INSTRUCTIONS FOR COMPLETING A CAPITAL GAINS TAX RETURN

Taxation Division

General Information

This return form allows a person to make capital gains tax return when disposing capital asset as required by the **Capital Gains Tax (CGT) Decree 2011**.

To promote compliance it is mandatory that the return (IRS 230) should be lodged with FRCS in all disposal whether CGT is payable or not.

When should the CGT return be lodged?

As required by the **Capital Gains Tax Decree 2011** that the return must be submitted to FRCS when disposing capital asset. It must be attached together with the CGT statutory declaration form (IRS 228), transfer documents and other relevant documents as per the CGT Checklist.

Capital Gains Tax is imposed and collected on a self-assessment basis and the vendor is liable for the tax. The FRCS will process the return and advise whether CGT will be payable or not.

**IMPORTANT:** After the CGT return is lodged with FRCS, any tax must be paid within 30 days after the date of disposal of the asset. Penalties apply for late lodgement of returns or late payment of tax.

Complete the CGT return form in black or blue pen. **PRINT CLEARLY.** A typewriter may also be used.

SECTION A

Taxpayer Details

Complete all the boxes in this section.

The person who is required to comply with the requirements of the CGT Decree should first of all obtain a Tax Identification Number (TIN). Registration forms are also available from any FRCS Customer Service Centre.

Write the taxpayer’s name and Tax Identification Number (TIN) in the spaces provided. Also write the taxpayer’s address, email address and telephone contacts.

Residential Status

Tick the box to indicate whether you are a resident, non-resident for tax purposes and Fiji citizen if applicable.

For non-residents the tax only applies on gains arising from disposal of taxable assets that are **Fiji assets**.

Details of Capital Asset

This information is used to determine the type of disposal and whether exemption from CGT is applicable or the transaction will attract the CGT:

- Type of capital asset – only those listed in the CGT Decree 2011
- Capital asset reference or details of the title
- Location – physical location of the capital asset such as real property or person where the taxpayer have ownership interest in for intangible assets
• Date of disposal and date of acquisition

You have to tick the appropriate box whether the property is your principal place of residence or not.

SECTION B

Computation of Capital Gains Tax

Item 1 - Enter the consideration or the sales price for the disposal of the capital asset, mostly given on the:
  i. Transfer document for real property, shares and aircraft
  ii. Sales & purchase agreement for intangible assets
  iii. Bill of Sale for vessels and yachts

Box 2 – Enter the total cost of capital asset that includes:
  • Acquisition cost
  • Incidental expenditures
  • Improvement expenditures

It is important to furnish the FRCS with the evidence of the expenditures claimed in the return form.

Box 3 – Deduct Box 2 from Box 1 and write any difference in this box.

Capital Gain/ (Loss)

The imposition of “capital gains tax” will be on the gain derived from the disposal of capital asset other than an exempt capital gain.

Important: The exemption is only given to resident individual or Fiji citizen as per section 7(1) of the CGT Decree 2011

Box 4 – Enter the total amount of deemed dividend paid under 5.8 (2) (a) (ii) of ITA.

Note: A special rule applies in the case of a disposal of shares giving rise to a dividend under section 8(2) (a) (ii) of the ITA that is subject to non-resident withholding tax. In this case, the capital gain is reduced by the amount of the deemed dividend

Box 5 - Enter the total amount of capital gain exempted under ITA.

The capital gain made on disposal of an asset that is used solely to derive income exempt from tax under the ITA is an exempt capital gain.

Box 6 - Deduct Box 4 and Box 5 from Box 3 and write the difference in this box.

Box 7 - Multiply the figure in Box 6 by 10% and write the result in the Box 7. This will give you the figure for CGT payable for the disposal of capital asset.

Box 8 – Enter the foreign tax paid for the disposal of foreign capital asset by a resident individual.

A tax credit is allowed if the following conditions are met -
  a. The person that disposed of the capital asset is a resident person
  b. The person has disposed of a capital asset, and
  c. The person has paid foreign tax on the capital gain.

Box 9 – Deduct Box 8 from Box 7 and write the difference in this box

It is mandatory to complete all fields.
**Declaration**
The following individual should complete the declaration:

i. Individual owners to write his or her name, designation, sign and date the return

ii. Company’s authorized person should write his or her name, sign and date the report.

iii. If a tax agent prepares the return, the agent should complete the “Declaration by Tax Agent” section.

**Note:** The income tax law provides severe penalties for persons who make false returns.

**What to do with the completed form**

You may either post the return form to FRCS or bring it to any of the FRCS offices listed below.

If **bringing** the form to FRCS office, take it to the office nearest to you at the following addresses:

For Central & Eastern Division businesses:
FRCS Suva office – Nasese Complex
FRCS Levuka office

For Western Division businesses:
FRCS Lautoka office
FRCS Nadi Airport office
FRCS Sigatoka office
FRCS Rakiraki office

For Northern Division businesses:
FRCS Labasa office
FRCS Savusavu office

If bringing the form to FRCS office, a FRCS officer will check it and advise if you have missed out any details and incomplete forms will be returned. If you need help in completing the return, ask the FRCS officer at the counter.

**NOTE:** All CGT forms and returns received from all FRCS offices are processed in Suva

For Central & Eastern Division businesses:
Commissioner of Inland Revenue
Private Mail Bag
Suva.

For Western Division businesses:
Commissioner of Inland Revenue
Private Mail Bag
Lautoka

For Northern Division businesses:
Commissioner of Inland Revenue
Private Mail Bag
Labasa