

BILL NO. 10 OF 2021

A BILL

FOR AN ACT TO AMEND THE VALUE ADDED TAX ACT 1991

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

- 1.—**(1) This Act may be cited as the Value Added Tax (Budget Amendment) Act 2021.
(2) This Act comes into force on 1 August 2021.
(3) In this Act, the Value Added Tax Act 1991 is referred to as the “Principal Act”.

Section 3 amended

2. Section 3(8) of the Principal Act is amended by deleting the proviso and substituting the following—

“provided that this subsection shall not apply in respect of any payment received as compensation—

- (i) under the Accident Compensation Act 2017 pursuant to a contract of insurance where the supply of that contract of insurance was—
(A) exempted;
(B) zero rated; or

(C) in respect of an entitlement for loss of earnings within the meaning of the Workmen’s Compensation Act 1964 or accidental personal injury or damages;

(ii) pursuant to a contract of parametric insurance.”.

Section 8 amended

3. Section 8 of the Principal Act is amended by inserting the following new subsection—

“(1) Nothing shall prohibit the Chief Executive Officer from disclosing the registration status of any person.”.

Section 14 amended

4. Section 14(4A)(a) of the Principal Act is amended by—

(a) after “(tourists)”, deleting “and” and substituting “,”; and

(b) after “individuals”, inserting “, 218A (crew allowance) and 219A (passenger’s unaccompanied luggage)”.

Schedule 1 amended

5. Schedule 1 to the Principal Act is amended in paragraph 1 by—

(a) in subparagraph (b)(iv) after “;”, deleting “or”;

(b) in subparagraph (b)(v), deleting “,” and substituting “; or”; and

(c) after subparagraph (b)(v), inserting the following—

“(vi) parametric insurance,”.

Schedule 2 amended

6. Schedule 2 to the Principal Act is amended in paragraph 27 by deleting the definition of “omnibus” and substituting the following—

““omnibus” has the meaning given in section 2 of the Land Transport Act 1998; and”.

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July 2021

VALUE ADDED TAX (BUDGET AMENDMENT) BILL 2021

EXPLANATORY NOTE

(This note is not part of the Bill and is intended only to indicate its general effect)

1.0 BACKGROUND

- 1.1 The Value Added Tax (Budget Amendment) Bill 2021 (**‘Bill’**) seeks to amend the Value Added Tax Act 1991 (**‘Act’**).

2.0 CLAUSES

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2021.
- 2.2 Clause 2 of the Bill amends section 3 of the Act to exempt the payment of Value Added Tax on indemnity pay outs of parametric insurance.
- 2.3 Clause 3 of the Bill amends section 8 of the Act to allow the Chief Executive Officer of the Fiji Revenue and Customs Service to disclose the current registration status of any person.
- 2.4 Clause 4 of the Bill amends section 14(4A) of the Act by including new Concession Code Numbers 218A relating to crew allowance and 219A relating to passengers’ unaccompanied luggage. Clause 4 of the Bill amends section 14(4A) of the Act to correspond to the amendments made in Part 3 of Schedule 2 to the Customs Tariff Act 1986.
- 2.5 Clause 5 of the Bill amends Schedule 1 to the Act by inserting parametric insurance as an exempted supply.
- 2.6 Clause 6 of the Bill amends Schedule 2 to the Act to align the definition of “omnibus” to the definition provided for under the Land Transport Act 1998.

3.0 MINISTERIAL RESPONSIBILITY

3.1 The Act comes under the responsibility of the Minister responsible for finance.

A. SAYED-KHAIYUM
Attorney-General