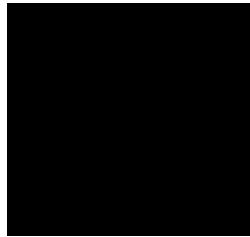


Commencement: 1 January 1976



CHAPTER 91

IMPORT DUTIES (CONSOLIDATION)

JR 52 of 1975	Act 40 of 1984	Act 5 of 1995
JR 37 of 1976	Act 11 of 1985	Act 12 of 1995
JR 39 of 1976	Act 33 of 1985	Act 2 of 1996
JR 6 of 1977	Act 26 of 1986	Act 11 of 1996
JR 20 of 1977	Act 11 of 1988	Act 8 of 1998
JR 16 of 1978	Act 22 of 1988	Act 8 of 1999
Act 3 of 1980	Act 49 of 1989	Act 9 of 2000
Act 8 of 1980	Act 10 of 1990	Act 34 of 2001
Act 1 of 1982	Act 15 of 1990	Act 31 of 2002
Act 6 of 1982	Act 1 of 1992	Act 16 of 2003
Act 33 of 1982	Act 16 of 1992	Act 27 of 2003
Act 1 of 1984	Act 32 of 1993	Act 8 of 2004
Act 27 of 1984	Act 17 of 1994	Act 19 of 2005

ARRANGEMENT OF SECTIONS

1. Customs import duties	SCHEDULE 1 – Harmonized System Nomenclature
2. Duties to be levied on customs value of goods	SCHEDULE 2 – Customs Valuation of Imported Goods
3. (Repealed)	
4. Remission of duty on motor spirit	SCHEDULE 3 – Exemption from Customs Duties on Goods Imported or Delivered from Bonded Warehouse
5. Reduction of import duty for agricultural development	
6. Method of payment	SCHEDULE 4 – (Repealed)
7. Offences	

SCHEDULE 2

(section 2)

CUSTOMS VALUATION OF IMPORTED GOODS

1. Interpretation

(1) In this Schedule, unless the contrary intention appears:

“buying commissions” mean the fees paid by an importer to the importer’s agent for the service of representing the importer abroad in the purchase of goods being valued;

“computed value” means the value determined in accordance with clause 8;

“customs value of imported goods” means the value of goods for the purposes of levying ad valorem duties of customs on imported goods;

“country of export” or “the country from which goods are exported” means the country from which the goods are transported directly to Vanuatu or the country from which goods are taken to be transported directly under subclause (6);

“country of importation” means the country or customs territory of importation;

“deductive value” means the value determined in accordance with clause 7;

“goods of the same class or kind” means goods that are within a group or range of goods produced by a particular industry or industry sector, and includes identical goods or similar goods;

“identical goods” means imported goods that:

- (a) are the same in all respects, including physical characteristics, quality and reputation, as the goods being valued, except for minor differences in appearance that do not affect the value of the goods; and
- (b) were produced in the same country as the goods being valued were produced; and
- (c) were produced by or on behalf of the producer of the goods being valued;

but does not include goods which incorporate or reflect engineering, development, artwork, design work, plans and sketches for which no adjustment has been made under clause 4(2)(g)(iv) because such elements were undertaken in Vanuatu;

“price actually paid or payable” is the total payment

- (c) they are employer and employee; or
 - (d) in the case of persons that are bodies corporate – another person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock or shares of both of them; or
 - (e) one of them directly or indirectly controls the other; or
 - (f) both of them are directly or indirectly controlled by another person; or
 - (g) together they direct or indirectly control another person; or
 - (h) they are members of the same family.
- (3) For the purposes of this Schedule, persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire, however described, of the other are taken to be related if they fall within the criteria of subclause (2).
- (4) For the purposes of this Schedule, persons are taken to be members of the same family if:
- (a) they are connected by blood relationship within the fourth degree (Not - 0 -1.1437 TD -0.0165eo.9(th0 -1.1ip
 - (g) the 6-8 (t9 (the) -6p) -6(u94((p6(u94(uij)-4s)-2.2(svip)-5f)3.1(wo).97th)-6(sa)-6sc)-862(hedule6-6(-2.

