

Talk Tax – Women in Small and Medium Business (SMEs)

TIMES: Do SME's have to register with FRCA?

CEO: Yes, small and medium entrepreneurs (SME) or small business operators are required to register with FRCA. To register they are required to complete the relevant sections namely - income tax registration form, value added tax (VAT) supplementary registration application form, (if SME wishes to register for VAT), certificate of business registration, and attach some form of identification and details. For example, voter registration card, copy of driver's license.

FT: Will SMEs have to pay income tax?

CEO: SMEs with a gross turnover of less than \$500,000 will not be subject to income tax and this includes:

- (a) any form of agriculture;
- (b) fishing;
- (c) livestock rearing;
- (d) bee keeping;
- (e) community and social project which involves traditional production of handicraft;
- (f) tourism project which involves sea-cruise operation, river-tour operation and eco-tourism; and
- (g) Supportive project, established and operated at a site in Fiji with facilities of a permanent nature for the public presentation, especially to overseas visitors to Fiji, of matter of interest to tourist that relate to Fiji, including in particular and without derogating from the generality of the foregoing, matters relating to-
 - i. the flora, fauna and the other natural characteristics of Fiji; and
 - ii. the history, traditions, cultures and ways of life of its people;

FT: How about small canteens and those other that you've specified above?

Other than those listed above, canteen and kiosk operators, hawkers etc. whose net profit (i.e. sales less expenses) exceeds \$16,000 in a year will be subject to Income Tax.

FT: Do FRCA charge SMEs for registering at FRCA

CEO: There is no fee charged or levied by FRCA for income tax or other tax registration.

FT: Can SMEs register for VAT?

CEO: Under the VAT Decree, any person whose annual gross income exceeds \$100,000, is obligated to register for VAT purpose and must abide by the VAT Decree. However, most SMEs don't exceed the annual gross income of \$100,000 and hence are not required to register for VAT but can voluntarily register for VAT. Where SMEs voluntarily register for VAT they will be required to maintain proper books of records, are able to lodge VAT returns and are able to pay VAT on time. Once registered for VAT an SME will be required to charge VAT on all their sales, maintain a proper Tax Invoice, claim VAT on business related purchases and expenses, lodge VAT return and pay VAT on the stipulated times and maintain a proper records in English for seven years.

FT: What assistance can FRCA offer SMEs?

CEO: We can offer advice, mentoring, training and support - free of charge. We note that some small entrepreneurs don't come to FRCA for fear of being taxed which is wrong. In fact we are here to assist SMEs to grow.

For SMEs that have registered for VAT and whose annual gross turnover is less than \$300,000, they can opt to lodge VAT returns on quarterly or annually from the monthly basis. For SMEs that have registered in error, we will assist by deregistering them from VAT. For those that want to de-register as they fall below the annual gross income of \$100,000, they can do so, but will need to apply in writing.