume | Value | Description
------------|---------|--------|-------|-------------

Location: __________________________

Date: __________________________

Quarantine Officer: __________________________

Remarks: __________________________

Timber Inspector

Importers Ref. No: __________________________

FD Application No: __________________________

Import Permit No: __________________________

FD Import License No: __________________________

The Leader in forests sustainability and innovation for small island economies
FORESTRY

BUSINESS GUIDE

Aug 2017 – July 2018

Ministry of Forests

Level 3 Takayawa Building,

Suva, Fiji.

Telephone: (679) 3301 611

Facsimile: (679) 3300 435