- (c) the decision of 24 September 1984 on the Valuation of Carrier Media Bearing Software for Data Processing Equipment that was adopted by the WTO Committee on Customs Valuation on 12 May 1995.
2. Application
- (1) The provisions of this Schedule apply to any goods imported into Vanuatu on or after the date specified by Order in writing made by the Minister.
- (2) The customs value of imported goods is to be determined in accordance with clauses 3 to 9.
- (3) The customs value of imported goods is their transaction value if the customs value can be determined in accordance with clauses 3 and 4.
- (4) If the customs value of imported goods cannot be so determined, it must be determined in the following order and on the following basis:
- (a) the transaction value of identical goods that meet the requirements set out in clause 5;
- (b) the transaction value of similar goods that meet the requirements set out in clause 6;
- (c) the deductive value of the imported goods as set out in clause 7;
- (d) the computed value of the imported goods as set out in clause 8.
- (5) The Director of Customs must reverse the order of consideration of the valuation basis provided for in subclauses (4)(c) and (d) upon receipt of a written request from the importer. The reversal must be confirmed in writing by the Director of Customs.
- (6) If the customs value of imported goods, cannot be determined on the basis of any of the methods referred to in subclauses (4)(a) to (d), the customs value of the goods must be determined under clause 9.
3. Transaction value as primary basis of customs valuation
- (1) The customs value of imported goods is the transaction value, that is the price actually paid or payable for the goods when sold for export to Vanuatu adjusted in accordance with clause 4, if:
- (a) there are no restrictions as to the disposition or use of the goods by the buyer other than restrictions which:
- (i) are imposed by law; or
- (ii) limit the geographical area in which the goods may be resold; or
- (iii) do not substantially affect the value of the goods; and
- (b) the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued; and
- (c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with clause 4; and
- (d) the buyer and the seller of the goods are not related to each other at the time the goods are sold for export or, if the buyer and the seller are related to each other at that time, the transaction value is acceptable for customs purposes under subclause (4).
- (2) If the buyer and seller are related, the Director of C Dire

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- (a) the relationship between the buyer and the seller did not influence the price of the goods; or
 - (b) the importer of the goods demonstrates the transaction value of the goods closely approximates to one of the following occurring at or about the same time:
 - (i) the transaction value in sales to unrelated buyers of identical goods or similar goods for export to Vanuatu;
 - (ii) the deductive value of identical goods or similar goods;
 - (iii) the computed value of identical goods or similar goods.
- (5) In applying the tests in subclause (4)(b), due account must be taken of:
- (a) demonstrated differences in commercial levels and quantity levels; and
 - (b) the amounts referred to in clause 4; and
 - (c) costs incurred by the seller in sales in which the seller and the buyer are not related, being costs that are not incurred by the seller in sales in which the seller and the buyer are related.
- (6) Without limiting subclause (4)(b), the factors that may be taken into consideration in determining whether one value closely approximates to another, include the following:
- (a) the nature of the goods being valued;
 - (b) the nature of the industry that produces the goods being valued;
 - (c) the season in which the goods being valued are imported;
 - (d) whether a difference in values is commercially significant.
- (7) The tests in subclause (4)(b) are to be used at the initiative of the importer and only for comparison purposes. Substitute values may not be established under subclause (4)(b).
4. Adjustment of price actually paid or payable
- (1) In determining the customs value of imported goods under clause 3, the price actually paid or payable for the goods must be adjusted in accordance with subclauses (2) and (5).
- (2) There is to be added to the price actually paid or payable for the imported goods the following amounts, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:
- (a) commissions and brokerage, except buying commissions;
 - (b) the cost of containers, cartons, cases and coverings that are treated for customs purposes as being part of the goods;
 - (c) the cost of packing the goods whether for labour or materials;
 - (d) royalties and licence fees, including payments for patents, trademarks and copyright, relating to the goods being valued that the buyer must pay, directly or indirectly, as a condition of sale of the goods being valued (exclusive of charges for the right to reproduce the goods in Vanuatu);
 - (e) the value of any part of the proceeds of any subsequent resale, disposal or use of the goods that accrues or is to accrue directly or indirectly to the seller;
 - (f) the following costs and charges:
 - (i) the cost of transportation of the goods to Vanuatu;
 - (ii) the loading, unloading and handling charges associated with the transportation of the goods to Vanuatu;
 - (iii) the cost of insurance of the goods to Vanuatu;
 - (g) the value (determined and apportioned in accordance with subclause (3)) of the following goods and services that are supplied directly or indirectly by the buyer free of charge, or at a reduced cost, for use in connection with the production and sale for export of the imported goods:

