



Time to Pay Arrangements

The Fiji Revenue and Customs Service (FRCS) is implementing new service modules on the Taxpayer Online Services (TPOS) from November 3rd 2020. The new services that will be available online from November 3rd are the Tax Compliance Certificate (TCC), Taxpayer Requests for Remission of Penalties, Request for Time to Pay Arrangement and Request for Clarification.

In this week's Tax Talk we will look at the processes involved in applying for Time to Pay Arrangements on the Taxpayer Online Services.

Time to Pay Arrangement

Time to pay arrangement is an arrangement where a taxpayer requests to make instalment payments to FRCS instead of one-off settlement or full payment due to genuine financial constraints. FRCS Chief Executive Officer under Section 25 of the Tax Administration Act (TAA) 2009 may grant an extension of time to pay tax after the Tax Office had evaluated the taxpayer's financial status and is convinced that the taxpayer is facing financial issues and is unable to pay tax debt.

Requests for time to pay arrangement should be made to the FRCS CEO and from November 3 2020, these applications could be made through the Taxpayer Online Services. The application will follow an approval process.

The application will follow an approval process. Taxpayers are required to pay a down payment of a minimum of 10% of the total tax liability, however if they face genuine financial constraints and are not able to pay 10%, FRCS may consider their situation based on evidence provided.

In addition to this, all outstanding returns have to be lodged prior to time to pay arrangements or if the taxpayer is under the Tax Agent Lodgment Program (TALP), then he/she can lodge on the extended due date.

The CEO of FRCS may grant extension of time for payment of the tax or require the taxpayer to pay the tax due in instalments. The taxpayer will be notified of the CEO's decision.

The minimum duration of a time to pay arrangement is 2 months while the maximum is 12 months. If the taxpayer defaults on any instalment payment the entire plan is revoked and the total balance becomes payable.

Time to pay arrangements are handled by the FRCS Debt Management Services.

Applying for Time to Pay Arrangement on TPOS

The time to pay arrangement service will be available on the Taxpayer Online Services from November 3rd 2020. It is important to note that FRCS will stop issuing all time to pay arrangement services including Value Added Tax (VAT), Service Turnover Tax (STT), Environment and Climate Adaptation Levy (ECAL) Prescribed Services and Fringe Benefit Tax (FBT) from **Friday, 30th October 2020**. FRCS will be

contacting those taxpayers who are currently under time to pay arrangement with the FRCS Debt Management Services. However, if these taxpayers need assistance or further information, they can contact their case managers at FRCS.

From 3rd November 2020, taxpayers will be required to lodge their new time to pay arrangements on Taxpayer Online Services.

Below is a guideline on the process involved in applying for time to pay arrangements on the Taxpayer Online Services portal:

1. Log on to the FRCS Taxpayer Online Services <http://mytpos.frcs.org.fj> using username and password.
2. Navigate to the "Requests" tile and choose the option "Time to Pay Arrangements". Following this, the applicant will be navigated to the instructions page.
3. **Instructions:**
 - On this page, the instructions for lodging the time to pay arrangement request are listed. The taxpayer must confirm that he/she has read and understood the instructions by clicking on the checkbox.
 - Clicking on the checkbox will enable the **NEXT** button and by clicking this the Taxpayer can proceed to the application form.

4. Time to Pay Arrangement Application

On the first page of the application, the Taxpayer is required to provide the parameters for requesting time to pay arrangement which includes the tax type and the reason for applying. Details of the parameters on this page are listed below:

- Reason for selecting the instalment plan – list of reasons:
 - Liquidation
 - Cash Flow problems
 - Other Financial commitments
 - Bank Mortgage commitments
 - Natural Disaster
 - Fire
 - Bankruptcy/Insolvency/Winding Up
 - Temporary Ceased Operation
 - Medical Reasons
- Additional written justification for the application of time to pay arrangement
- Select the tax type from the drop down for which the time to pay arrangement is applied for
- Select the instalment plan duration and the frequency at which the payment will be made i.e. monthly etc.

Please note that the first payment will be due by the end of the month when time to pay arrangement is requested for below 3 months while in other cases when it is approved.

5. Liabilities

On this page, the liabilities pertaining to the tax type selected in the previous screen will be listed.

- All liabilities are listed, there is no option to exclude any liability from the time to pay arrangement.
- The taxpayer needs to select a down-payment % (percent), FRCS expects at least 10% down-payment to be made as a criterion for approving the request for time to pay arrangement. Following the deduction of the down payment amount, other required repayments will be equally distributed throughout the duration of the approved time to pay arrangement. If any of the payments listed is not paid within the 7 days from their respective due dates the time to pay arrangement will be revoked by the system.
- If a lower % (percent) is selected (between 1% and 9%), a warning message will be displayed to the taxpayer, indicating that there is a lower probability of the request being approved.
- The taxpayer can go back to the previous screen to select another tax type and as a result different set of liabilities will be shown.

6. Proposal

Based on the parameters selected in the previous screen, a time to pay arrangement proposal will be generated. The taxpayer will be able to view a payment schedule with the amounts and due dates.

- The taxpayer can change the parameters on the previous screen to simulate the different proposals before submitting the instalment plan.
- None of the fields in the proposal are changeable. If the taxpayer requires a different proposal from what the system displays, they must add a note to the application form. This will be reviewed by FRCS and a decision whether to grant the proposal or not will be made.

7. Time to Pay Arrangement Attachments

The following documents are required to be attached for any time to pay arrangement application. Please note that the bank statement is a mandatory document required for all taxpayers while the other documents are optional and maybe required based on certain circumstances.

- Copies of recent Bank Statements (last 2-3 months)
- If company/Partnership/Estate- related TINS bank statement(directors/partners/beneficiaries)

- Debtors Listing
- Creditor Listing
- Loan statements If contracted – list of companies/ business contracted
- Assets Listing
- Cash flow statements (projected income and expense)

8. Declaration and Confirmation Pages

On the declaration page, a taxpayer needs to confirm that the information in the application is true and correct.

- If the taxpayer is an individual, the Taxpayer Identification Number (TIN) will be prepopulated.
- If the taxpayer is a non-individual, then the TIN must be entered, and their designation must be selected from a drop-down.
- Click on the 'Submit' button.
- On the confirmation page, the taxpayer can download a copy of the time to pay arrangement confirmation. The confirmation contains the down payment amount details along with a QR code.
- The taxpayer can present the filing confirmation at FRCS Office to make payment.

FRCS has been holding a series of consultations with all stakeholders to enhance education and awareness on the online processes of the various tax types to support taxpayers through the new transition. A webinar on time to pay arrangement will be held on the 20th of October 2020. Those interested can register through <https://ttpa.eventbrite.com.au>. Webinar and tutorial videos on other tax types can be accessed on FRCS website <https://www.frcs.org.fj/our-services/taxpayer-online-service-tpos/webinar-sessions/> and our You Tube channel https://www.youtube.com/channel/UCNTGMfofPp8-P_KkxOfGKaw/.

FRCS encourages taxpayers to register for the Taxpayer Online Services and use it. Also check that your information on the online portal is updated. You can access TPOS on <http://mytpos.frcs.org.fj>.

For more information and feedback please email us on info@frcs.org.fj.

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