

# 2023-2024

# FRCS ANNUAL REPORT



**FIJI REVENUE AND  
CUSTOMS SERVICE**

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# CEO Message

Greetings, from the Fiji Revenue and Customs Service (FRCS).

It has been a privilege to be part of the Fiji Revenue and Customs Service team. Since joining the organisation in March, 2024, I have had the opportunity to familiarize myself with the demanding operations of the organization, the expectations of Government, staff, stakeholders, donor partners and the demand of the changing business environment and technological landscape.

To facilitate the needs of our stakeholders, it is vital, that we improve in the way we carry out our business. Let me share with you some of the ways we are changing our business to accommodate these expectations of all our stakeholders.

## Business Transformation and Technology

Tax administrations across the globe are moving towards digitalisation for improved taxpayer services and increased revenue. Last April, we completed our digital online system, the Taxpayer Online Service (TPOS) for Fiji's taxpayers. FRCS embarked on the modernisation of the tax administration system in 2017.

TPOS is a self-service "one stop shop" system which allows taxpayers to conduct business with FRCS through a 24hour portal and serves to encourage a higher level of voluntary compliance in a self-assessment environment.

Our digital transformation entails a range of benefits including making it easy for our customers to engage with us, streamlined tax processes, improved compliance, enhanced data management analysis and reduced administrative and enforcement costs. Investing in data analytics tools has further enhanced our capacity to detect suspicious patterns, identify potential tax evasion schemes, and conduct a more efficient and targeted audits. It will improve the accuracy and effectiveness of our enforcement efforts.

## Customer Centricity Approach

As a service-oriented organisation, our focus is on being customer centric and changing the perception. We are actively working on building a trusted partnership with all our clients, customers, business partners and stakeholders by ensuring that every taxpayer gets a concierge service. We have adopted a customer segmentation approach to better understand and address the unique needs and preferences of each customer base.

We have assisted thousands of MSMEs to meet



their tax obligations and become compliant through regular trainings and outreach programs. We continue to assist taxpayers with Tax and Customs advise through the standard interpretation guidelines (SIGs) and private rulings.

We believe that providing friendly and convenient service is an approach that can greatly promote goodwill for payment of taxes, influence compliance levels and enhance revenue mobilization.

## Enhancing Taxpayer Compliance

We acknowledge that taxpayer education is a key tool to transform tax and customs culture and increase voluntary compliance in Fiji. As such, we established a taxpayer education last year which is dedicated to enhancing public awareness, educational campaigns and outreach programs to instil a culture of compliance and integrity and encourage the Fiji taxpayers to fulfil their civic duty and contribute to the common good. While enforcement measures play a crucial role in addressing tax evasion, fostering voluntary compliance among the taxpayers is equally essential for maintaining a healthy tax system.

## Reforms

Over the years, Fiji has undertaken tax reforms moving towards simplification. We have streamlined our tax types and removed some of them including Stamp Duty, Service Turnover Tax (STT) and the Environment & Climate Adaptation Levy (ECAL). Currently FRCS is reviewing the Value Added Tax (VAT) Act to modernize it by incorporating the current trading landscape and global trade in goods and services.

We are also engaging with the European Union on necessary changes to the tax regime to ensure Fiji is removed from its international tax "blacklist". We have joined the Global Forum on Transparency

and Exchange of Information for Tax Purposes in November 2023. In June 2024, we signed up to the Base Erosion and Profit Shifting (BEPS) Inclusive Framework, becoming its 147th member committed to addressing the tax challenges arising from the digitalisation of the economy by participating in the Two-Pillar Solution to reform the international taxation rules and ensure that multinational enterprises (MNEs) pay a fair share of tax wherever they operate.

## Enhancing Border Security

Fiji is a travel hub to the Pacific and in the recent months, have become a key route for transnational syndicates. This has increased a range of transnational crimes such as drug trafficking, money laundering and proliferation of cyberfraud. The Pacific have always been a strategic transshipment point geographically, thus the importance of protecting our Borders. We have received continuous technical and funding support from our donor partners. Their continuous committed to Fiji has been tremendous in the areas of technical training and the provision of Border protection, equipment, machines and systems. As we work to protect our Borders, we are also advocating to our communities the harmful social effects that these transnational crimes bring. This is a national partnership approach with other border agencies, Police Force and Defence agencies.

The organisation went through some challenging times, with changes to the Chief Executive Officer (CEO) and other key leadership positions. Despite the challenges, the organisation delivered on some key areas and for the first time surpassed the collection of 3 billion dollars in revenue collection. This indicate a dedicated workforce that are highly committed and connected to meeting our strategic purpose of "Helping Fiji Grow".

I take this opportunity to thank Mr Malakai Naiyaga, who assumed the role as the Acting Chief Executive Officer and made my transition into my role seamless. I thank my staff for their unwavering commitment to their work for the nation, our stakeholders for their collaboration towards improving our service and our donor partners for always supporting our organisational and national objectives.

I am proud to present our Annual Report for the year 2023-2024.

Thank you

**Mr Udit Singh**  
**Chief Executive Officer**

# Board Of Directors



## Mr Malakai Naiyaga – Board Chairman

Mr. Naiyaga is a vastly experienced business leader and business adviser with specific expertise in finance, insurance, financial services and investments. He is a former CEO and senior executive of financial services institutions in Fiji (former CEO of BSP Life) and abroad. He has extensive experience in managing change and institutional strengthening. Mr. Naiyaga is a graduate of the Australian Institute of Company Directors, a Fellow of the Financial Services Institute of Australasia and a Chartered Accountant member of the Fiji Institute of Chartered Accountants.



## Ms Umesh Prasad – Board Director

Ms Umesh Prasad is the General Manager Treasury at the Bank of the South Pacific (BSP) and has over 15 years of specialised experience in treasury and foreign exchange business. She is an accredited foreign exchange dealer with the Australian Financial Markets. She has led treasury teams since 2015 with ANZ Vanuatu and HFC bank Fiji.

Her academic accolades include being a Gold Medallist from the University of the South Pacific with a Master's in Business Administration. She holds a Post Graduate Diploma in Mathematics and Post Graduate Diploma in Economics. She also has a Bachelor of Science Degree in Mathematics and Physics.



## Mr Shiri Goundar- Board Director

Mr Shiri Goundar has been the Permanent Secretary for Finance since 2021 and played a lead role in Fiji's economic and financial management during the COVID-19 pandemic.

Mr Goundar has over 17 years of professional experience with the Ministry of Finance and the Reserve Bank of Fiji in areas of macroeconomic policy, national budget formulation, taxation & customs policy, public financial management, public administration and strategic management.