- (i) material components, parts and other goods incorporated in the imported goods;
 - (ii) tools, dies, moulds and other goods used in the production of the imported goods;
 - (iii) materials consumed in the production of the imported goods;
 - (iv) engineering, development, art work, design work, plans and sketches undertaken outside Vanuatu and necessary for the production of the imported goods.
- (3) The value of the goods and services in subclause (2)(g)(i), (ii), (iii) and (iv) is to be:
- (a) determined in a reasonable manner appropriate to the circumstances; and
 - (b) apportioned to the imported goods in a reasonable manner appropriate to the circumstances and in accordance with generally accepted accounting principles.
- (4) Without limiting subclause (3)(a):
- (a) if the importer acquires the goods or services at a given cost from a seller who is not related to the importer – the value of the goods or services is that cost; or
 - (b) if the goods or services were produced by the importer or by a person related to the importer – the value of the goods or services is the cost of producing the goods or services; or
 - (c) if the goods or services had previously been used by the importer, whether or not acquired or produced by such importer – the value of the goods or services would be the original cost of acquisition or production adjusted downward to reflect the prior use.
- (5) There is to be deducted from the price actually paid or payable for the goods the following amounts, to the extent that they are included in the price actually paid or payable for the goods:
- (a) any reasonable costs, charges or expenses for the construction, erection, assembly, maintenance or technical assistance provided in respect of the goods after they are imported;
 - (b) any reasonable costs, charges or expense incurred in respect of the transportation or insurance of the goods within Vanuatu;
 - (c) any other customs duties or taxes payable in Vanuatu by reason of the importation or sale of the goods;
- if the costs, charges, expenses, duties or taxes are distinguished from the price actually paid or payable for the goods.
- (6) Additions and deductions to the price actually paid or payable for imported goods must be made on the basis of sufficient information.
- (7) No additions or deductions are to be made to the price actually paid or payable for imported goods in determining their customs value except as provided for by this clause.
- (8) If there is not sufficient information to determine any of the amounts required to be added to, or deducted from, the price actually paid or payable, the transaction value of the goods being valued cannot be determined under clause 3.
5. Transaction value of identical goods as customs value
- (1) Subject to subclauses (2), (3) and (4), if the customs value of imported goods cannot be determined under clause 3, the customs value of the goods is the transaction value of identical goods if the identical goods were:
- (a) sold for export to Vanuatu; and
 - (b) exported at the same or substantially the same time as the goods being valued; and
 - (c) sold to a buyer:
 - (i) at the same or substantially the same commercial level as the buyer of the goods being valued; and
 - (ii) in the same or substantially the same quantities as the goods being valued.

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- (2) If the identical goods were not sold under the conditions described in subclause (1)(c), other identical goods sold to a buyer under any of the following conditions are to be substituted:
- (a) at the same or substantially the same commercial level but in different quantities;
 - (b) at a different commercial level but in the same or substantially the same quantities;
 - (c) at a different commercial level and in different quantities.
- (3) The transaction value of identical goods must be adjusted by adding to or deducting from that value, as the case may be, amounts to account for:
- (a) if the costs and charges referred to in clause 4(2)(f) are included in the transaction value – significant differences in such costs and charges between the imported goods and the identical goods arising from differences in distances and modes of transport; and
 - (b) if the transaction value is in respect of identical goods sold under the conditions described in subclause (2)(a), (b) or (c) – differences in either or both of the following:
 - (i) the commercial levels of buyers of the identical goods and the imported goods;
 - (ii) the quantities in which the identical goods and the imported goods were sold.
- Each of the amounts must be determined on the basis of sufficient information. However, if any such amount cannot be so determined, the customs value of the imported goods must not be determined on the basis of the transaction value of identical goods under this clause.
- (4) If, in applying this clause, more than one transaction value of identical goods is found, the lowest

