

BILL NO. 10 OF 2024

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 2024.
- (2) This Act comes into force on 1 January 2025, except section 2(a) which comes into force on 1 August 2024 and section 2(b) which comes into force on 28 June 2024.
- (3) In this Act, the Value Added Tax Act 1991 is referred to as the “Principal Act”.

Section 14 amended

2. Section 14(4A)(a) of the Principal Act is amended by—
 - (a) after “(the President and his or her family),”, inserting “201C (a Member of Parliament),”; and
 - (b) deleting “212 (a private individual),”.

*Section 32 amended***3.** Section 32 of the Principal Act is amended by—

- (a) in subsection (1)—
 - (i) in paragraph (a), after “;” inserting “or”;
 - (ii) in paragraph (b), deleting “;” and substituting “.”; and
 - (iii) deleting paragraphs (c) and (d);
- (b) in subsection (2), deleting “Category B or C or D” and substituting “a category”;
- (c) in subsection (3), deleting “or C or D”; and
- (d) in subsection (5), deleting the chapeau and substituting the following—

“(5) The Chief Executive Officer may direct that a registered person change from Category A to Category B or, as the case may be, Category B to Category A—”.

Transitional

4.—(1) Any registered person who is placed in Category C or Category D under section 32 of the Principal Act prior to the commencement of the Value Added Tax (Budget Amendment) Act 2024, must furnish the Chief Executive Officer with an annual tax return and the accompanying Input tax schedule in the prescribed form as may be approved by the Chief Executive Officer, by 31 January 2025 for the taxable period of 2024.

(2) Any registered person who is placed in Category C or Category D under section 32 of the Principal Act prior to the commencement of the Value Added Tax (Budget Amendment) Act 2024, is deemed to be placed in Category A or Category B under section 32 of the Principal Act at the commencement of the Value Added Tax (Budget Amendment) Act 2024, for the purposes of the person’s taxable periods.

June 2024

VALUE ADDED TAX (BUDGET AMENDMENT) BILL 2024

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 Act 1991 (**‘Act’**) provides for the imposition of value added tax (**‘VAT’**) on taxable supplies and for the administration of VAT in Fiji.
- 1.2 The Value Added Tax (Budget Amendment) Bill 2024 (**‘Bill’**) seeks to amend the Act to *inter alia* provide that individuals who import items for personal use will now be required to pay VAT, which consequently will allow for the fair application of VAT.
- 1.3 Furthermore, to assist businesses in the management of their financial affairs while ensuring that the collection of VAT revenue is done in a consistent manner, the Bill also amends the Act to remove the filing of tax returns on an annual basis but retains the current system of filing of tax returns on either a monthly or quarterly basis.
- 1.4 Therefore, the Bill seeks to amend the Act to address budgetary policy changes in the 2024-2025 Budget.

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 January 2025 except for section 2(a) which will come into force on 1 August 2024 and section 2(b) which will come into force on 28 June 2024.
- 2.2 Clause 2 of the Bill amends section 14(4A)(a) of the Act by including items under concession code 201C (a Member of Parliament) as imported items not subject to VAT. Clause 2 of the Bill also amends the Act by deleting concession code 212 (a private individual) to now allow for VAT to be imposed on items imported for personal use.

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2.3 Clause 3 of the Bill amends section 32 of the Act by deleting the references to Category C and Category D, which provide that the applicable taxable period under these categories are 12 months.

2.4 Clause 4 of the Bill provides for the transitional provisions. A registered person who is placed in Category C or Category D under section 32 of the Act prior to the commencement of the amending legislation must furnish the Chief Executive Officer with an annual tax return and the accompanying Input tax schedule by 31 January 2025, for the taxable period of 2024.

2.5 Clause 4 of the Bill also provides that a registered person who is placed in Category C or Category D under section 32 of the Act prior to the commencement of the amending legislation is deemed to be placed in Category A or Category B, at the commencement of the amending legislation, for the purposes of the person's taxable periods.

3.0 MINISTERIAL RESPONSIBILITY

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

G. E. LEUNG
Attorney-General