Mr Goundar is currently a Board Director at the Reserve Bank of Fiji, Fiji Revenue and Customs Service, Fiji National Provident Fund. Mr Goundar has a master's in international and development economics with Distinction from the Australian National University, a Post Graduate Diploma in Economics and a Bachelor of Arts Degree in Economics & Accounting from the University of the South Pacific.



## Mr Ilisoni Vuidreketi – Board Director

Mr Vuidreketi has over 20 years' senior management experience at national (Fiji) and regional (Pacific Islands) levels in the areas of Trade, Tourism, Finance Investment and small and medium enterprise (SME) development. Mr Vuidreketi was the CEO of the South Pacific Tourism Organisation (2010-2016) and led the planning, implementation and monitoring of sustainable tourism development and marketing programmes for the 16 member Pacific Island countries. He also served as adviser to rural village projects, Youth, Women, school committees, NGOs and other community groups. This included providing technical advice and support in writing Constitutions, Strategic Plans, Business Plans and Proposals to donor agencies and governments

# Executive Leadership



**Shavindra Nath**  
Chief of Staff



**Momina Beg**  
Director Taxation



**Kelerayani Dawai**  
Director Compliance



**Nalin Ranasinghe**  
Chief Information Officer



**Ansu Singh**  
Chief Financial Officer



**Shelini Sharma**  
Director Customs



**Ilaisa Lakepa**  
Deputy Director Governance  
and Risk



**Uraia Rasake**  
Director People, Capability  
and Culture

# About Us

The Fiji Revenue and Customs Service is the major funder of the National Budget. Apart from our primary mandate, FRCS continues to partner, implement and support all government initiatives. We try our best to align our Strategic Plan with the National Development Plan to ensure sustainable, efficient and effective performance.

We are a statutory organization established under the FRCS Act 1998 that is governed by a Board and administered by a Chief Executive Officer.

## Our Function

Guided by the FRCS Act, the Service performs the following roles:

- acts as an agent of the State to provide services to administer and enforce the laws specified in the First Schedule of the Act;
- exercises all functions and performs all duties carried out by the former Inland Revenue Department and the Fiji Islands Customs Service;
- advises the State on matters relating to taxation and customs and excise and liaises with appropriate Ministries and statutory bodies on such matters;
- represents the State internationally in respect of matters relating to taxation or customs and excise; and
- advises the State on matters relating to taxation and customs and excise and liaises with appropriate Ministries and statutory bodies on such matters;
- represents the State internationally in respect of matters relating to taxation or customs and excise; and
- performs other functions the Minister assigns to the Service.

## Our Services

Our services are available from ten locations throughout Fiji: Ba, Labasa, Lautoka, Levuka, Nadi, Rakiraki, Nausori, Savusavu, Sigatoka and Suva. Services to the outer islands are carried out in partnership with Government and Non-Government Organisations.

## Our Eight Operating Divisions

- i. Corporate Services
- ii. Taxation
- iii. Compliance
- iv. Technology
- v. Finance and Properties
- vi. Governance and Risk
- vii. Customs
- viii. People, Capability and Culture

# Our Strategy on a Page



## OUR PURPOSE

Helping Fiji grow



## OUR STRATEGIC AMBITION

Be a trusted, efficient, service-driven tax administration that minimises the tax gap and maintains the protection of Fiji's borders for the prosperity of the people of Fiji



## OUR STRATEGIC OBJECTIVES

### REVENUE COLLECTION

Improve revenue collection gaps by simplifying the tax and customs systems and making compliance easy

### CLIENT SERVICE EXCELLENCE AND STAKEHOLDER COLLABORATION

Provide excellent service to our clients and leverage our partnerships to enhance our operations

### TRADE FACILITATION AND BORDER SECURITY

Promote a seamless trade facilitation process, whilst maintaining the security of Fiji's borders

### ENGAGED PEOPLE

Create a high performance culture as an employer of choice where our people are engaged and equipped to serve



## OUR STRATEGIC ENABLERS

### TECHNOLOGY

Digitally transform our organisation to be future-focused and data driven

### PROCESS

Strengthen our processes to support a culture of efficiency and compliance



## OUR VALUES

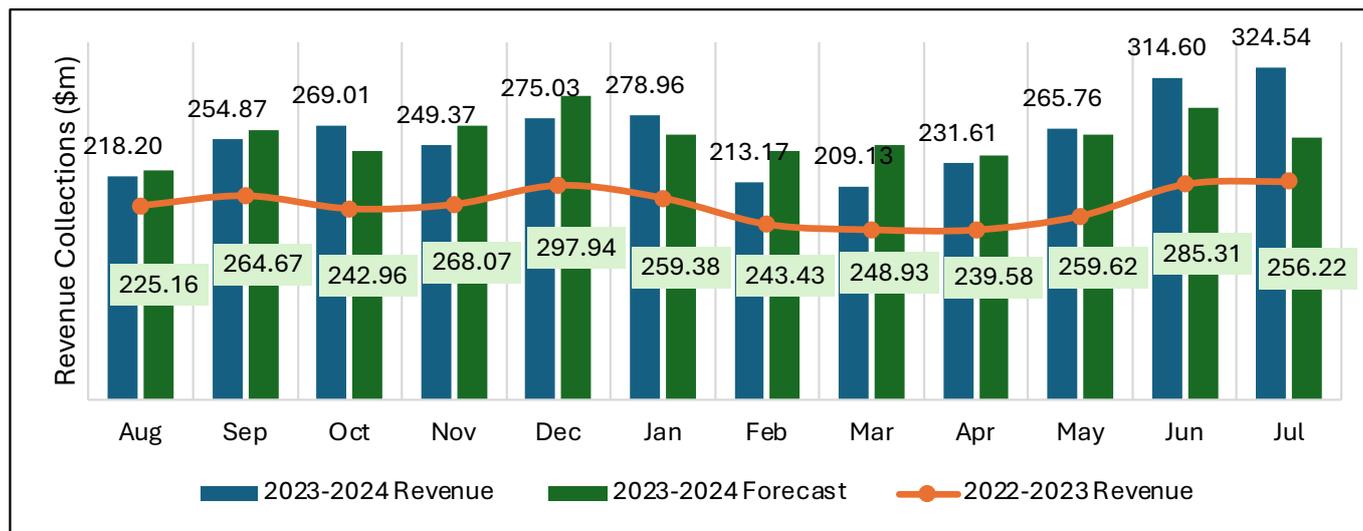
- **Integrity** - We act with honesty and uphold the principles expected of us.
- **Respect** - We accept individuals for who they are.
- **Empathy** - We seek to understand an individual's perspective.
- **Collaboration** - We work with each other to achieve common goals.
- **Excellence** - We always strive to do better.