8. Computed value as customs value
- (1) If the customs value of imported goods cannot be determined under clause 7, the customs value of the goods is the computed value of the goods.
- (2) The computed value of the imported goods is the sum of:
- (a) the costs, charges and expenses, or the value, of:
 - (i) materials employed in producing the imported goods; and
 - (ii) the production or other processing of the imported goods;including the costs, charges and expenses mentioned in subclause (3), and determined in the manner specified in subclause (4); and
 - (b) an amount for profit and general expenses, considered together as a whole, equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to Vanuatu, and determined under subclause (5).
- (3) The costs, charges and expenses mentioned in subclause (2)(a) include the following:
- (a) the costs referred to in clause 4(2)(b) and (c);
 - (b) the value of any goods and services referred to in clause 4(2)(g) which have been supplied directly or indirectly by the buyer for use in connection with the production of the imported goods;
 - (c) the value of engineering, development, artwork, design work, plans and sketches that were undertaken in Vanuatu to the extent that such elements are charged to the producer of the goods.
- (4) The costs, charges and expenses referred to in subclause (2)(a) are to be determined on the

- (a) the selling price in Vanuatu of goods produced in Vanuatu; or
- (b) a system which provides for the acceptance for customs purposes of the higher of 2 alternative values; or
- (c) the price of goods on the domestic market of the country of exportation; or
- (d) the cost of production other than computed values that have been determined for identical or similar goods in accordance with clause 7; or
- (e) the price of goods for export to a country other than Vanuatu; or
- (f) minimum customs values; or
- (g) arbitrary or fictitious values.

10. Appeal rights

- (1) At any time after the making of a determination by the Director of Customs in relation to any imported goods, the Director of Customs may review the determination.
- (2) The importer of any goods may, at any time after the making of a determination by the Director of Customs in relation to the goods, request the Director of Customs to review the determination.
- (3) If, as a result of a review under subclause (1) or (2), the Director of Customs is satisfied that the determination is:
 - (a) inconsistent with this Schedule; or
 - (b) incorrect for any other reason;the Director of Customs must amend the determination, and import duty is payable in accordance with that amended determination.
- (4) If the importer of the goods is not satisfied with a decision of the Director of Customs under subclause (3) in relation to a determination, the importer may apply to the Supreme Court for a review of the original determination or the amended determination, as the case requires.
- (5) The Supreme Court may affirm, vary or revoke the original determination or the amended determination, as the case requires.

11. Supply of information

Subject to clause 12, upon the written request by the importer of any goods, the Director of Customs must give written notice to the importer:

- (a) of the customs value of the goods; and
- (b) the basis of the determination of that value; and
- (c) the provisions of this Schedule that apply to the goods.

12. Confidential information

(1) This clause applies to information that:

- (a) is by its nature confidential; or
- (b) has been provided to the Director of Customs by any government or person on a confidential basis for the purpose of determining the customs value of any goods.

(2) The information must not be disclosed to any other government or person without the specific authority of the government or person who provided the information, except to extent that it may be required to be disclosed in any legal proceedings arising out of a determination made under this Schedule.

13. Foreign currency conversion

(1) If the conversion of foreign currency into the currency of Vanuatu is necessary to determine the customs value of imported goods, the rate of exchange to be used:

- (a) is the rate duly published by the competent authority in Vanuatu; and
- (b) must reflect as effectively as possible, in respect of the period covered by each such document of publication, the current value of such currency in commercial transactions in terms of the currency of Vanuatu.

- (2) The rate of exchange to be used is the rate referred to in subclause (1) that is in effect at the time when the imported goods are declared for customs purposes.
- (3) The Director of Customs must notify the rate of exchange in such manner as he or she determines.

14. Withdrawal of goods

- (1) If, in the course of determining the customs value of imported goods, it becomes necessary to delay the final determination of the customs value, the importer of the goods may withdraw the goods from the control of the Director of Customs.

- (2) The Director of Customs as a condition of withdrawal of any goods may require from thenay 11.3(e)283

LAWS OF THE REPUBLIC OF VANUATU
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SECTION 1 – ECONOMIC RELIEFS

X.1 Goods Imported for Manufacturing or Processing Operation – Standard Relief

The Director of Customs may, subject to the favourable recommendations of the Director of Industry exempt any goods or approve a reduction of customs duty otherwise payable under the Customs Tariff, in respect of any goods being raw materials, machinery or equipment to be used exclusively in a manufacturing or processing operation in the Republic of Vanuatu.

