



**PRACTICE
STATEMENT**

No: 33/2016

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| SUBJECT | FIJI REVENUE & CUSTOMS AUTHORITY 2016 Tax Amnesty - Waiver of tax on Local Assets during the amnesty period 1 st January – 30 th September 2016 |
| DATE OF EFFECT | 1 st January 2016 |
| CONFIDENTIALITY STATUS | May be released to the public |
| LEGISLATIVE REFERENCE | Section 48B <i>Tax Administration Decree 2009</i> Section 6 <i>Income Tax Act 2015</i> |
| PRACTICE COORDINATOR | National Manager Revenue Collection |

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INTRODUCTION

1. The purpose of this Practice Statement is to provide guidance on the general application of the declaration of local assets tax amnesty for qualifying persons (individual taxpayers). It sets out how the program will be administered and includes the procedures for handling the flow of returns, information and enquiries throughout the amnesty period. This Statement is also issued with the authority of the Chief Executive Officer (CEO) of Fiji Revenue & Customs Authority (FRCA).
2. The tax amnesty is intended to assist qualifying persons who have not disclosed all local assets previously, to get their tax affairs in order, voluntarily, during the period 1 January 2016 to 30 September 2016.
3. The benefit for qualifying persons participating in the tax amnesty program are -
 - waiver of tax payable;
 - waiver of interest penalty; and
 - waiver of penalty or fine imposedin respect of any local asset, that was payable in any tax period up to 31 December 2016.
4. The qualifying person will be required to declare the local asset and any related income from 1 January 2017 and pay any tax payable accordingly.
5. Local assets include any asset within Fiji or incomes derived from the asset e.g. bank accounts, rental properties and other investment property and income.
6. A qualifying person must be a tax resident and a Fiji citizen who is required to declare their local asset under a tax law – all conditions must be met.
7. Where a qualifying taxpayer who has not participated in this amnesty program is selected for audit or makes a voluntary disclosure after the amnesty period, the provisions relating to imposition of penalties under the Tax Administration Decree (TAD) will apply.

LEGISLATIVE BASIS

8. Section 48B of the Tax Administration Decree provides for the granting of a tax amnesty in the period 1 January 2016 to 30 September 2016. It states –

Waiver of tax during amnesty period for local assets

“48B.—(1) For the purpose of this section, unless the context otherwise requires—

*“**amnesty**” means the waiver of any tax payable in respect of any local asset, including any interest accrued from, or any penalty or fine imposed, in respect of such tax for any tax period provided that the tax period is prior to 1 July 2017;*

*“**amnesty period**” means the period commencing on and from 1 January 2016 to 30 September 2016;*

*“**applicant**” means a qualifying person who applies under subsection (3);*

*“**local asset**” means any asset within Fiji or income derived from the asset within Fiji, that is declared during the amnesty period; and*

*“**qualifying person**” means a person who is a tax resident and Fiji citizen, required to declare their local asset under any tax law.*

(2) Any qualifying person may, within the amnesty period, apply for amnesty under subsection (3).

(3) an application for amnesty shall be made in writing to the Chief Executive Officer and such application shall include a declaration of any local asset and other information as the Chief Executive Officer may require.

(4) Notwithstanding any other provision in this Decree, upon receipt of an application under subsections (2) and (3) and if the Chief Executive Officer is satisfied that the applicant is a qualifying person, the Chief Executive Officer shall grant amnesty to the applicant.

(5) Pursuant to subsection (4), the Chief Executive Officer shall, as the case requires, remit in whole any tax payable by the qualifying person in respect of the local asset, including any interest accrued from, or any penalty or fine payable, in respect of such tax for any tax period provided that the tax period is prior to 1 January 2017.

(6) If an applicant is not granted amnesty under subsection (4), the Chief Executive Officer shall, as soon as practicable, provide written reasons to the applicant for the refusal.”

9. ‘Resident’ is defined in section 6 of the *Income Tax Act 2015* .The following individuals are resident persons –
- i. an individual who resides in Fiji;

- ii. an individual who is domiciled in Fiji and does not have a permanent place of abode outside Fiji;
- iii. an individual who is present in Fiji for 183 days in any 12-month period; and
- iv. an employee of the Government of Fiji posted abroad.

APPLICATION PROCEDURES

10. A person wishing to take advantage of the benefits available under the Tax Amnesty Program is required to apply to the CEO in writing. The application form to use is titled “*2016 Specific Tax Amnesty Local Assets and Income Disclosure Statement.*”
11. The application must be accompanied by a declaration about the person’s local assets. The taxpayer must make full and accurate disclosures and ensure that any other information required by the CEO is submitted.
12. The due date for applications is 30th September 2016.
13. Applications can be mailed to the Tax Amnesty Unit, FRCA, Private Mail Bag, Suva or hand delivered to any FRCA Customer Enquiry Center Fiji wide. It can also be submitted through tax agents.
14. Applicants can get a copy of the application completed form stamped for their records.

APPROVAL PROCESS

15. Once an application is received it will be processed in accordance with internal standard operating procedures.
16. Applications will be assessed by the Tax Amnesty Admin Committee (TAAC). This Committee is made up of the following tax officials
 - General Manager Tax
 - Chief Auditor Debt Management Unit (Secretariat)
 - National Manager Internal Assurance
 - National Manager Revenue Collection
17. The role of the TAAC is to provide advisory service on tax amnesty matters and to answer any queries that taxpayers may have in relation to the tax amnesty. FRCA staff will be required to direct all tax amnesty queries to the TAAC.
18. The Tax Amnesty Unit will register all applications and correspondences received on a Tax Amnesty Register and affix the official Tax Amnesty stamp on the documents.

DECISION-MAKING

- 19. If the CEO is satisfied that the applicant is a qualifying person, amnesty must be granted to the person and where required remit the whole tax payable in respect of the local asset including any interest , penalty or fine payable.

- 20. If amnesty is not granted, the CEO must provide the applicant with reasons in writing, as soon as practicable.

ADVISORY SERVICES

- 21. Taxpayers will be given as much assistance as possible to take advantage of the amnesty. TAU team members will conduct awareness to all of Taxation staff and the stakeholders on all aspects of the tax amnesty service.

- 22. Information relating to tax matters is readily available at all FRCA offices, Customer Enquiry Centers and our website; www.frca.org.fj.

CONTACT DETAILS

- 23. The mailing address for tax amnesty returns and enquiries is:
Tax Amnesty Unit (TAU)
Fiji Revenue & Customs Authority
Private Mail Bag
Suva

- 24. The telephone numbers for the **tax amnesty enquiries** are:
Suva – 0800 3304925 [Toll Free], 3243988 or 3243816

- 25. The hours of operation are:
Monday – Thursday: 8.00 a.m. – 4.30 pm and
Fridays: 8.00 a.m. – 4.00 p.m.

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