# 2023-2024 Revenue Performance

A cumulative net revenue of \$3,104.2m was collected in the 2023-2024 fiscal year which was above the annual forecast by \$68.3m or 2.3% and when compared to the 2022-2023 fiscal year, the net revenue was also above by \$818.7m or 35.8%.

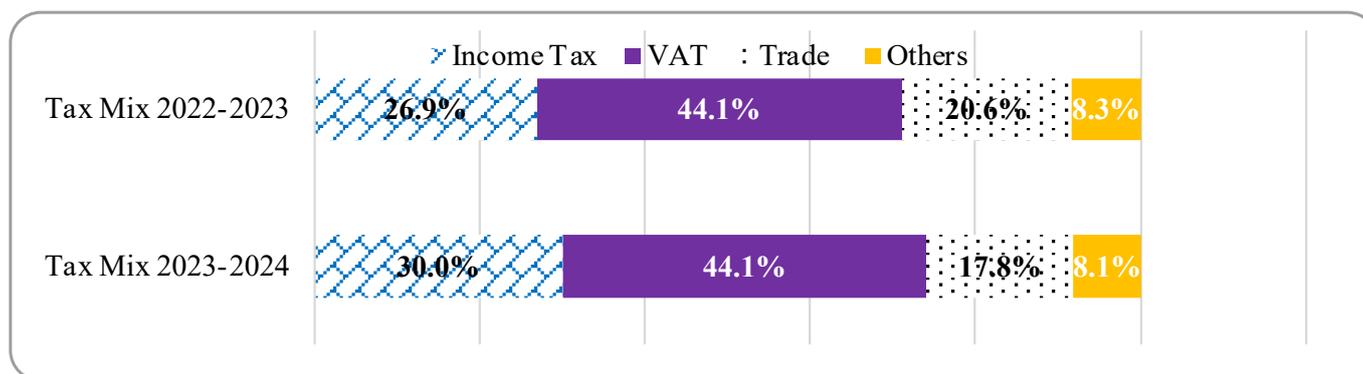
The collection marks a significant achievement for FRCS as it was the first time that collections surpassed the \$3b mark, the highest collections recorded prior to this achievement was in the 2017-2018 fiscal year where a \$2.83b collection was recorded.

**Graph 1: Monthly Revenue Performance**



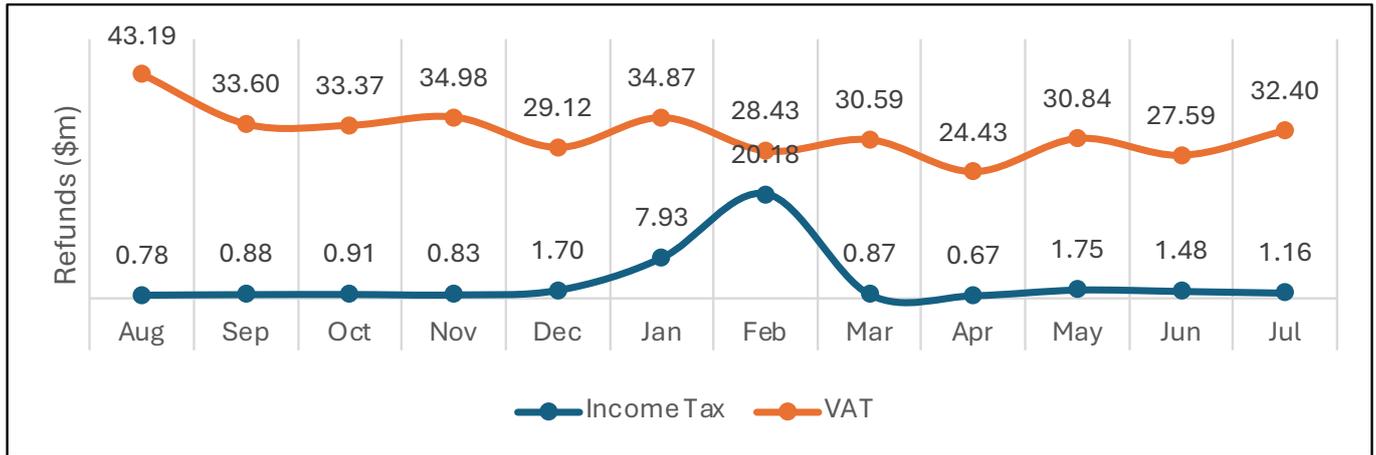
Looking at the categories that drive tax collections, VAT collections led the tax mix composition comprising of around 44.1%, followed by Income Tax at 30.0%, Trade taxes at 17.8% and the remaining 8.1% was from other taxes and levies.

**Graph 2: Tax Mix Composition**



Income tax and VAT refunds continue to be released based on the monthly forecast allocations and the availability of funds provided by the Ministry of Finance. The graph below provides a comparative illustration of the respective income tax and VAT refunds over the 12 month period where a monthly average of \$35.2m was refunded out of which 92% constitutes to VAT refunds.

### Graph 3: Monthly Refunds



Additionally, FRCS is also reducing its refund liability through credit off-set with other tax types where the VAT amount refundable is used to offset other tax/customs payable. A total of \$74.6m in VAT credits was used to offset tax and customs liabilities in the past 12 months.