Provided that:

- (a) application shall be made to the Director of Industry in such form and manner as may be prescribed by the Director; and
- (b) the finished goods arising from such manufacture or processing operation shall, in the interests of consumer protection, satisfy the Director of Industry in respect of their quality, quantity and value; and
- (c) the importer shall at all times comply with such terms and conditions as maybe imposed by the Director of Industry.

X.1A Goods Imported for Manufacturing or Processing Operation Involving Capital Investment of VT 1 Billion or More

- (1) Despite clause X.1, the Director of Customs may, subject to the favourable recommendation of the Director of Industry, approve a total exemption from customs import duty on any goods referred to in that item for the prescribed period if:
 - (a) the requirements set out in that item are met; and
 - (b) the Director of Industry is satisfied that the capital investment in Vanuatu in the manufacturing or processing operation concerned will be VT 1 billion or more within the prescribed period.
- (2) If the Director of Industry advises the Director of Customs, after the exemption is approved, that the Director of Industry is satisfied (based on information not available to him or her when making the recommendation under subsection (1)) that the capital investment in Vanuatu has been or will be less than VT 1 billion within the prescribed period:
 - (a) the exemption ceases to apply; and
 - (b) the provisions of clause X.1 are to be applied in relation to any goods that have been imported and are the subject of the exemption; and
 - (c) the importer must pay any customs import duty that is determined to be payable under paragraph (b).
- (3) However, if the Director of Industry advises the Director of Customs that the Director of Industry is satisfied that failure to invest VT 1 billion or more within the prescribed period is due to circumstances beyond the control of the importer, the Director of Customs may continue the exemption for a further period.
- (4) If the Director of Industry subsequently advises the Director of Customs that the Director of Industry is satisfied (based on information not available to him or her when giving advice under subclause (3)) that the capital investment in Vanuatu has been or will be less than a total of VT 1 billion during the prescribed period and the further period, subclause (2)(a), (b) and (c) applies.
- (5) In this item, “prescribed period”, for an exemption from customs import duty, means the 3 year period commencing from the approval of the application for the exemption.

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- (5) In this item, "prescribed period", for an exemption from customs import duty, means the 3 year period commencing from the approval of the application for the exemption.

X.4 Goods Imported for Inter-Island Shipping – Standard Relief

The Director of Customs may approve a reduction of customs duty, otherwise payable under the Customs Tariff: –

- (i) to a rate of not less than 5% for plant, machinery, equipment and materials (including spare-parts) imported exclusively for use in inter-island shipping; and
- (ii) to a rate of 6 VT per litre for fuel oils, intended exclusively for use by cargo vessels engaged in inter-island transportation:

Provided that:

- (a) application for reduction shall be made to the Director of Customs in such form and manner as may be prescribed by him; and
- (b) the person to whom relief is granted shall at all time comply with such terms and conditions as may be imposed by the relevant Director of Customs.

X.4A Goods Imported for Inter- Island Shipping Involving Capital Investment of VT 1 Billion or More

(1) Despite item X.4, the Director of Customs may approve a total exemption from customs import duty on any goods referred to in that item for the prescribed period if:

- (a) the requirements set out in that item are met; and
 - (b) the Director is satisfied that the capital investment in Vanuatu in the shipping project concerned will be VT 1 billion or more within the prescribed period.
- (2) If the Director determines (after the exemption is approved and based on information not available to him or her when approving the total exemption under subclause (1)) that the capital investment in Vanuatu has been or will be less than VT 1 billion within the prescribed period:
- (a) the exemption ceases to apply; and
 - (b) the provisions of clause X.4 are to be applied in relation to any goods that have been imported and are the subject of the exemption; and
 - (c) the importer must pay any customs import duty that is determined to be payable under paragraph (b).
- (3) However, if the Director determines that failure to invest VT 1 billion or more within the prescribed period is due to circumstances beyond the control of the importer, he or she may continue the exemption for a further period.
- (4) If the Director determines subsequently (based on information not available to him or her when making the determination under subclause (3)) that the capital investment in Vanuatu has been or will be less than a total of VT 1 billion during the prescribed period and the further period, subclause (2)(a), (b) and (c) applies.
- (5) In this item, "prescribed period", for an exemption from customs import duty, means the 3 year period commencing from the approval of the application for the exemption.

