

IMPORT PROCEDURE FOR MOTOR VEHICLE

INTRODUCTION

In keeping with our education and awareness program, the Customs and Excise Department (CED) is seeking to provide essential information for Vincentian nationals, Government employees, and foreign nationals, who are importing vehicles into St. Vincent and the Grenadines. It includes Customs requirements and those of other agencies whose regulations the CED enforces.

SHIPPING ARRANGEMENTS

Arrangements for shipping a vehicle are made by the owner. The shipper or carrier must notify the owner/consignee of the vehicle's arrival date so that he/she can clear it early and not incur payment of additional charges at the Port Authority or Customs for storage. Customs Officers are prohibited by law from acting as or making entries for an importer; therefore, the owner or consignee may employ an authorized Customs broker to prepare and process the entry.

RESTRICTIONS

There are no prohibitions on the importation of vehicles from any country. However, there is a restriction on the importation of left hand drive vehicles pursuant to Section 79 (1) of the Customs (Control & Management) Act chapter 422 (CAP 422) except under special permit issued by Cabinet.

The Montreal Protocol (Substances that Deplete the Ozone Layer) Act # 49 of 2003 has implications for the importation of vehicles. Regulations, soon to be passed, will set out restrictions on the importation of vehicles that require a supply of ozone depleting substances for air conditioning units. Information concerning this new legislation can be obtained from the **National Ozone Unit /Ministry of Health Tel # 485-6992.**

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DOCUMENTATION

For Customs clearance the following documents must be presented to the Customs Valuation Section.

- 1. An original invoice from the suppliers indicating :**
 - the condition of sale
 - the supplier's name
 - the buyer's name
 - the price paid or payable
 - the terms of delivery e.g. **C.I.F, F.O.B, or C&F**
 - full description of the vehicle (type, model, engine number or
 - VIN number, colour, engine size, and weight)
 - Year of manufacture
- 2. A Bill of Sight prepared for verification of the information**
- 3. Evidence of payment**
- 4. The shipper's or carrier's original bill of lading**
- 5. Insurance Certificate, if applicable**
- 6. ASYCUDA World bill of lading**

CUSTOMS VALUATION

The Customs Valuation Branch will examine the documents to see whether the Customs Valuation methods have been properly applied and are consistent with the Valuation Laws of the Second Schedule of CAP#422. Usually the transaction value method will be used, i.e. the invoice price along with the addition of other charges such as handling and freight.

If there is any doubt as to the value declared by the importer, the Customs may request additional information in accordance with Section 3 (7) of the Second Schedule of CAP#422

Additional information to be presented may include an order, confirmation, price list and/or catalogue, evidence of payments e.g. telegraphic transfers, bank drafts,

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receipts etc.

Once the information provided by the importer satisfies all conditions, the Customs Valuation Branch will certify or accept the documents and the importer may proceed to process his/her entry.

If, however, the documents do not satisfy all conditions, the Customs Valuation Branch may determine a value for the vehicle, applying other methods of valuation consistent with the Valuation laws.

The Customs, if requested, is obligated to notify the importer in writing of the grounds for the decision, and to provide an opportunity for the importer to make representation in this regard.

USED VEHICLE BOUGHT DIRECTLY FROM A SUPPLIER ABROAD

This category consists mainly of transactions processed through the internet. As a means of speeding up the verification process, it is recommended that clients maintain all correspondences, payments, e-mails, pictures etc. on the vehicle to be presented to Customs on its arrival. This information may also be presented prior to the arrival of the vehicle.

USED VEHICLES BOUGHT PREVIOUSLY, USED FOR A PERIOD OF TIME, AND REMAINING IN POSSESSION UP TO TIME OF IMPORTATION

An invoice will not normally be available unless the importer had it in safekeeping at the time. It is therefore necessary for an appraisal of the value to be made utilizing a fallback method under Section 2 (4) of the Second Schedule of CAP #422.

The value that is arrived at is normally based on previously determined Customs values with adjustments for factors such as depreciation and general condition. Statistical information pertaining to vehicles of similar age and condition may be used to assist in determining a value for customs purposes.

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CONCESSIONS

Duty free concessions on motor vehicles are granted by the government of St. Vincent and the Grenadines (Cabinet) for the following:

1. Returning Nationals

Vincentian nationals who have been living outside of St. Vincent and the Grenadines for a period of ten (10) years or more and are preparing to permanently relocate to their country may import a vehicle of their choice (not including heavy trucks) and receive seventy-five percent waiver of the import duty, excise and Value Added Tax (VAT). Customs service charge of 4% of C.I.F is payable. If the imported vehicle is more than four years old, then a vehicle surcharge is also payable. The concession is limited to one vehicle per household, must be imported or brought locally from a private warehouse or purchased on the docks within one (1) year of returning to live in the states. Returning nationals wishing to benefit under this scheme may do so by applying to the **Comptroller of Customs and Excise**. Application forms can be obtained from the Customs Website (under forms) or the Secretariat at Customs House.

2. Farmers

Farmers can benefit from a seventy-five (75) percent waiver of import duty, Excise and Value Added Tax (VAT) on the importation of pick-ups or light trucks of 1.5 tons or less. Customs Service Charge of 4% C.I.F is payable as well as a vehicle surcharge of \$4000.00 if more than four (4) years old. **(See rates on last page)** Applications must be made on the appropriate form and addressed to the **Director General/Ministry of Finance**. This concession is limited to one vehicle per household. To be eligible, a farmer should be conducting commercial farming activity on at least three (3) acres of land for three (3) consecutive years prior to the granting of the concession. Evidence of commercial activity must be in the form of certification from the Permanent Secretary or the Chief Agricultural Officer in the Ministry of Agriculture.

