



FRCS RECOVERS \$525,000 THROUGH VOLUNTARY DISCLOSURE

The Fiji Revenue and Customs Service over the years has focused on and encouraged voluntary compliance as a key tool for revenue collection and border management. It is not only cost effective but gives an opportunity to a taxpayer to come up voluntarily and declare their tax affairs at no cost.

This week we will look at how a renowned company came forward and made a voluntary disclosure of more than half a million dollars which was overlooked for the period April 2016 to March 2019.

Voluntary disclosure by Aquaheat South Pacific Limited

Aquaheat South Pacific Limited voluntarily disclosed and notified the Fiji Revenue and Customs Service of more than \$525,506 in taxes which they overlooked for the period between April 2016 to March 2019.

The company in December last year made a voluntary disclosure in respect of payments of withholding taxes amounting to \$350,095.16 and VAT reverse charge of \$175,411.78 on management fees and interest expense.

Relationship of Trust and Honesty

Aquaheat's General Manager South Pacific Mr. Anusheel Chandra while notifying the Fiji Revenue and Customs Service of the voluntary disclosure, said that corporate responsibility is a business imperative. "As corporate citizenship professionals, we create both business and social value in countless ways, from establishing innovative community involvement partnerships to engaging with stakeholders to assess environmental, social, and governance impacts and opportunities. This paves the way for corporates and businesses to engage in meaningful ways with FRCS and treat them as partners rather than adversaries", he said.

"The values of our business continually seeks to enhance systems, processes and standards with an awareness of the impact the business has on environment, economy and society we operate in, which leads to acting with honesty and integrity in everything that we do. We build relationship based on trust and honesty, support openness of communication and transparency and creating an inclusive and diverse workplace".

"With respect to the transaction, as soon as we established that money was owed, we made

a voluntary disclosure to FRCS and the business acted on it immediately", Mr. Chandra stressed.

Integrity Pledge

"Aquaheat South Pacific Limited was also presented the FICAC Integrity Pledge in 2019. All our staff from Management level to those on the ground attended sessions with FICAC and I would like to thank my team for upholding integrity, strong values and principles", he added.

The voluntary disclosure is commendable

Fiji Revenue and Customs, Chief Executive Officer Mr. Visvanath Das commended the management of Aquaheat South Pacific Limited for the voluntary disclosure.

" This is the kind of gesture and honesty that FRCS would want to build relationship on, with the tax citizens of Fiji. This is the beginning of a new relationship that we want to build on to be the model Corporate Taxpayer and Tax Office partnership, in our journey to modernization of the Fijian Tax Office. The Service looks forward to this new relationship and working in partnership, for the betterment of all.

Voluntary compliance and taxpayer education

With a strong emphasis on voluntary compliance this year, Revenue and Customs is calling on taxpayers to be compliant with their obligations. Given the low tax rates, and business opportunities, if taxpayers continue to beat the tax system by being non-compliant, they will have to face the full brunt of the law.

Our aim as an institution is to enhance voluntary tax compliance in Fiji. We have our Taxpayer Education team that actually goes out and assists business who need assistance in filing their returns. It is in our interest to ensure that current and future taxpayers are educated about their rights and responsibilities and how to be tax compliant. We are actively engaging with and providing information to individuals, businesses and sectoral agencies as we focus our efforts on encouraging and supporting voluntary compliance.

Mr. Das reiterated the importance of the public seeking assistance from Revenue and Customs if they are unsure of their tax obligations. We want to further enhance tax transparency and voluntary compliance thus creating a level playing field for all taxpayers. We are actively engaging and providing information to individuals, businesses and sectoral agencies as we focus our efforts on encouraging and supporting voluntary compliance in Fiji. The Revenue and Customs Service Is working towards increasing business efficiencies through modernization of processes and as part of Governments commitment to facilitate businesses, continue to roll out initiatives to provide support to contributors to the Fijian economy.

Take Advantage of our SME Centers

Given the fact that 76% of our business taxpayers fall into the Small and Micro Enterprise (SME) threshold, FRCS is urging them to take advantage of our SME and Customer Service

Centers Fiji wide. We know that compliance can be challenging for small businesses in terms of hiring accountants and tax agents and that's why we have set up the SME center. Taxpayers have access to free businesses advisories, assistance for lodgments and payments at no cost.

It's not about investigating any industry or profiling them, it's all about assisting them to voluntary comply. It is about identifying the risks that hinders the growth of these industries and supporting them in any possible way. All the new entrepreneurs venturing into the industry, will need our support and guidance for voluntary compliance from the beginning.

FRCS is here to serve

The Fiji Revenue & Customs Service is encouraging taxpayers who may be unsure of their tax status or obligations, to call or visit our nearest office or alternatively visit our website www.frcs.org.fj for more information.