## Income Taxes

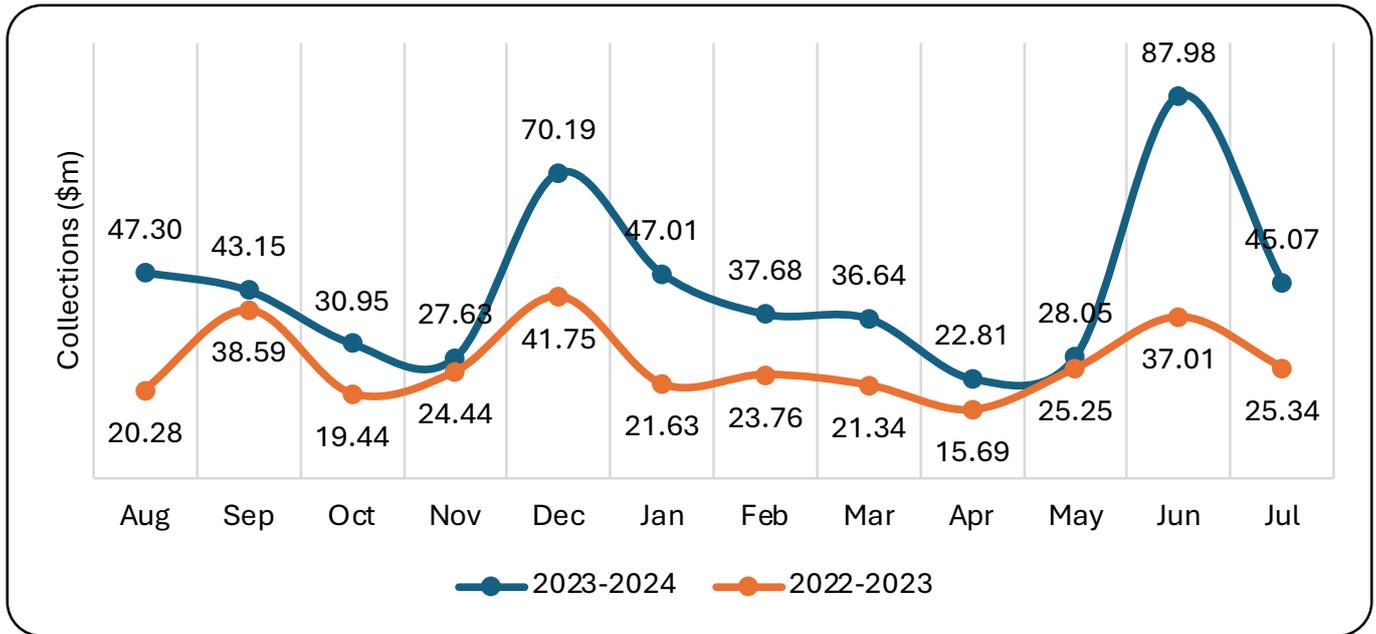
The cumulative net income tax collection stood at \$931.6m, which was above the forecast by \$29.7m or 3.3%. Compared to the 2022-2023 cumulative collections, it was higher by \$315.8m or 51.3%.

## Corporate Income Tax (CIT)

Cumulative to July, a total of \$524.5m was recorded for Corporate tax, it was above the forecast by \$6.6m or 3.4%. Compared to the cumulative 2022-2023 collections, Corporate income tax collections were higher by \$38.1m or 23.2%.

CIT collections performed quite well, being one of the key tax types that significantly contributed to meeting the overall revenue target. This strong performance can be attributed to an optimistic business environment and high turnover reported by companies. Additionally, the 5% increase in CIT rates has also supported the overall collection.

## Graph 4: Monthly Corporate Tax Collection



## PAYE

For the 2023-2024 fiscal year, PAYE collections of \$202.4m were above the forecast by \$6.6m or 3.4%. Compared to cumulative 2022-2023 collections, PAYE collections were also higher by \$38.1m or 23.2%.

There were no changes made to the Income Tax table in the 2023-2024 national budget, so the increase in collections was primarily due to the rising income levels that fall on the respective tax thresholds as driven by salary increases across the civil service, private sector, and statutory bodies. Additionally, the filling of vacant positions across various sectors has also contributed to this growth, as employers have adjusted remuneration packages to address the impacts of brain drain.

## Withholding Taxes

For the 2023-2024 fiscal year, Withholding Tax collections of \$155.3m were above the forecast by \$0.9m or 0.6%. Compared to cumulative 2022-2023 collections, withholding tax collections are also higher by \$37.9m or 32.3%.

There were no rate changes in the withholding tax rates. The collections are driven by the increased demand for professional services by companies and businesses in line with the various capital projects being undertaken across the country. The inflated price for hiring compared to a year ago is also a reason for the increase.

## Value Added Tax

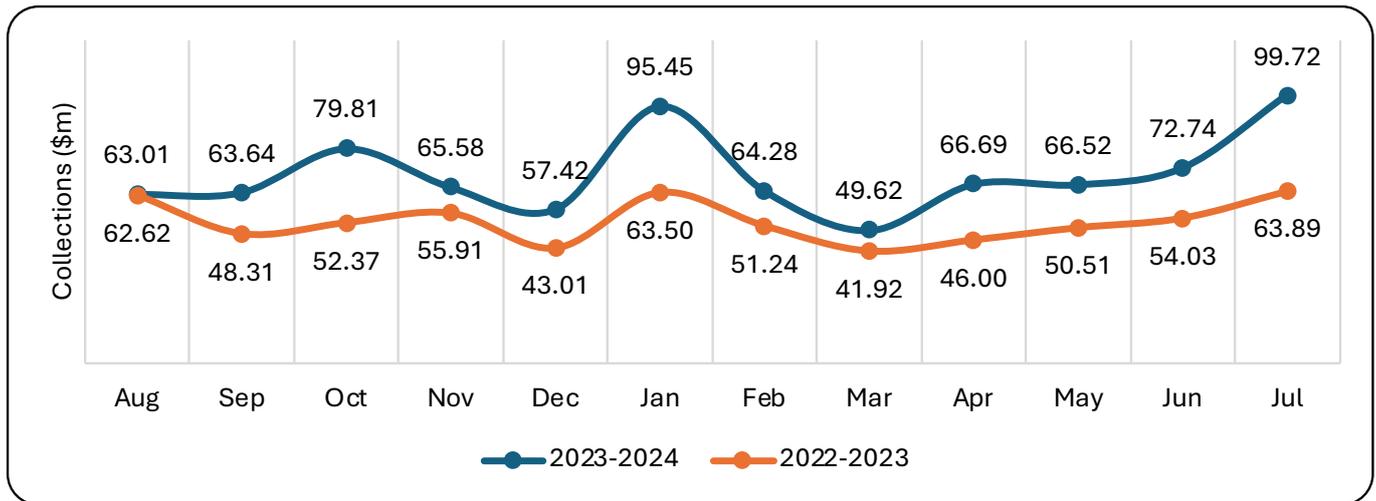
For the 2023-2024 fiscal year, the net VAT collections of \$1,369.4m were above the forecast by \$35.2m or 2.6%. Compared to cumulative 2022-2023 collections, the net VAT collections were also higher by \$361.3m or 35.8%.

The significant improvement in VAT collections is underpinned by the rate increase together with the increased consumption demand across all sectors of the economy.

## Domestic VAT

For the 2023-2024 fiscal year, domestic VAT recorded a collection of \$844.5m and was above the forecast by \$18.7m or 2.3%. Compared to cumulative 2022-2023 collections, domestic VAT collections was also higher by \$211.2m or 33.3%.

## Graph 5: Domestic VAT Collection



The strong performance in the domestic VAT collections reflect the robust recovery and expansion in major sectors such as manufacturing, wholesale and retail trade, and accommodation and food services. Additionally, the increase in collections is supported by the rate increase and the vibrant economic activity that highlights the success of FRCS efforts in enhancing compliance and ensuring the accurate collection of trust taxes such as VAT.

