

## Transfer of Exempted Vehicle

It has become apparent that a large number of vehicles on the road carrying exempted plate numbers has either already expired OR vehicle owners driving such exempted vehicles are not entitled to hold those plate numbers.

Firstly, exempted vehicles are vehicles that are classified as tax exempt or duty-free under schedule III of the Import Duties Act CAP 91.

These vehicles will remain under customs control for a period of 5 years from the exemption date granted by Customs and registered with Inland Revenue Office, Taxpayer Service section. However, vehicles registered BEFORE 2010 that are duty and VAT free for 3 years should come to the Inland Revenue Office, Taxpayer Service section to have their plate numbers changed following the amendment in the Import Duties Act allowing exempted vehicles a period of 5 years.

There are five different types of exemptions that vehicles may be registered under as outline below:

Type of Exempt plates	Liable users
CD	Diplomatic staffs and missions of international organizations
1VE/1SVE	Technical experts provided by Foreign States or International organizations for their personal use
2VE/2SVE	Development projects under the Finance or Commercial sector
3VE/3SVE	Students or expatriates importing vehicles in the country for personal use
4VE/4SVE	Non-Government Organizations (NGOs) Vanuatu Government – Aid projects

It is important to note that apart from CD plates which carry total exemption on all taxes and fees, exemption for the rest of the plates are limited to import duties and VAT only. Meaning Vehicle registration fee and Road Taxes are applicable.

Anytime the exemption period expires, the vehicle owner must come to the Inland Revenue Office, Taxpayer Service section and have the vehicle re-registered under a public registration plate number.

Having the vehicle re-registered would require the owner to surrender the original registration book and pay a fee of 5000vt to have a new registration book issued with a public number.

In cases where owners of exempted vehicles want to sell their vehicles before their exemption period has lapsed, duty and VAT for the remaining period must be settled in full with Customs Trade, Tariff and Compliance section before other registration requirements can be effected by Inland Revenue Office, Taxpayer Service section.

In doing so, the transfer of ownership to a new owner can now take place. Like every other transfer of ownership, the new owner would be required to;

- Provide a completed and signed transfer of ownership from both parties within 7 days after the purchase date.
- Provide the vehicle registration book that should already have a cancelled stamp on it and proof of payment of the outstanding duty and VAT (receipt) would be required.
- Present a receipt from the previous owner as proof of sale price of the vehicle
- Pay for 7% transfer fee.

For more information please contact the Inland Revenue Office, Taxpayer Service section by phone: (678) 33090 / 33091, Port Vila and (678) 33760 Santo; visit us at our Office in Carnot Street, Port Vila or at Millennium Building in Luganville; or email us on [irtps@vanuatu.gov.vu](mailto:irtps@vanuatu.gov.vu)