

Talk Tax – Tax Amnesty Program

Good news for tax payers in Fiji following the Government’s continuous commitment in assisting Fijians by reintroducing tax amnesty. The Tax Amnesty program is granted for undeclared foreign assets and income and a General Amnesty program which is granted to Fiji resident taxpayers with a gross turnover of less than FJ\$1.5 million.

The Tax Amnesty is limited to two specific streams of penalty waivers, namely:

1. **Waiver of tax and penalties on voluntary Disclosure of all Offshore Assets** and any other sources of income; and
2. **Waiver of all penalties – applicable to those with annual gross income less than \$1.5m** (except for section 46 – Audit penalties) on all **accepted tax liabilities** for taxpayers who genuinely need time to pay.

The Tax Amnesty period is from 30 June to 31 December 2017.

1. Undeclared Foreign Assets and Income Tax Amnesty

This first stream will allow all locals or resident taxpayers who voluntarily declare their foreign owned assets and sources of income will be exempted from any tax or penalties applicable.

Fiji Residents who will voluntarily declare their offshore assets and pay taxes on the incomes generated from the same within the amnesty period.

Foreign Assets not generating income still needs to be declared to FRCA.

If Expatriates have changed status to Fiji residents, declaration kicks in thereafter.

Income items can include **interest, Salary and Wages, Dividends, Rental Incomes, Foreign Exchange Gains, Trust Income, Foreign Investment Fund income. Bank fees, interest expenses can be claimed as a deduction from incomes earned from inherited properties** and any other sources of incomes.

Table summary of those that are required to declare:

No.	Scenarios	Declare		Comments
		Yes	No	
1.	Fiji Citizens	Yes		Principal sum not taxable if source already taxed in Fiji, but income streams are taxable.
2.	Dual Citizens/PR Holders residing abroad		No	
3.	Dual Citizens/PR Holders residing in Fiji	Yes		
4.	Expatriates in Fiji for “Employment only”		No	Provided the individual is not required to declare worldwide income under section 14(3)(b)
5.	Expatriates who have acquired Fiji citizenship and have changed status to ‘Fiji residents’	Yes		Taxation from date of change of status.

6.	Inherited Offshore Assets	Yes		Principal sum is not taxed but income streams are taxable.
7.	Foreigners residing in Fiji on “assured income” under the residency permit issued by Immigration Department		No	
8.	Foreign Investors residing in Fiji for investment or employment purpose under permit issued by Immigration Department		No	Provided overseas assets and income is not connected to Fiji Investment or Fiji business.
9.	NGO – Sponsored staff/Consultants residing in Fiji under work permit or residency permit		No	
10.	Employment Income Payments received Offshore	Yes		Declare to the extent payment received offshore is not taxed or declared in Fiji.

This amnesty is a grace period for Fijians to continue to come forward to correctly declare their foreign assets to FRCA.

This is an opportunity for taxpayers who have failed to declare offshore assets to voluntarily comply and disclose all offshore assets and income to FRCA. This includes interest on savings and deposits, salary and wages, dividends, rental income, foreign exchange gains, trust income, foreign investment fund etc. It is an ideal time for taxpayers to provide all information to FRCA as the Tax Amnesty period will only apply for the limited time.

Waiver for offshore asset declaration

The incentives for taxpayers who come forward with disclosure of assets are entitled for full waiver of real tax and non-imposition of penalties and this includes Late Lodgment Penalty, Late Payment Penalty, Failing to Maintain Proper Record, Penalty for Making False or Misleading Statement (non-imposition), Breach for Possession Agreement and Insufficient Advance Payment Penalty (IAPP).

2. General Tax Amnesty

The second stream of Amnesty is a General Tax Amnesty for all Fijians who would voluntary comply with registration, lodgment and payments of tax dues under all tax types , if not yet done so far. The amnesty allows Fijian business entrepreneurs whose annual gross turnover does not exceed \$1.5 million to voluntarily come forward to register, file their tax returns and pay their taxes.

The taxpayer will only be required to pay principal taxes payable. All penalties will be waived.

The amnesty also allows those who have filed their tax returns but believe that they may have made under-declarations, can make amendments to correct their tax returns in order to pay correct taxes.

The general amnesty program allows time for taxpayers to voluntarily come forward and comply without FRCA issuing penalties.

General Tax Waiver

The amnesty for this second stream will mean no penalties will apply to those taxpayers who voluntarily comply by;

1. Lodging overdue returns that have been outstanding in FRCA for a number of years
2. Paying tax dues that are well over the due dates of payment
3. Lodging returns to make an amendment to the original return tax return filed in order to pay the correct taxes.

This is to encourage our Fiji tax residents to voluntary comply without the need of having the authority to conduct investigations.

Taxpayers who voluntarily comply with the general tax amnesty are entitled for full waiver of penalties and this includes Late Lodgment penalty, Late Payment Penalty, Failing to Maintain Proper Record, Penalty for Making False or Misleading Statement (non-imposition), Breach for Possession Agreement and Insufficient Advance Payment Penalty (IAPP).

FRCA again urges taxpayers who fall under this category to come on board and take advantage of this amnesty period. It is the duty of any taxpayer to ensure that they comply with the Tax Laws of Fiji.