X.5 Goods Imported for a Tourism Development Project – Standard Relief

The Director of Customs may, subject to a favourable recommendation of the Director of Tourism approve a reduction of custom duty, otherwise payable under the Customs Tariff –

- (i) to a rate of not less than 5% on all plant, machinery, equipment and materials (including spare-parts) imported exclusively for the construction and establishment of a new tourism development project, or the upgrading, refurbishment or extension of an existing tourism facility which the Director is satisfied is likely to contribute significantly to the economic development of the Republic of Vanuatu; and
- (ii) to a rate of 6 VT per litre for fuel oils intended exclusively for use by static electro-generators in rural areas where no public utility services are available.

Provided that:

- (a) application for reduction of exemption shall be made to the Director of Tourism in such form and manner as may be prescribed by him; and
- (b) the goods shall be intended exclusively for use in tourism development project approved by the Director of Tourism;
- (c) the person to whom relief is granted shall at all time comply with such terms and conditions as may be imposed by the relevant Director of Customs.

X.5A Goods Imported for a Tourism Development Project involving Capital Investment of VT

the Director of Customs may, subject to the prior approval of the Council of Ministers, exempt the diesel fuel from Customs Duty otherwise payable or approve a reduction of Customs Duty otherwise payable in respect to the diesel fuel. The amount of the reduction is to be determined in writing by the Director.

- (2) The Director of Customs may impose such terms and conditions as the Director thinks necessary on any exemption or reduction under this section.
- (3) A person who is a party to the agreement referred to in subsection (1) must comply with such terms and conditions imposed under subsection (2).

X.9 Fisheries Industry Equipment for Project – Standard Relief

The Director of Customs may, subject to the favourable recommendations of the Director of Fisheries, approve a reduction of customs duty, otherwise payable under the Customs Tariff, to a rate of not less than 5% for:

- (i) Boats, and boat-building materials, including, fuel-oils, where these are to be exclusively for commercial fishing;
- (iii) Machinery, materials and equipment including fishing in-board and out-board motors, refrigeration equipment:

- (5) In this item, "prescribed period", for an exemption from customs import duty, means the 3 year period commencing from the approval of the application for the exemption.

SECTION 2 – PERSONAL RELIEFS

INTRODUCTION

Notwithstanding any thing in any other enactment or in any other section of this Act, for the purpose of determining entitlement to customs exemption which may be allowed in respect of imported personal and household effects, the following definitions shall apply:

"Director" shall mean the Director of the Vanuatu Customs Department.

"resident" shall mean any person importing personal or household effects who, on the date such goods are imported, has spent not less than 12 months in the Republic of Vanuatu during the preceding two (2)-year period.

"person changing residence" shall mean any person who has taken up, or intends to take up, continuous residence in Vanuatu for a period of not less than six (6) months.

"standard allowances" shall mean the following goods:

- (a) 250 cigarettes, or 100 cigarillos, or 50 cigars, or 250 grams of tobacco; and
- (b) 1.5 litres of spirits; and
- (c) 2250 millilitres of wine; and
- (ca) 9 litres of beer; and
- (d) 25 centilitres of toilet water; and
- (e) 10 centilitres of perfumed spirits; and
- (f) any other new or unused items including gifts (but excluding prohibited or restricted goods) up to a value of 50,000 vatu per person.

"means of transport" shall be taken to mean only motor vehicle, water-borne craft and aircraft.

"motor vehicle" shall mean any passenger motor car designed for the conveyance of a driver and up to a maximum of five adult passengers, but shall also include motorcycles, auto-cycles fitted with an auxiliary motor and mechanically-propelled invalid carriages.

"water-borne craft" shall mean yachts and other vessels designed for pleasure or sports and shall include ocean-going yachts up to a maximum of 40 net registered tons.

