

[LEGAL NOTICE No. 72]

COUNTER-INFLATION ACT
(Chapter 72)

COUNTER-INFLATION (PRICE CONTROL)
(MOTOR VEHICLE PARTS AND ACCESSORIES)
(NO. 8) ORDER, 1992

IN exercise of the powers conferred upon it by sections 9, 23 and 25 of the Counter-Inflation Act, the Prices and Incomes Board, with the approval of the Deputy Prime Minister and Minister of Finance and Economic Planning, has made the following Order-

Short title, etc.

1. This Order may be cited as the Counter-Inflation (Price Control) (Motor Vehicle Parts and Accessories) (No. 8) Order, 1992 and shall come into force on 1 July 1992.

Interpretation

2. - (1) In this Order, unless the context otherwise requires -
 - "delivery cost" means the cost incurred in the delivery of goods to a retailer's premises;
 - "total into-store cost for pricing" means the cost calculated in accordance with the formula and provisions set out in Schedule (b);
 - "motor vehicle" means a vehicle propelled by a motor and used or intended for use on a road, and includes agricultural machinery capable of being driven on a road and anything designed or adapted to be attached to a motor vehicle.
- (2) A reference in this order and in the Schedules to the cost to a trader of any goods or services-
 - (a) includes a delivery cost incurred by the trader and not otherwise included in the calculation of the cost; and
 - (b) is a reference to the lesser of the following-
 - (i) the cost to the trader, as evidenced by the invoice for the transaction; or
 - (ii) the cost which would probably have been incurred for the provision of the same goods or services under similar conditions in the ordinary course of business, had the goods or services been obtained from an independent person usually engaged in the business or providing those goods or services.

Maximum prices schedule

3. The prices to be calculated in accordance with the formula set out in the Schedule to this Order, shall be the maximum retail or wholesale prices, as the case may be, at which the goods therein specified may be sold.

Packaging

4. Except where otherwise stated the price referred to in paragraph 3 includes the cost of packaging.

Records

5. - (1) A trader dealing in the items specified in the Schedule shall keep to the satisfaction of the Board such records and accounts, including stock and costing records, as are customary and proper in the type of business carried on by him, and without limiting the generality of the foregoing-

(a) a wholesaler shall maintain records -

- (i) sufficient to identify goods sold to any individual retailer;
- (ii) showing the price at which those goods were sold; and
- (iii) containing a record of the receipt of those goods into-store and the cost at which those goods were received into-store; and

(b) any trader, whether selling by wholesale or by retail, shall maintain pricing records showing-

- (i) the basis on which the selling prices are arrived at by reference to the total into-store cost for pricing calculations;
- (ii) the basis on which all subsequent price variations are calculated by reference to the total into-store cost for pricing calculations; and
- (iii) delivery costs.

(2) Where goods are sold by a wholesaler at a price which includes the delivery cost, the delivery cost shall be stated separately in the invoice provided at the time of sale.

Prices to be marked

6. Any goods specified in the Schedule which are sold by retail

Repeal

7. The Counter-Inflation (Price Control) (No. 6) (Motor Vehicle Parts and Accessories) Order, 1985 is repealed.

DATED this 29th day of May 1992.

V P BALDEO
Secretary
Prices and Incomes Board

Approved by me this 29th day of May 1992.

T R VAKATORA
Deputy Prime Minister & Minister of Finance
& Economic Planning

SCHEDULE

(a) PROFIT MARGIN-

Item	Description	Wholesale Price	Retail Price
1.	Tyres and tubes (imported)	Total into-store cost for pricing plus 20%	Wholesale price plus 15%
2.	Storage Batteries (imported)	Total into-store cost for pricing plus 25%	Wholesale price plus 20%
3.	Motor Vehicle Parts described hereunder - contact points; spark plugs; condensers; sealed beams; oil filters; air filters; fuel filters; shock absorbers; bulbs; exhaust pipes including silencers; wiper motors including all linkages and wiper arms, blades and refills; washers-brake and clutch, including repair kit; master cylinder kits- brake, clutch and slave; carburettor kits; coils; fuse; clutch plates; pressure plates; and tie rod ends.	Total into-store cost for pricing plus 40%	Wholesale price plus 30%

(D) APPROVED METHOD OF COSTING -

(i) The method of costing approved by the Prices and Incomes Board for ascertaining the total into-store cost for pricing, maximum wholesale and retail price of imported goods shall be as follows-

