



TAX TALK- OBJECTING TO TAX ASSESSMENTS

To instill confidence in the taxation system and to ensure taxpayers rights are protected, the Tax Administration Act 2009 provides for a series of processes to raise grievances. One of them includes the right to object to any **tax decisions** made by the Fiji Revenue and Customs Service (FRCS).

These decisions include any tax matter on which the Chief Executive Officer (CEO) has provided a ruling, for example, the normal Tax Assessment decision, Garnishee Order and the Departure Prohibition order (DPO).

To ensure independence and certainty in the Fijian Taxation System, the Fiji Revenue and Customs Service has established a dedicated team called the Objections Review Team (ORT) which looks after objection cases for review.

The team has a very rigorous timeline to finalize objections filed by the taxpayer, given that the tax decision is critical for business activity.

In summary, the efficiency of resolving tax objection has an impact on the country's economy.

The general steps in processing the objection are as follows:

Step	Processes
1	Taxpayer files an objection with relevant supporting documents
2	Objections Review Team assess the grounds of objection
3	The taxpayer is called for a meeting the Objections Review Team
4	Final decision is relayed to the taxpayer

Details of the objection process are provided below.

Objection period

A person, who is unhappy with a tax decision may lodge an objection regarding a tax assessment, within 60 consecutive days of service of the notice; and any other tax decisions, within 30 consecutive days of service of the notice. A person's right to challenge a tax decision is covered in section 16 of the Tax Administration Act.

What happens if you don't lodge on time?

Once the period for objecting (including any extension of time to lodge an objection) has ended, the assessment is binding on the taxpayer, unless there is any error or omission made in the tax decision or in any related proceedings. Failure to lodge an objection within the time specified (or extended time) means that the notice of objection becomes invalid and it affects

a person's ability to apply to the Tax Tribunal for review of the decision or to appeal the decision to the Tax Court.

How does FRCS process a tax objection from a taxpayer?

FRCS will acknowledge receipt of the objection and advise verbally or in writing that a decision will be made in due course. FRCS will verify whether the tax objection is valid before conducting any internal review. To determine the validity of an objection, there are three things that FRCS will consider:

- a) whether the objection has been lodged within the time frame prescribed by law, or within an extension of time granted to lodge the objection;
- b) whether the objection is in the acceptable form; and
- c) if the objection is against an amended assessment, whether the grounds of objection relate only to the liability arising from that amendment.

If the Objection Notice is valid FRCS will do an independent review.

How will FRCS review the objection?

FRCS may call for more documentary evidence and given the timeframe for responding to the objection, FRCS may also need an extension of time to issue the Notice of Objection Decision. Depending on FRCS internal review, FRCS may allow the objection in whole or part, amending tax assessment(s) and advise the taxpayer accordingly. The review of the tax decision is based on merits of the case relating to a taxpayer's complaints and it is conducted by our Objections Review Team (ORT) an independent review unit.

Extension of time for lodging an objection

A person can apply, in writing to the FRCS for an extension of time to lodge an objection. FRCS may allow this if FRCS is satisfied that the applicant is unable to lodge the objection by the due date for any reasonable cause. Example, FRCS may consider that a person has a reasonable cause for being unable to lodge an objection on time if the person is absent from Fiji, or suffers from illness or some other misadventure (such as loss of records due to an accident or natural cause) or any other genuine reason. Valid grounds for extending the objection period are, for example, where delays within the FRCS or the postal system led to the taxpayer receiving their assessment notice or letter much later than would be usual, had the assessment notice been posted on the day it was produced. The complexity of the matter being objected to is not a valid ground for extending the objection period.

Can a person object if FRCS denies the request for extension of time?

Yes, you can. FRCS decision on an application for an extension of time is itself a "tax decision" therefore a person may challenge the decision under the objection and appeal procedure in Division III of Part II of Tax Administration Act. Example, Taxpayer received a written response dated 10th November 2016 advising that his request for extension of time to lodge an objection is disallowed. Taxpayer can object to the CEO's decision within 30 consecutive days i.e. by 9th December 2016 to the Tax Tribunal.

Responding to a Notice of Objection

FRCS must respond or issue a tax decision within 90 consecutive days after lodgment of the objection; or, where additional information has been sought, 90 consecutive days after receipt of such additional information.

Rejecting a Notice of Objection

Where a Notice of Objection that does not provide clear "grounds of objection" will be

rejected and taxpayers will be notified accordingly. Taxpayer to focus on specific disputed matter. The FRCS Objection Review Team is to confine its work strictly on the disputed matter.

Tax recovery despite the Notice of Objection

The filing of a Notice of Objection does not automatically suspend tax recovery. The tax recovery will continue whilst the disputed matter is being reviewed. However, one can request for a suspension of the tax recovery, and unless and until explicitly approved by CEO's office, tax recovery will continue whilst objections are reviewed.

How to write an objection?

Mandatory requirements for an objection letter to be Valid are as follows:

	Requirement
1	Letter addressed to CEO Fiji Revenue & Customs Service
2	Letter must outline objection and clearly state reason (with attached evidence) and either of the following words "I object" or "I disagree".
3	Letter must be completed in English Language only
4	Must have Taxpayers name and TIN
5	For an individual : letter must be signed off by taxpayer with signature and date
6	For non-individual: letter must be signed by authorized representative or tax agent together with the taxpayer For an individual : letter must be signed off by taxpayer with signature and date