X.20 Personal and Household Reliefs

- (1) Accompanied personal and household effects

- (b) any goods admitted under (ii) above, shall not be sold, hired, given, lent, pledged or otherwise disposed of in Vanuatu; and
- (c) the allowances under (ii) above shall not include yachts, similar craft, and private aircraft for which separate provision is made under X.40.C. of this Schedule; and
- (d) any goods admitted under (ii) above shall be re-exported from Vanuatu within a period of 6 months from the date of importation, save for reason of circumstances accepted by the Director as being of an exceptional and unavoidable nature; and
- (e) the Director may, in any case where he sees fit, require the payment of a deposit or other security for the duties and taxes liable thereon until such time as the goods are re-exported; and
- (f) any goods admitted under (ii) above by a person who subsequently decides to become a resident of Vanuatu must be declared in writing to the Director within six months of the date of first importation, and any duties and taxes liable thereon paid or otherwise exempted under this or any other section of this Schedule in such manner and under such conditions as may be decided by the Director.

(2) Unaccompanied personal or household effects

(A) Residents

Any personal or household effects, other than means of transport, which can be shown to the satisfaction of the Director to have been owned and used abroad by the importer for a period of at least 12 months.

(B) Non-Residents

Any personal or household effects, including means of transport, which are imported solely for use by the importer or his family in the course of the visit:

provided that:

- (a) any goods so admitted shall not be sold, hired, given, lent, pledged or otherwise disposed of in Vanuatu; and
- (b) the goods shall not be used for any commercial purpose in Vanuatu; and
- (c) the goods admitted shall be re-exported from Vanuatu within a period of 6 months from the date of importation save for reason of circumstances accepted by the Director as being of an exceptional and unavoidable nature; and
- (d) the Director may, in any case where he sees fit, require a deposit or other security for the duties and taxes thereon until such time as the goods are re-exported from Vanuatu; and
- (e) any goods admitted under (ii) above by a person who subsequently decides to become a resident of Vanuatu must be declared in writing to the Director within six months of the date of first importation, and any duties and taxes liable thereon paid or otherwise exempted under this or any other section of this Schedule in such manner and under such conditions as may be decided by the Director.

(3) Person changing residence

In addition to any allowances to which they may be entitled under this or any other section of this Schedule, persons changing residence may also import the following goods:

- (a) new items of clothing, bedding or any other similar personal or household effects up to a maximum value of VT 50,000 per person; and
- (b) used items of personal and household effects, including means of transport, which can be shown to the satisfaction of the Director to have been owned and used abroad by the importer or his family:

provided that:

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- (i) the goods are imported within a period of 6 months before or 6 months after the date on which the importer first arrived in Vanuatu to take up a period of continuous residence; and
 - (ii) the goods shall not be sold, hired, given, pledged or otherwise disposed of in Vanuatu for a period of at least 2 years from the date of importation; and
 - (iii) in the case of means of transport, the goods must have been owned and used abroad by the importer for a period or periods in excess of 12 months in the 2 years preceding the date of importation into Vanuatu, and further provided that the maximum quantity allowable shall be limited to one motor-vehicle or one water-borne craft or one aircraft for each importer, or for each importer's family in any case where a person changing residence is joined or intends to be joined during his period of residence in Vanuatu by members of his immediate family; and
 - (iv) any goods previously imported to Vanuatu under a non-residents concession which are eligible for duty and tax-free admission by a person changing residence must be declared to the Director in writing within 6 months of the date of first importation, and any duties and taxes liable thereon paid or otherwise exempted under this or any other section of this Schedule in such manner and under such conditions as may be

- (d) the Director of Customs and Taxes may, as he sees fit, determine that gifts imported under (2) above by the same or several persons may be treated as a single importation and duty shall be assessed accordingly.

- (a) Building materials, including paint, for erection, maintenance or repair of any school or building attached to or in close proximity to a school and which are to be used exclusively for the accommodation of boarding pupils or permanent members of the teaching staff;
- (b) school furniture including desk, chairs and blackboards;
- (c) educational supplies including books, stationery, maps, charts, pencils, rulers, and equipment for technical education;
- (d) office equipment, generators, lawn mowers, kitchen equipment and any goods intended exclusively for use in schools (including vehicles or boats);

Provided that the Director of Customs may limit the number of exempt vehicles or boats issued under this provision, and

further provided:

- (i) that a certificate is given at the time of importation by an official of the organisation for which they are intended (such official having been specifically nominated for this purpose), stating that the goods are solely for use in a school or schools and that they are not intended to be resold or disposed of (otherwise than to the pupils of such school) in any other manner;
- (ii) that the Director of Customs shall be satisfied that such goods are necessary for the proper function of such establishment.

