



## **TAX TALK- TAX AMNESTY**

Government in its 2017/2018 national budget had announced a tax amnesty by the Fiji Revenue and Customs Service (FRCS) for waiver of penalties on registration, outstanding returns and tax payments, for any taxable period prior to December 31, 2017, provided taxes are fully paid and outstanding returns are lodged before the end of the amnesty period.

### **Amnesty Period**

The amnesty period started from June 30, 2017 and will end on December 31, 2017. It is aimed at providing relief to taxpayers with annual gross income of \$1.5 million or less, from the burden of penalties and to give those with genuine financial difficulties, the time to update their records with FRCS.

The FRCS is urging the taxpaying public to take advantage of this limited time opportunity to update all their tax filing and payment of outstanding taxes within the tax amnesty period, from June 30, 2017 to December 31, 2017. All payments (with applicable tax payments) made during the amnesty period will not incur any prosecution or penalties, except for audit penalties.

Penalties that qualify for waiver includes — late lodgment, late payment, failing to maintain proper records and penalties for insufficient advance payment penalty (IAPP).

These will be waived once the principal taxes are fully paid and all outstanding returns are lodged within the amnesty period.

### **Offshore Assets Declaration Amnesty**

The National Budget also announced Amnesty for declaration of Offshore/Foreign assets. The Amnesty period ends 31 December, 2017. Here again, there will be no taxes and penalties payable by taxpayers for declaring their foreign assets. All incomes generated from these assets become taxable after declarations.

Wherein, these assets are discovered through audit investigations or FRCS exchange of information under our tax treaties will become subject to full brunt of the law that is penalties and prosecution.

## **Self-Assessment**

FRCS has embarked on the journey towards self-assessment and encouraging voluntary tax compliance. This is an initiative to assist those taxpayers who genuinely have challenges in timely filing their tax returns and cash-flow problems to meet outstanding tax payments.

For outstanding returns, the amnesty will cover the June 2017 VAT Returns and prior periods, service turnover tax (STT), fringe benefit tax (FBT), environmental and climate adaptation levy (ECAL), contractors provisional tax (CPT) summary and employment monthly schedule (EMS) that should be lodged and paid by December 31, 2017.

It will also cover for the 2016 Income Tax Returns and that of prior tax years.

## **Tax Amnesty Unit**

FRCS has a Tax Amnesty Unit (TAU) that will accept outstanding returns for lodgment, processing and payments.

Upon lodgments, whilst the tax returns are being processed, taxpayers must continue with the payment of tax liability by lump sum payment to pay-off the principal tax liability excluding administrative penalties by December 31, 2017.

You are all encouraged to approach our various tax offices in Fiji and our lodgment enforcement or debt management team in Lautoka and Suva to verify your tax return lodgment or tax arrears status and our staff would provide the necessary information. You may also use this opportunity to update FRCS on any changes to your telephone contacts, postal address, email address, business activities or location and other important details.

We further advise that "Tax Compliance Certificate" is an important requirement for government tenders, public sector business contracts, registrations, permits and licenses; thus the need for taxpayers to update their tax returns and tax payments.

For further information and queries on the amnesty, you can call the tax amnesty unit (TAU) on its toll-free line on 0800 3304925. You can also post or email your completed tax returns to 'Tax Amnesty Admin Committee (TAAC), Fiji Revenue & Customs Service, Private Mail Bag, Suva' or [taxamnesty@frcs.org.fj](mailto:taxamnesty@frcs.org.fj).