



Resident Interest Withholding Tax (RIWT) Summary – What's New on TPOS

The Taxpayer Online Services (TPOS) is a self-service tax system that provides a wide range of tax services and taxpayers can enjoy these services in a more convenient way by accessing it at their own time and at their own choice of place.

To further enhance customer experience and use of the online services, the Fiji Revenue and Customs Service (FRCS) has been having a series of online consultations on the various tax types.

In this week's Tax Talk, we will focus on Resident Interest Withholding Tax (RIWT) and the new processes for filing the monthly summary on the Taxpayer Online Services.

Resident Interest Withholding Tax (RIWT)

According to tax laws, a resident company or permanent establishment in Fiji of a non-resident company paying interest to a resident person, must withhold the 10% tax from the gross amount of the interest. The resident company is then required to remit this 10% RIWT withheld, and file the RIWT summary by the end of the calendar month following the month in which this tax was withheld. Similar to all withholding taxes, the time to withhold is earlier of the time the amount is:

- a) applied on behalf of the recipient either at the instruction of the recipient or under any law;
- b) reinvested, accumulated or capitalised for the benefit of the recipient;
- c) credited to the account, or carried to any reserve, or a sinking or insurance fund for the benefit of the recipient; and
- d) actually paid or otherwise made available to the recipient.

Resident companies that are financial institutions will be automatically registered to withhold RIWT, remit to FRCS and file the RIWT summary. Resident companies other than financial institutions, that have paid out interest to a resident person, are required to also withhold the 10% RIWT from the gross interest. These companies will then need to manually create the filing obligations in TPOS, only for the period in which they pay interest to a resident person, in order to file the RIWT summary and remit to FRCS. Finally, the company withholding is required to issue the withholding certificate every year to the payee and the payee can download their RIWT withholding statement from TPOS once the payer has filed the RIWT Summary.

However, RIWT is not required to be withheld if the interest payment is to a financial institution; or if the FRCS CEO issues a certificate of exemption to a resident person on the basis that the interest is exempt as prescribed by regulations made under tax laws.

Current Process for Filing RIWT Summary

Currently the annual RIWT Summary is lodged manually at the FRCS Customer Service Centers. These forms are then processed by the Tax Officers and assessed by the Assessors.

Filing RIWT Summary on TPOS for years 2015 -2019

Filing of RIWT on the Taxpayer Online Services will be as follows:

- Log in to FRCS Taxpayer Online Services (TPOS) Portal using the username and password.
- Navigate to “Filing Obligations” tile, which will show yearly returns in TPOS for years 2015 - 2019. For 2020 onwards it will show monthly returns.
- Create the obligation if not a financial institution, or select the relevant RIWT Summary filing obligation from the filing obligations which are in “Open” or “Overdue” status.
- Once the relevant filing obligation is selected, the details of resident persons who received interest needs to be entered accordingly or in Excel template
- The taxpayer must then complete the RIWT Summary. There are 2 sub processes including filing in the required fields and schedules and uploading the required supporting documents.
- If all validations are passed, the taxpayer then can submit the return. If not, the taxpayer will have to rectify the issues to proceed further.

Filing RIWT Summary on TPOS for years 2020- onwards

The processes for filing RIWT Summary on TPOS for years 2020 and onwards is same as 2015-2019 above, except for the filing frequency where the period keys for January 2020 onwards will have the filing obligations on monthly basis.

Taxpayers will only be able to submit the return after passing all **validations**. Once the return is submitted, it will be automatically processed filing confirmation will be available in the taxpayer’s portal.

RIWT summary Validations – TPOS

Below are important validations that taxpayers need to be aware of when submitting their RIWT Summary on TPOS:

Taxpayer Screen	Validations
▪ Instructions	▪ On the TPOS screen outlining instructions, the taxpayer must ensure to <u>tick the I declare check box</u> after he/she has read and understood the instructions. If not, the taxpayer will not be able to proceed further.
▪ NIL Return Questions	▪ Company declares whether there were any interest paid or not in the return month.

<ul style="list-style-type: none"> ▪ RIWT Summary 	<ul style="list-style-type: none"> ▪ Details of persons receiving interest is to be entered line by line, or using the Excel template. The compulsory fields that must be entered are: <ul style="list-style-type: none"> 1) date, 2) Joint account/ not, 3) TIN of payee 4) Certificate of Exemption (COE) Reference number, 5) Account name, 6) Interest amount. ▪ The name and RIWT calculation is validated and automatically calculated. ▪ There will be NIL RIWT payable if a valid COE reference is entered, or if TIN of payee is a financial institution
<ul style="list-style-type: none"> ▪ Liability 	<ul style="list-style-type: none"> ▪ The tax payable will be automatically calculated.
<ul style="list-style-type: none"> ▪ Declaration 	<ul style="list-style-type: none"> ▪ The Authorised Officer's TIN is to be entered, and the declaration box must be ticked. If this is not done, an error message will be displayed and the return will not be submitted.

FRCS continues with its commitment to simplify tax processes and provide a reliable way for voluntary compliance. We encourage people to use the online services. Amongst other benefits, the online services will help improve ease of doing business. The new system has simplified the processes and enhanced services for our customers. You can access TPOS on <https://tpos.fracs.org.fj/taxpayerportal>. For more information and feedback please email us on info@fracs.org.fj.

End.