	Foreign Currency (if applicable)	Fiji Rate of exchange	Fiji Currency dollars cents
Net value of goods per supplier's invoice
LESS:			
Cash or bulk discount unless specifically exempted by the Board	(.....)	(.....)
All other allowances or commissions allowed by the supplier to the purchaser, obtained or obtainable	(.....)	(.....)
True cost of goods ex-supplier		
PLUS:			
COMMISSION (actually paid)
OVERSEAS CHARGES:			
Shipping charges (actually paid)
Free on Board		
Freight (actually paid)
Cost and freight		
Marine insurance (actually paid)
Loss, insurance and freight expressed in Fiji Currency		
PLUS:			
LOCAL CHARGES (see para (i))			
Bank charges for draft and bills (excluding interest)		
Shariage		
Fiscal duty (at rate of.....)		
Value Added Tax (VAT) (at rate of.....)		
(if goods imported before 30.6.92 - see para (g))		
Import entry charges		
Cartage and labour (actually paid) between wharf and store		
Local shipping freight (actually paid)		
Marine insurance (actually paid)		
Total Cost		
LESS Value Added Tax (VAT) (actually paid) (see para (i))		
(if goods imported before 30.6.92 - see para (g))		
Total Into-Store cost for pricing		
PROFIT MARGIN (see para (c))		
Plus wholesale mark-up (at rate of.....)		
Plus retail mark-up (at rate of.....) (if applicable)		
Total into-store Cost Plus Profit		
Plus Value Added Tax (VAT) (at rate of.....) (see para (i))		
*Total - wholesale/retail price (*Delete not applicable)		
*wholesale/retail price per package/unit (*Delete not applicable)		

- (2) The Method of Costing approved by the Prices and Incomes Board for ascertaining the total into-store cost for pricing and maximum retail price for locally purchased (Imported) goods shall be as follows-

RETAIL PRICE CALCULATION	\$	c

Value of goods ex-wholesaler	
LESS:		
All discounts, allowances or commissions allowed by the wholesaler to the purchaser, obtained or obtainable	
Total value of goods ex-wholesaler	
Plus cartage and labour (actually paid)	
Local Shipping freight (actually paid)	
Marine Insurance (actually paid)	
LESS Value Added Tax (VAT) (actually paid) (see para (i))	
(if goods imported before 30.6.92 - see para (g))	
Total into-store cost for pricing	
Profit Margin (see para (c))	
Plus retail mark-up (at rate.....)	
Total into-store cost plus profit	
Plus Value Added Tax (VAT) (at rate of.....) (see para (i))	
Total retail price	
	
Retail price per unit	

(c) PROFIT MARGIN-

The wholesale and retail mark-up shall not exceed those mentioned in paragraph (a) of this schedule.

(d) CALCULATION OF UNIT PRICE-

If the maximum price ascertained in (b) includes a fraction of a cent, an amount of or in excess of one half (1/2) cent shall be reckoned as one cent, and an amount or less than one half (1/2) cent shall be ignored.

(e) CONVERSION OF FOREIGN CURRENCIES TO FIJI DOLLARS-

For the purposes of this calculation, foreign currencies shall be converted to Fiji Dollars at the rate (s) used in the Customs Entry passed by the Comptroller in accordance with section 40 of the Customs Act or the amount actually paid.

(f) LOCAL CHARGES-

Wherever practicable, the amount of the local charges included in the total into-store cost for pricing calculation shall be those actually charged, as evidenced by the supplier's invoice. Where this is not possible, and percentage or other estimations are used in the calculation of the total into-store cost for pricing, it is the responsibility of the importer to maintain such financial records in his books of account as will afford proof of the fairness of the percentages or other estimations used.

(g) TRANSITIONAL ARRANGEMENTS

Credit for customs duty

A credit will be given to registered persons for the customs duty content of the trading stock held at the close of the 30th day of June 1992, which was acquired on or after 1 July 1991 and which will become a taxable supply when supplied after 1 July 1992.

Credit for customs duty shall be given according to the following criteria:

- (1) where records of customs duty actually paid are available, the amount of duty paid; and/or
- (2) where records of duty paid are available, though they have not paid it themselves, the amount of the duty paid; and/or
- (3) where records are not available, the credit will be the lesser of:
 - (a) amount of duty which would have been paid, at a rate of 10 per cent, on cost inclusive of duty (i.e. 1/11th of purchase price), or
 - (b) £1000.

Registered persons may obtain a refund under any of the combinations above.

Note:

A stocktake must be held to determine the value of qualifying trading stock held on the close of the 30th day of June 1992 (or as otherwise acceptable to the Commissioner of the Inland Revenue Department).

Businesses will have until the end of September 1992 to claim their customs duty rebate.

No credit will be given for trading stock which will subsequently be used to make exempt or other non-taxable supply (including private use).

Example of price adjustment on introduction of VAT.

<u>Oil Filter</u>	<u>1 July 1992</u>
	\$ c
Into store cost	5.00
less imputed customs duty or VAT paid (1/11)	0.45
Cost, excluding customs duty or VAT	<u>4.55</u>
Profit margin 30%	1.37
Price, before VAT	<u>5.92</u>
VAT (10%)	0.59
VAT inclusive price	<u>6.51</u>

(Output VAT of 59c is balanced by imputed input VAT of 45c, so net VAT due is 14c).

The above example applies to retailers claiming 1/11th of the value of trading stock subject to customs duty or VAT.

Those with records of actual customs duty paid should follow the same principles, but will deduct actual customs duty refundable, in place of the imputed customs duty in the example.

(h) **VALUE ADDED TAX (VAT)**

Wholesalers must state Value Added Tax (VAT) separately in the invoice provided at the time of sale.

(i) **NON REGISTERED TRADER**

Those traders who are not registered persons under Section 22 of the Value Added Tax Decree 1991 (Decree No. 45) are not entitled to refunds of Value Added Tax on their purchases and are therefore not entitled to deduct Value Added Tax (VAT) paid on purchases and also are not entitled to charge Value Added Tax (VAT) on their sales.