

Amnesty on penalties

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DURING the 2015 National Budget announcement, the Government announced a six-month amnesty program for taxpayers who had not declared assets kept offshore. The six months is from January to the end of this month. As our first issue for Talk Tax, Business reporter Ropate Valemei asked the Fiji Revenue and Customs Authority (FRCA) questions about this amnesty program.

FT: Can you elaborate on what the program is about?

FRCA: The authority will waive penalties on all taxable incomes from assets kept offshore. If the source funds for the acquisition of these assets have not been taxed, it will be taxed in the year of acquisition. However, taxable incomes will be taxed retrospectively for four years only.

FT: How does one qualify for the program?

FRCA: Anyone who wants to take advantage of the program needs to declare all their foreign assets and the income streams. However, fraud cases will not be entitled to penalty waivers.

FT: Can you elaborate on what should be declared?

FRCA: All foreign assets, irrespective of whether they are generating income or not, need to be declared. Income items can include interest, salary and wages, dividends, rental incomes, foreign exchange gains, trust income, foreign investment fund incomes; deduction items can include bank fees, interest expenses and offset items will include foreign income tax offset, incomes earned from inherited properties and any other sources of incomes.

FT: What are the processes that FRCA will follow or take?

FRCA: We will amend returns based on the declaration of foreign assets, we will waive the penalties and we will issue a Notice of Amended Assessments.

* This is a weekly column specifically targeting tax issues. If you have any topics that you want Talk Tax to focus on, please email rvalemei@fijitimes.com.fj or gpanapasa@fijitimes.com.fj

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