## Customs Duties & Levies

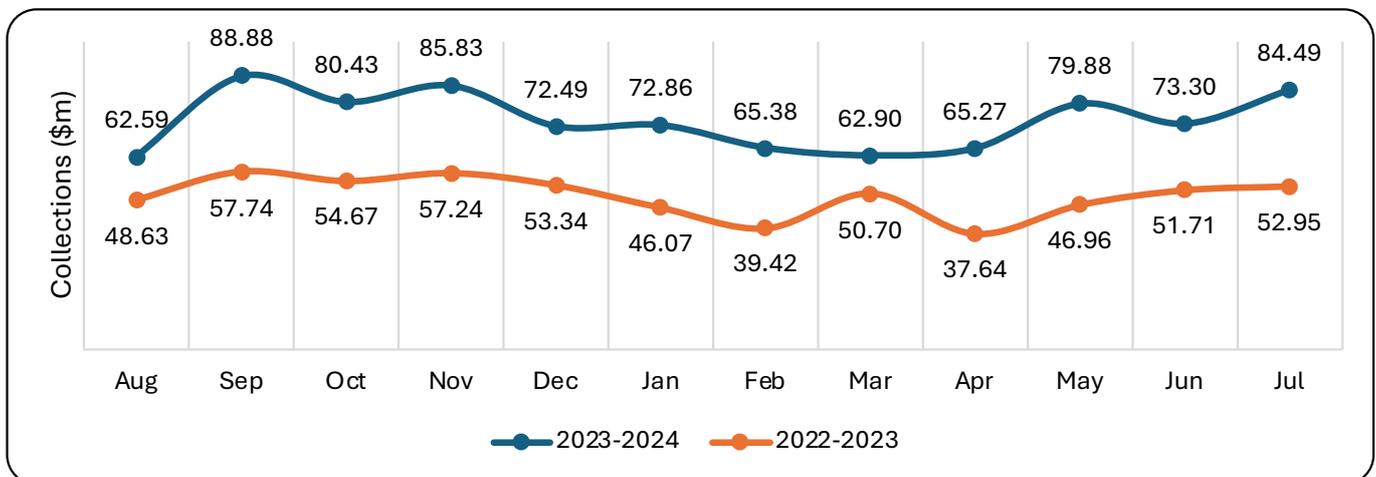
For the 2023-2024 fiscal year, the net customs collections of \$551.6m was below the forecast by \$1.7m or 0.3%. Compared to cumulative 2022-2023 collections, collection is higher by \$79.7m or 16.9%.

Net Customs performed relatively well against the forecast and when compared to the same period last year. Fiscal Duty, Export Duty, and Domestic Excise continue to be the main contributors, and the high inflationary pressure imported through the high imports of goods has also added to the improvement of trade taxes.

## Import VAT

For the 2023-2024 fiscal year, the Import VAT collections of \$894.3m was above the forecast by \$1.2m or 0.1%. Compared to cumulative 2022-2023 collections, it is also higher by \$297.3m or 49.8%.

## Graph 6: Import VAT Collection



The 6% rate increase in the VAT rate has positively contributed to the increase in the Import VAT collections with strong collections noted in the import of mineral fuels, motor vehicles, machinery, wheat, plastics, and consumables. Furthermore, to sustain the increased demand in the tourism and hospitality industry the demand for imported items has grown when compared to the same period last year.

## Fiscal Duty

For the 2023-2024 fiscal year, the Fiscal Duty collections of \$368.3m were below the forecast by \$6.4m or 1.7%. Compared to cumulative 2022-2023 collections, collection is higher by \$42.4m or 13.0%.

Since it's highly correlated with the level of imports, the high import costs aided the increased fiscal duty collections where ad-valorem duty is applicable. The revenue generating chapters for Fiscal Duty stem from the importation of machinery, mineral fuels, motor vehicles and electric equipment.

## Domestic Excise Duty

For the 2023-2024 fiscal year, the Domestic Excise collections of \$148.9m were above the forecast by \$3.1m or 2.1%. Compared to cumulative 2022-2023 collections, collection is higher by \$17.6m or 13.5%.

The domestic excise collections noted an increase in collection as a result of the 5% rate increase and the overall increase in the production of tobacco and alcohol products. The new sugar tax which is applied on the production of sugar confectioneries products such as bongo, ice-cream and sugary drinks also supported the increase when it came into effect in January 2024.

### Graph 7: Domestic Excise Collections



The graph above shows that production tends to increase during the tourism peak period of April to June and leading up to the festive period from October to December. The positive spillover from the tourism industry through the increased tourism arrival numbers demands the increased production during the mentioned periods.

## Water Resource Tax

For the 2023-2024 fiscal year, the Water Resource Tax(WRT) collections of \$71.9m was above the forecast by \$0.2m or 0.3%. Compared to cumulative 2022-2023 collections, collection is lower by \$2.8m or 3.7%.

The performance of WRT collection has fallen short of expectations, both in monthly forecasts and cumulative results, due to reduced extraction volume. This decline is attributed to a plant shutdown for expansion work. Additionally, a 10-day strike involving 168 workers created further disruptions and the recall of 1.9 million Fiji water bottles due to bacterial and manganese contamination added to production challenges.

## Departure Tax

For the 2023-2024 fiscal year, the Departure Tax collections of \$89.2m was above the forecast by \$0.8m or 0.9%. Compared to cumulative 2022-2023 collections, collection is higher by \$27.5m or 44.5%.

The positive performance compared to the same period last year is driven by the new rate increases and the increase in tourist arrivals.

# Revenue Collection

*Improve revenue collection gaps by simplifying the tax and customs systems and making compliance easy.*

## Simplify the tax and customs systems

The three VAT rate system was replaced with a streamlined two-VAT rate system. The VAT rate of 9% was increased to 15%, while the 0% VAT rate remained unchanged.

The Fiji Revenue and Customs Service (FRCS) in collaboration with the Fijian Competition and Consumer Commission (FCCC) formed a price surveillance taskforce with the two organisations intensifying inspections and closely monitoring the market to ensure that the changes in the VAT (Value Added Tax) rates and customs duties announced in the 2023/2024 National Budget were reflected correctly in the final prices.

Effective from 1st August 2023, the three VAT rates were replaced with a simplified two VAT rate system. The 9% VAT increased to 15% while the 0% VAT rate was maintained. The 21 zero-rated VAT items increased to 22 items with the addition of prescription medicine and prescription drugs.

Additionally, import duties reduced on sheep and lamb meat, prawns, ducks, corned meat of lamb, sheep and beef, canned mackerel, canned tomatoes and chicken portions.

The FRCS team also conducted analysis of shipping and other related costs to verify the pattern of price changes. It was important to ensure that the intention of the budget policies announced by the government was achieved. The intent was to reduce the prices of these products and promote consumer choices. Cost of living is a matter that resonates deeply within our communities. It's not just an economic issue but rather a fundamental aspect of daily life that affects families across Fiji.

