



**Jamaica
Customs
Agency**
'Country Above Self'

Productive Sector **INCENTIVES**

A Guide to Incentives for the Productive Sector



Omnibus Legislation

Amended the Customs Act [Customs Tariff Revision Amendment Resolution, 2013].

- Allows productive sectors to receive concessionary benefits on imports.
- Seeks to establish a transparent and comprehensive system to govern all tax incentives.
- Seeks to reduce the bureaucratic red tape and increase the government's efficiency.

Productive Sectors That Receive Concessionary Import Benefits

- Manufacturing Sector
- Producers of Primary Products (including farming, apiculture, forestry, horticulture and aquaculture operations).
- Tourism Industry (including hotels, resort cottages and tourism attractions).
- Creative Industries (including motion picture production, sound recording production and musical performance).
- Healthcare Sector



Registration Process For Producers Of Primary Products

- The producer must be a taxpayer and registered farmer, approved by the Rural Agricultural Development Authority (RADA).
- The producer will complete and submit an application form to RADA with all the necessary documents.
- Upon approval, the producer receives the application form and approval letter from RADA for the producer to submit to the Ministry of Agriculture, Fisheries and Mining (MAFM), Agriculture Division.
- The producer will submit the documents from RADA to the MAFM, Agriculture Division.
- Upon approval, the MAFM, Agriculture Division, will send the approval letter, along with other relevant documents, to the Jamaica Customs Agency (JCA).
- The Incentives Unit of the JCA will conduct a verification visit.
- The JCA will make a determination if the producer's production processes qualify for Productive Inputs Relief based on Part 5 of the Third Schedule to the Customs Tariff Revision Amendment, 2013.
- The JCA will then issue a letter to the producer based on the determination made.

Registration Process For Manufacturers

- The manufacturer, who must be a taxpayer, will submit an application form to the Ministry of Industry, Investment and Commerce (MIIC), Industry Division.
- The MIIC, Industry Division, will send the completed manufacturer's application form to the Jamaica Customs Agency (JCA).
- The Incentives Unit of the JCA will conduct a joint verification visit with the MIIC, Industry Division.
- The MIIC, Industry Division, will submit a recommendation, concerning the manufacturer, to the JCA based on the visit conducted.

- The JCA will make a determination if the manufacturer's production processes qualify for Productive Inputs Relief based on Part 5 of the Third Schedule of the Customs Tariff Revision Amendment Resolution, 2013.

The Jamaica Customs Agency will then issue a letter to the manufacturer based on the determination made.

Concessionary Benefits for Manufacturers and Producers of Primary Products

- **RAW MATERIALS**

Natural or primary goods which have not been worked or processed but the preservation of which is ensured during transportation or storage so that their original characteristics are unaltered or remain substantially unaltered.

Goods that are imported by a taxpayer for direct use in the production of primary products/manufacture of goods in Jamaica by that taxpayer.

- **INTERMEDIATE GOODS**

Goods which have been transformed from their natural state by being worked or processed, but which have to undergo further working or be incorporated along with some other goods or material in the production of primary products or the manufacture of goods.

Goods that are imported by a taxpayer for direct use in the production of primary products/manufacture of goods in Jamaica by that taxpayer.

- **CONSUMABLES**

Materials (excluding lubricating oils or fuel for use in internal combustion engines) and articles consumed or expended by a taxpayer directly in the process of the production of primary products or the manufacture of goods.

Goods that are imported by a taxpayer to be directly consumed or expended in the production of primary products/manufacture of goods in Jamaica by that taxpayer.

- **PACKAGING MATERIALS**

Materials used to contain, protect, identify, preserve or display primary products or manufactured goods.

Goods that are imported by a taxpayer to package primary products/ goods manufactured in Jamaica by that taxpayer.

Machinery and Equipment (including parts thereof)

Goods imported for direct use in the production of primary products/ manufacture of goods in Jamaica by that taxpayer; or

Goods imported for quality control testing, packaging, or climate controlled storage of such products/goods by that taxpayer.

Taxpayer Definition

- Taxpayer means a person who would be liable for the payment of customs duty if it were not for the exemption provided under this Part, i.e., Part 5 of the Third Schedule to the Customs Tariff Revision Amendment, 2013.

Categories of Duty Exemptions On Imported Goods

- Import Customs Duty (ICD) Exemption
- Additional Stamp Duty (ASD) Exemption
- Standard Compliance Fee (SCF) Exemption
- General Consumption Tax (GCT) Deferment (applicable only to manufacturers)
- Zero-rated General Consumption Tax (GCT) (applicable only to producers of primary products)
- Customs Administrative Fee (CAF) 50% Discount (currently applicable only to raw materials, intermediate goods and packaging materials)

Conditions To Importing Concessionary Goods

Not all goods imported for production/manufacturing are eligible for Import Customs Duty exemption. Ineligible items include, but are not limited to:

- Goods listed in Part I of the Fourth Schedule to the Customs Tariff Revision Amendment Resolution, 2013, such as orange oil and corrugated boxes.
- Goods that the CEO / Commissioner of Customs deems can be adequately obtained locally or within the Common Market.
- Goods imported by a continuing beneficiary of a repealed Act.

Responsibilities Of The Importer

- To keep proper books/records of concessionary items imported.
- To allow the JCA to examine books/records/stocks of the organization.
- To ensure that proper documentary evidence and approval have been ascertained before transferring concessionary items.

Roles of the Incentives Unit

- To ensure that enterprises or persons applying for or receiving incentives in fact qualify to receive the specific incentives.
- To ensure that the duty free goods that are imported are used for the purpose intended.
- To encourage voluntary compliance by enforcing Customs Laws and Regulations.

Contact Information For MIIC and MAFM Industry Division

INDUSTRY DIVISION (MIIC)

Location: 4 St. Lucia Avenue, Kingston 5

Contact numbers: 968-8624, 968-8599 and 968-8610

AGRICULTURE DIVISION (MAFM)

Location: Hope Gardens, Kingston 6

Contact numbers: 927-1731-50 ext. 2205



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