SECTION 4 – TEMPORARILY IMPORTED GOODS

X.40 Visiting Vessels and Aircraft

A. Vessels and aircraft engaged in International Trade

Any vessel or aircraft lawfully engaged in international trade which arrives in Vanuatu for the purpose of:

- (i) discharging or loading manifested cargo, or disembarking or embarking fare paying passengers; or
- (ii) safety, due to stress of weather, or repair, or for any other reason of circumstances accepted by the Director as being of an exceptional and unavoidable nature:

may be admitted free of duty, provided that the said aircraft shall depart Vanuatu within a reasonable period, having regard to the purpose of the visit, but in any case not later than 30 days save in any case where the Director approves an extension on the grounds of exceptional and unavoidable circumstance.

B. Foreign Government vessels and aircraft

X.41 Goods Imported for Display or Use at Exhibitions, Fairs, Meetings or Similar Events

Any goods imported for display, demonstration or use at exhibitions, fairs, meetings or similar events (other than exhibitions organised for private purposes in shops or business premises with a view to the sale of foreign goods), subject to whatever terms and conditions as may be determined by the Director

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Fire-fighting equipment including fire-extinguishers, fire-engines, fire-hoses and goods or materials imported for use with such equipment:

Provided that any goods which is claimed shall be subject of a signed undertaking that they are intended for use only as or with fire-fighting equipment and that they will be used for no other purpose.

X.53 Dental Surgery and Laboratory Supplies

The following items may be admitted free of duty:

- (a) Surgery equipment including dental chair units,

SECTION 6 – MISCELLANEOUS CONDITIONAL RELIEFS

X.60 Returned Goods

(A) Same state goods:

Any goods exported from Vanuatu which are subsequently re-imported in the same state provided that it can be shown to the Director's satisfaction that:

- (i) the goods are of Vanuatu origin; or
- (ii) if not of Vanuatu origin, that all import duties and taxes liable thereon have been paid and have not been refunded nor been the subject of a claim for reimbursement, of that the goods are otherwise exempt from liability;

may be admitted free of duty.

(B) Goods which have undergone a process or repair:

Any goods exported from Vanuatu which have undergone a process or repair and which are re-imported within such time limits as may be determined by the Director may be admitted free of duty provided that:

- (i) the goods are declared to Customs, in such form and manners as may be required by the Director, prior to their exportation from Vanuatu; and
- (ii) the goods have not been nor will be the subject of a claim for reimbursement of import duties and taxes by virtue of their exportation; and
- (iii) the costs of any materials used or incorporated during the process or repair, as well as any other costs relating thereto shall be declared:

and further provided that duties and taxes shall be liable on the value added to the exported goods by virtue of such process or repair except in any case where replacement parts or labour is provided without charge under a guarantee or warranty agreement.

X.61 Containers, Crates, etc.

Containers, crates, etc., in which goods liable to customs duties (whether exempted therefrom or not) are normally placed or packed during transportation may be admitted free of duty:

Provided that the Director is satisfied that any containers so specified are of no substantial value for any purpose other than as containers of the goods actually packed therein:

and provided further that in the case of international shipping containers, the said containers are re-exported from Vanuatu within a period of 6 months from the date of importation.

X.62 Soft Techniques of Energy

The following goods may be admitted at the rate of duty 5% unless the substantive tariff rate is lower than 5% in which case the substantive tariff rate shall apply:

- (a) Solar heaters;
- (b) Photovoltaic generators, consisting of panels of photocells combined with other apparatus such as voltage regulators and storage batteries, including accessories and replacement parts therefor;
- (c) hydraulic engines and motors (including water wheels and water turbines);
- (d) wind-engines (windmills):

Provided that in any case where eligibility for a reduced rate of 5% is in doubt the Director of Customs shall, as he sees fit, determine the entitlement of goods for which reduction is claimed.

X.64 Goods not in Accordance with Contract

Any imported goods which are not in accordance with terms of a contract of sale by reason of type, quantity, quality, performance or for any other reason acceptable may be admitted free of duty:

Provided that:

- (a) the application for relief shall be lodged within a period of 3 months following the date of importation, save in any case where a longer period is accepted by the Director of Customs as being reasonable having regard to the purpose for which the goods were imported; and