As part of our strategic initiative, some of the key actions that was facilitated to ensure a smooth transition of the 2023-2024 budget changes was frequent engagement sessions with the different stakeholder groups across the different sectors and industries. Topics discussed in these sessions included VAT changes, income tax rate changes, hotel incentives along with key policies such as Capital Gains Tax (CGT) exemptions, filing of withholding tax certificates, VAT Monitoring System (VMS), departure tax rates and Customs Duty changes, concessions and other key areas.

The sessions provided a wonderful opportunity for our team to provide insights into budget policies and other issues specific to the different sectors and industries.

To ensure FRCS worked within the ambits of the law, thorough discussions on legal requirements and law changes were performed by our legal team in consultation with the solicitor general's office. Laws were drafted and reviewed by FRCS to ensure the intention of the budget changes were achieved.

To further simplify the budget changes process, our technical interpretation and procedures unit (TIPU) developed and updated standard interpretation guidelines (SIGs) to further assist taxpayers. The intension of the SIGs is to provide taxpayers a guide on how the Chief Executive Officer (CEO) interprets the law and how it should be applied.

## TABLE OF SIGS AND PRIVATE RULINGS OF 2023-2024

SIG No.	SIG Name	SIG Type
2024-01	SIG- Income Tax (Rates and Levies) Regulations 2016- Companies	Budget Amendment
2024-02	SIG- VAT Zero Rating on Prescribed Medicines or Drugs	Budget Amendment
2024-03	SIG- Advanced Cargo Information	Budget Amendment
2024-04	SIG - Post Entry Modification	Budget Amendment
2024-05	SIG - Code 215/215A	New SIG
2024-06	SIG- Hotel Incentives	Budget Amendment
2024-07	SIG-Warehouse Construction Incentives	Budget Amendment
2024-08	SIG-Employment Incentive	Budget Amendment
2024-09	SIG- Income Tax (Rates and Levies) Regulations 2016 - Individuals	Budget Amendment
2024-10	SIG- VAT on NDH	Budget Amendment
2024-11	SIG-Disposal of Real Property	Budget Amendment
2024-12	SIG- ICT Incentives	Budget Amendment
2024-13	SIG- Disposal of Shares	Budget Amendment
2024-14	SIG- Used Tyre (update)	Revised SIG
2024-15	SIG-Time of Supply (Change in VAT rate)	Budget Amendment
2024-16	SIG- TELS	Budget Amendment
2024-17	SIG- Water Extraction Incentive	Budget Amendment

## Making compliance easy

As we work towards making compliance easy, we acknowledge that we need the continuous support from all our stakeholders and partners. Our role as the tax office and customs and border service is not just to collect revenue and protect our Borders but to also ensure we facilitate the right information to our stakeholders at the appropriate time to enable them to comply with tax and customs requirements and obligations.

To support this initiative, our newly formed education team, that consist of technical experts in the tax and customs space were tasked to further enhance tax and custom education and promote voluntary compliance. The team met with the two major universities to discuss strategies around enhancing tax and customs education as part of their programmes in the expectation to equip students with essential knowledge about taxes and customs prior to their entry into the workforce. Young people are potential taxpayers who need to be educated early on the importance of taxes and being a good citizen in voluntarily complying with tax and customs obligations.

These students had the opportunity to gain in-depth knowledge on the role of FRCS, history of tax and customs in Fiji, tax and customs laws, why tax and customs education is important and being tax compliant. FRCS approaches tax compliance through awareness, education and services to make taxpayers understand the importance of taxes. With the self-assessment system in place, FRCS has placed more emphasis on educating the public including the students.



As part of improving our industry forums and compliance awareness programs, FRCS held its first Tax Agents Forum for the first quarter of the current fiscal year on a range of topics including the new developments in the requirements to becoming a tax agent, Taxpayer Online Service (TPOS) and the 2023/2024 National Budget revenue policies.

The virtual session was attended by the tax agents and marked a productive and collaborative relationship between the tax agents and FRCS. With digitisation and self-assessment, FRCS is now focusing more on voluntary compliance, making it easy for taxpayers to comply. As such, forums like this is crucial as it provides a platform for open dialogue, knowledge sharing and exchange of ideas.



To further support compliance, we launched the VAT Guide. VAT is a consumption tax which is administered by FRCS and contributes approximately 40 to 45 percent of the Government revenue.

The objective of the VAT Guide is to support voluntary compliance as it will provide practical guidance on the application of the VAT laws and allow taxpayers to implement the VAT legislation more effectively. FRCS is grateful for the technical assistance provided by the Asian Development Bank (ADB) Domestic Resources Mobilization Trust Fund for developing the VAT Guide.

The VAT Guide has been designed to simplify the understanding and application of the VAT legislation, particularly for those who do not have much technical knowledge on VAT. The VAT Guide has the relevant information that is supported through practical examples for emerging businesses, sole traders, Micro, Small and Medium Enterprises (MSMEs) and for anyone who is planning to become a VAT registered taxpayer.

VAT Compliance is fundamental to successful revenue collection. Our approach is shifting towards collaboration, partnership, awareness, and education as necessary in building a national tax compliance culture.

VAT contributes around 40 percent of the Government's revenue, and an efficient and credible VAT system is one of the most important pillars of Fiji's taxation systems. With this new VAT Guide, FRCS is taking an important step to help businesses meet their obligations, reduce non-compliance, mitigate revenue loss, and boost the overall efficiency of the tax system.

The VAT Guide is one of the first for tax authorities in the Pacific region.



### Education Team Stakeholder Sessions

Activity	Total
External Awareness	81
Internal Awareness	22
Forums	7
Engagement Meetings	43
Meetings	37
<b>Total</b>	<b>190</b>

### Embed an intelligent monitoring system

To ensure we monitor what we aim to achieve as an organisation, the Design and Monitoring team has been strengthened in terms of people and leadership. To further enhance our monitoring capability the Compliance Improvement Strategy (CIS) was launched in 2023 and covers our approach till 2025. The main objective of the CIS is to encourage voluntary compliance where our customers honestly register their business, file returns, pay taxes on time and accurately report all tax information to FRCS.

The CIS focuses on customer segments where compliance risk is evident, these include customer service, small and medium customers and those comprising of high risk sectors, VAT paying customers, Customs Import/Export and Border Security. The ultimate goal is where all entities and individuals pay their fair share of taxes which ensures confidence in our tax system and builds Fiji as a prosperous nation.

For FRCS, this is attained by aligning strategies to the organizations main strategic goals, which involve building community confidence in the tax system and promoting high levels of voluntary compliance. The achievement of these goals could be undermined by compliance risks due to the actions of taxpayers – whether it be negligence, ignorance or deliberate action taken to abuse gaps in the tax administration. Customer non-compliance is inevitable, however these compliance risks can be managed with good risk management.