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3. School Buses

Duty-free concessions may be granted to operators of buses transporting Secondary School students in full time education, including senior students of all age's at regulated fares. Buses must have a minimum capacity of twenty-five (25) seats; must ply designated routes as determined by the Permanent Secretary, Ministry of Education in consultation with the Commissioner of Police, except when engaged in co-curricular activities. To qualify for this concession, there are conditions that must be met. Guidelines to these conditions can be obtained from the **Ministry of Education** and applications must be made to **Cabinet**. The concession is 75% waiver, of the import duty, excise and Value Added Tax (VAT). Customs Service Charge of 4% of CIF is payable. If the imported vehicle is more than 4 years old then a vehicle surcharge is also payable.

4. Senior Public Servants

An officer who has been permanently appointed to a post in Grades B1 (13) and above; or has been acting in these grades for a continuing period of two (2) or more years are eligible for seventy-five (75) percent waiver of import duty and excise and Value Added Tax (VAT) on a motor car or jeep of 3000cc or less. This concession also applies to contractual and temporary appointments in Grade B1 held for a continuous period of five (5) years and over, as well as Managers of Statutory Corporations who receive benefits and pay scales in line with grade B1(13) of the Civil Service. The vehicle must be owned by the officer and registered in his/her name. This concession can be claimed on the purchase/ importation of a qualifying vehicle, in any given four years. Civil Servants retiring from the public service who were entitled to Duty-free concessions can utilize such concessions up to one month after the receipt of their retiring benefits. All applications should be made to the **Director General of Finance and Planning**.

TEMPORARY IMPORTATION

Motor vehicles imported temporarily with a view to re-exportation, are required to meet such conditions as stated in Section 67 of CAP # 422. Potential importers requiring this service may contact the **Assistant Comptroller, Technical Division at the Customs Department for assistance**.

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DUTIES/CHARGES ON VEHICLES

Cars & other Vehicles for Transport of Persons (including pickups)

GASOLINE

| | | Import Duty | Excise Tax | CSC | Surcharge | VAT |
|-----------|-------------|-------------|------------|-----|-----------|-----|
| Up to | 1500cc | 35% | 40% | 4% | \$3000.00 | 15% |
| Exceeding | 1500-1800cc | 35% | 45% | 4% | \$3000.00 | 15% |
| Exceeding | 1800-2000cc | 35% | 45% | 4% | \$3500.00 | 15% |
| Exceeding | 2000-3000cc | 35% | 45% | 4% | \$4000.00 | 15% |
| Exceeding | 3000cc | 35% | 45% | 4% | \$4500.00 | 15% |

DIESEL

| | | Import Duty | Excise Tax | CSC | Surcharge | VAT |
|-----------|-------------|-------------|------------|-----|-----------|-----|
| Up to | 1500cc | 35% | 35% | 4% | \$3000.00 | 15% |
| Exceeding | 1500-2000cc | 35% | 35% | 4% | \$3500.00 | 15% |
| Exceeding | 2000-2500cc | 35% | 35% | 4% | \$4000.00 | 15% |
| Exceeding | 2500cc | 35% | 35% | 4% | \$4500.00 | 15% |

Vehicle for the transport of goods (Trucks, Pickups, Dumpers, gas or diesel)

| | | Import Duty | Excise Tax | CSC | Surcharge | VAT |
|-----------|--|-------------|------------|-----|-----------|-----|
| All G.R.W | | 10% | 60% | 4% | \$4000.00 | 15% |

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Vehicles for the transport of 10 or more persons (including driver) gas or diesel

| | Import Duty | Excise Tax | CSC | Surcharge | VAT |
|--------------------------|-------------|------------|-----|-----------|-----|
| Not exceeding 21 persons | 10% | 45% | 4% | \$3500.00 | 15% |
| Exceeding 21-29 persons | 10% | 45% | 4% | \$4000.00 | 15% |
| Exceeding 29 persons | 10% | 45% | 4% | \$4500.00 | 15% |

Special purpose Motor Vehicles

| | Surcharge | VAT |
|--|-----------|-----|
| (E.g Concrete mixer trucks, fire- fighter vehicles etc.) | \$4000.00 | 15% |

*Surcharge applicable for vehicles four years and over

*Calculate Import duty, Excise tax & CSC on CIF

*Add import duty, Excise tax, CSC, Surcharge (if applicable) to CIF then calculate VAT

Work example of Duties (using the above information)

A vehicle over four (4) years old with an engine size of 1500cc , valued **\$EC\$13177.45 CIF**

| | | |
|--------------------------|----------------------------|---------------------------|
| Import Duty | $\$13177.45 \times 35\% =$ | \$ 4612.11 |
| Excise Tax | $\$13177.45 \times 40\% =$ | \$ 5270.98 |
| CSC | $\$13177.45 \times 4\% =$ | \$ 527.10 |
| Vehicle surcharge 1500cc | \$3000.00 | = \$ 3000.00 |
| VAT | $\$26587.64 \times 15\% =$ | <u>\$ 3988.15</u> |
| Total Duty | | <u>\$ 17398.34</u> |