



GOVERNMENT OF SAMOA

Ministry of Commerce, Industry and Labour

What is the Duty Suspension Scheme (DSS)?

This Scheme is one of Government's assistance programme to further encourage and assist exporters who produce mainly for overseas markets. It is clear that in order for Samoa to compete in the international market, these exporters have to be given full access to the importation of their raw materials on a duty free basis.

The Duty Suspension Scheme (DSS) is therefore designed to assist regular exporters to import raw materials required for export production without prior payment of duty.



Who can apply for the benefits of this Scheme?

All those regular exporters who require imported inputs / raw materials the manufacturer / production of products for export are eligible to be registered under the Scheme and hold a valid Export Manufacturing Warehouse license issued by the Ministry of Revenue. But they must make known their interest to the Ministry of Commerce, Industry and Labour.

Who is a regular exporter?

For the purposes of this Scheme, a regular exporter is defined as a firm / individual that is able to provide evidence that they have been exporting for a number of years. For those new exporters, they will have to provide evidence that they have credible plans to manufacture and export on a regular basis. This could be by way of providing evidence that they have established commercial links with countries to which they plan to export. If you are a one off exporter who exports once or twice a year, then it is advised that you apply to the Ministry of Revenue for Duty Drawback of duty paid on directly imported inputs / raw materials.

Which government Ministry is responsible for this Scheme?

Ministry of Commerce, Industry and Labour (MCIL) in collaboration with the Ministry of Revenue is the executing agency for this Scheme mandated under the Customs ACT 1977. All those regular exporters who are interested in this Scheme are invited to refer your enquiries to the

Industry Development Division of MCIL.
Contact details are provided in the box below:

The Chief Executive Officer
Ministry of Commerce, Industry and Labour
P.O.Box 862
APIA, SAMOA

Tel: (685) 20441 / 20442
Fax: (685) 20443
Email: mpal@mcil.gov.ws
Internet address:
www.mcil.gov.ws

How do I register for the Scheme?

There is currently an initial requirement to apply for a export manufacturing warehouse license from the Ministry of Revenue.

This requirement is put in place to ensure that goods which have not been paid duty could be safe guarded and secure. This is to avoid situation where an accident may occur e.g. fire, theft etc. which may tamper of damage goods whose import duties have been suspended. This import duties would still be owed to the Ministry of Revenue until the goods are re-exported as value added finished products.

The Ministry of Revenue will be happy to provide an application form to license your warehouse and their contact details are as

follows:

**The Chief Executive Officer
Ministry of Revenue
P.O.Box 44
APIA, SAMOA**

**Tel: (685) 21563
Fax: (685) 21563**

Attention: Mr. Segi Usufono

Once your warehouse has been issued a license from the Ministry of Revenue, you should bring this license to the Ministry of Commerce, Industry and Labour for the registration of your company under the DSS. There is no application form required, however regular exporters would have to register with MCIL by simply completing a single questionnaire. This questionnaire / registration form should include the necessary information such as contact details, exporter / importer's ID Codes, a brief description of your activities and past values of imports to name only some.

The above information will enable the Ministry of Commerce, Industry and Labour to determine your allowable duty suspension imports. Of course there will always be flexibility should there be a need to import more to meet increase export orders.

What is the benefit of the DSS to the exporter as compared to the Duty Drawback Scheme?

With the duty drawback scheme, there is always the problem of money being tied up with the Ministry of Revenue when duty is paid for imported raw materials. Secondly, it also takes time to have your duty refunded but as you know time is money.

Those companies that have been using the exports section (164) to import their raw materials would usually have to pay a security deposit. The Ministry of Revenue will no longer allow you to import your inputs/raw materials under this section.

So in the end we want a programme that does not require the expense of money which is needed for cashflow activities of each company. The DSS aims to assist exporters by suspending the payment of duty for imported inputs/raw materials. The importing of raw materials will however depend on your level of exports.

As a Regular Exporter, what procedure is involved when importing raw materials/ inputs?

Once you have been registered, you may then bring your Single Administrative Documents to the Ministry of Commerce, Industry and Labour for the issuing of an authorization document which should accompany your Single Administrative Documents to the Ministry of Revenue for the suspension of duty on your raw materials.

All imports of inputs/raw materials entering this scheme will have the first part of the Customs Procedure Code (box 37 of the SAD) as wither 4300. Or 4371. 4371 is used in rare cases where the goods are to be held in a bonded warehouse at the Ministry of Revenue. The second part of box 37 of the SAD will have as the first digit a B or C. A "B" denoting companies that had previously used duty drawback scheme and "C" denoting companies that had not. The next two digits will be the company unique two digit code.

How will allowable imports be determined?

The general formula for the calculation of the allowable import is Annual Imports divided by Annual Exports. These amounts will be derived from the information contained in the registration form which you provided in the first place. You are therefore required to also present your Export SADs to enable the determination and update of your allowable duty suspension.

For more information regarding the Duty Suspension Scheme, please contact the Ministry of Commerce, Industry and Labour.