The Compliance Improvement Strategy for 2023 – 2025 will promote the transparent and consistent treatment of compliance risks and enhance customer confidence in the self-assessment and voluntary compliance environment. This will be achieved by focusing on the identified customer segments and their related sectors. The compliance strategies outlined will promote the increase in tax revenue, improve voluntary compliance and reduce the cost of compliance in the key risk areas identified.

Data from the New Tax Information System has enhanced our risk profiling and analysis capabilities with the availability of data online and our access to third party information. The introduction of our post audit team has improved the regularity of audits and the quality of audits. The teams use the CIS as a guide to improve case selection, profiling and identifying high-risk audits.

## Support business growth

Our Chief of Staff and Director Corporate Services, Mr. Shavindra Nath was part of the Fijian delegation to the Australia-Fiji Business Forum in Sydney. The delegation was led by the Deputy Prime Minister and Minister of Trade, Co-operatives, SME and Communication, Hon. Manoa Kamikamica, Deputy Prime Minister and the Minister for Tourism and Civil Aviation, Hon. Viliame Gavoka, Minister for Employment, Productivity and Industrial Relations, Hon. Agni Deo Singh, and the Permanent Secretary, Ministry of Finance, Mr. Shiri Gounder and the delegation also included heads and senior management from private and public sector organizations from Fiji.

The forum serves as a bilateral business conference fostering collaboration between Fiji and Australia, uniting enterprises and government bodies from both nations to deliberate on matters crucial to the advancement of mutual business growth and investment. The Fiji Revenue and Customs Service being a critical organization to assist businesses start and grow in Fiji aspires to be a customer-centric organization that provides concierge service and builds a trusted partnership where you get agile and accurate assistance and support. He also addressed the regulatory framework around taxation and customs, shedding light on the lucrative tax and customs incentives available for prospective investors in the country



# Client Service Excellence and Stakeholder Collaboration

*Provide excellent service to our clients and leverage our partnerships to enhance our operations.*

## Adopt tailor-made service delivery strategies

Incorporated within our Strategic Plan is our commitment to provide excellent service to all our clients and this includes the MSMEs. There are approximately 116,800 MSME's registered with FRCS, out of which 22,800 are paying taxes amounting to more than \$59 million annually. It is evident that despite their size, MSMEs play a pivotal role in driving Fiji's economic growth, creating employment opportunities and alleviating poverty. MSMEs hold great potential to transform economies and promote equitable economic growth if given adequate support. While we recognise the immense contribution made by the MSMEs towards Fiji's economic growth and development, it is also important for us to acknowledge the challenges faced by the micro, small and medium enterprises.

We have seen that majority of the MSMEs want to be tax compliant however, lack of awareness on tax processes hinders them to become compliant. MSMEs face several challenges, including misinterpretation of tax laws, difficulty in accessing tax incentives and exemptions and the need to simplify the tax system. Through our trainings on basic tax, financial literacy and our Taxpayer Online Portal, we are empowering the FRCS MSME Community members with enhanced tax knowledge and making them become self-sufficient and independent. With this strategy, we intend to increase tax paying MSMEs in Fiji from 22,800. This will surely increase our revenue as well as promote expansion and development of our economy. It will also help the MSMEs in being regulatory compliant as well.

FRCS has trained almost 3000 representatives from a diverse group of MSMEs in tax and customs processes and approximately 75% of those trained have complied and lodged their tax returns with FRCS. MSMEs hold great potential to contribute more revenue to Fiji's economy. The FRCS MSME guide aims to provide a "Right from the Start" learning platform on book-keeping. The team consulted eighteen (18) different business sectors prior to finalising the book-keeping course. The guide and templates are available on our website to assist taxpayers.

It is encouraging to see that more and more MSMEs are undergoing our tax and financial literacy trainings. This is a demonstration of FRCS's unwavering support and continued commitment towards our MSMEs. We will continue to support MSMEs with tailored initiatives and skill development. The MSME team have developed customized trainings for the MSME sector, where taxpayers experience both classroom and hands on training on basic tax which is covered in theory, financial literacy which is practical and theory.

The FRCS Micro, Small and Medium Enterprises (MSME) business community has further strengthened as our team continues to provide financial literacy and tax education training to assist MSMEs with ease of doing business and improve voluntary tax compliance.

The MSME team also held their second MSME community day at the Curio Handicraft Centre. The community day was an excellent opportunity for our MSME team to assist the curio vendors on several issues including signing up on the taxpayer online service (TPOS) portal, lodgement of income tax returns, applying for tax compliance certificates, tax registrations, and attending to the tax and customs related queries.

The community day allows FRCS to assist the MSMEs without much hindrance to their business. This is also a great opportunity for our team to build partnerships and listen to the concerns and suggestions from MSMEs which help us better serve our MSME community.



As we slowly work on tailor-made solutions for our different industry groups on the different topics, we continue with our taxpayer education programs that held webinars on Pay As You Earn (PAYE) for the employers. The objectives of the webinars were to educate the employers on PAYE, responsibilities of an employer, PAYE filing, payment and penalties, impact of the changes in the national budget on PAYE, income exempt from PAYE, application for Social Responsibility Tax (SRT) ring fencing and cessation from being an employer. Our team also discussed in detail various scenarios citing practical examples.

Total MSME Trainings	Total Internal Trainings	Total External Trainings
147	123	24

## Strengthen our client engagement and support mechanisms

Our team appeared on the Fiji Broadcasting Corporation radio talk-back shows, Domo-ni-Vanua and Drishtikon to create awareness of the operational mechanisms on the forgiving of the Tertiary Education Loan scheme( TELS) debt. The team explained in detail the conversion of TELS loan to a bond service, the requirements for students who have already served their bond, the requirements for students and guarantors travelling overseas, students who have terminated their TELS loan, the eligibility criteria for the Accelerated Repayment Incentives (ARI) or discounts and refunds. Listeners had the opportunity to raise queries live on the talk back show on concerns and doubts they had.



Collaboration is a key element to successfully communicate with our stakeholders. To enhance our collaboration amongst our key stakeholders, a combined agents forum was organized in the North, Nadi and Suva.

Tax agents play a key role in Fiji's taxation system in ensuring that their clients are fully aware of their rights and obligations and are compliant with the tax laws of Fiji. Similarly, customs agents act as a vital link between traders and customs administration, bringing a wealth of expertise in customs laws and deep understanding of the supply chain industry. They are also responsible for managing risk associated with customs compliance. It was for this reason the theme "Collaboration for Compliance: Strengthening Partnership between Agents and FRCS" was chosen.

Aligned with our Compliance Improvement Strategy 2023-2025, we focussed on addressing compliance risks in identifying customer segments and their related sectors through various initiatives so that they can voluntarily comply and meet their obligations.

As part of our continued support to strengthening our client engagement and support mechanisms, FRCS officers conducted training on the Harmonized System (HS) 2022 code classification for the customs brokers in Nadi and Lautoka in the past weeks to ensure uniform interpretation of HS and its periodic updating considering the developments in trade patterns.

HS classifications are the World Customs Organisation (WCO)'s published nomenclature for the classification of goods that are traded across borders and contributes to the harmonization of Customs and trade procedures, and the non-documentary trade data interchange in connection with such procedures.

It is also extensively used for internal taxes, trade policies, monitoring of controlled goods, rules of origin, freight tariffs, transport statistics, price monitoring, quota controls, compilation of national accounts, and economic research and analysis.

The main objective of the Harmonized System (HS) training was to further enhance the knowledge of the customs brokers on the interpretation and application of the HS as appropriate HS interpretations, classification and application are the essential tools and measures to correctly position imported traded goods.

## Be accountable for our conduct

As part of our engagement plan to ensure key stakeholders are consulted, FRCS in collaboration with the Fijian Competition and Consumer Commission (FCCC) held a stakeholder forum with the customs brokers to keep them informed of the changing laws covering international trade facilitation.

The customs broker play a significant role in facilitating international trade and the stakeholder forum provides an opportunity for them to become well-informed not only in customs-related matters but also in facilitating international trade, supply chains, border security and compliance.

The Customs Broker's forum was important in making ease of doing business better for our stakeholders with the objective to:

- Create awareness on the responsibilities of the customs brokers whilst clearing the goods ensuring that they maintain professional services
- Create awareness on the importance of registering their business with VAT and lodging return in timely manner with correct declarations.

## Nurture our relationships

We were pleased to be invited by the Namena methodist circuit youth fellowship to participate in the mini road show at the Nataleira village in Dawasamu, Tailevu. This was an excellent opportunity for FRCS to take its services to the people living in the interior parts of Tailevu.

Our officer conducted awareness on tax and customs related issues including the taxpayer online service (TPOS). She also assisted the senior citizens with the renewal of their Joint ID cards which they needed to access their social welfare benefits and registered 77 new taxpayers.

Our participation felt appreciated by the villagers, this is probably due to their remote location and limited access to transport, as the majority of them found it difficult to access our services. We continue to nurture our relationships to create trust and confidence between our stakeholders and the organisation.



## Maximising our return from international development programs

The United States (US) Secret Service in coordination with the US Embassy in Fiji conducted the Cryptocurrency and Digital Asset Investigations Seminar for FRCS officers and other law enforcement agencies to enhance their understanding of digital assets and cryptocurrencies and how they are currently being used to advance illegal activities.

The US Secret Service has observed a significant increase in cryptocurrency and digital asset investment scams. These scams often target victims who use social media, online dating platforms, or professional networking platforms.

The participants had the opportunity to understand the workings of digital assets, current trends and methods criminals have been using and current investigation measures. The training also allowed all participants to establish relationships between enforcement agencies and private entities and work through real world investigations.

A private panel discussion was held at the conclusion to discuss current obstacles and brainstorm solutions together. These relationships building activities are intended to assist FRCS, other law enforcement agencies and crypto exchanges build lasting relations that will in turn lead to more productive and collaborative investigations.



The Homeland Security Investigations (HSI) Honolulu, in coordination with the HSI Attache Canberra conducted a training for FRCS officers on social media, the dark web, and excel to enhance their knowledge in identifying emerging threats and help protect the organisation from targeted attack. Cybercriminals use the dark web to launch cyberattacks to access illicit products and services or track and use people's personal data.

This was a hands-on research and analysis techniques course which provided the participants with walk-through real-world law enforcement scenarios on how to analyze phone and bank records, identify mutual contacts and tackle cell tower data.

The participants also had an opportunity to enhance their understanding of how the dark web and crypto currency operate and pursue sites facilitating illegal activity.



## Collaborating with our partners on key issues

In line with our Strategic Plan 2023-2025, FRCS has been actively working on further strengthening engagement and collaboration with our key stakeholders.

As part of this collaboration, our education team was recently invited to present at the information session during the Retailers and Small Business Council meeting held at the Fiji Commerce and Employers Federation (FCEF).

The team provided the members an in-depth overview of the initiatives undertaken by FRCS to enhance its services. They also spoke on a wide range of topics including the FRCS 2023 – 2025 Strategic Plan, the importance of tax compliance, the Taxpayer Online Service (TPOS) Portal, major amendments related to the 2023-2024 National Budget and initiatives undertaken by our MSME support center.

The information session provided an opportunity for the members of FCEF Retailers and Small Business Council to share their views and feedback with our team and become better informed on tax and customs related issues.



In our efforts to collaborate with our partners on key issues and in the recognition of the importance of global tax transparency, Fiji officially joined the Global Forum on Transparency and Exchange of Information for Tax Purposes on November 16, 2023, becoming its 169th member.

The Global Forum is the leading international body working on the implementation of global transparency and exchange of information standards around the world. Since the end of banking secrecy in 2009, the international community has achieved great success in the fight against offshore tax evasion. Working through the Global Forum, countries have implemented robust standards that have prompted an unprecedented level of transparency in tax matters, along with increased tax revenues and fairness in the tax system.

Becoming a member of the Global Forum marks a pivotal measure in addressing concerns related to the European Union (EU) blacklisting. This move is aligned with the key requirement of the EU Code of Conduct, which mandates participation in the Global Forum and the establishment of cross-border information-sharing channels.

# Trade Facilitation and Border Security

*We will promote a seamless trade facilitation process, whilst maintaining the security of Fiji's borders.*

## Improve our Trade Facilitation partnerships

The Vessel Search Training program conducted in 2024 has marked significant progress in enhancing trade facilitation partnerships and strengthening border protection measures across Fiji's maritime regions. With the involvement of customs officers and partners from various government agencies, this training focused on the practical skills required for effective vessel search operations, underscoring the collaborative approach essential for safeguarding Fiji's borders. These sessions were designed to provide comprehensive, hands-on training to officers tasked with overseeing Fiji's ports of entry. A total of over 80 officers participated, representing key border protection agencies, including the Biosecurity Authority of Fiji (BAF), Immigration, Fiji Police, Fisheries, and the Maritime Safety Authority of Fiji (MSAF).

### Knowledge and Skill Sharing

The training allowed officers to gain crucial skills in conducting thorough vessel searches, identifying concealment methods, and maintaining operational safety standards. The training also enabled officers to share and adopt best practices, ensuring that these enhanced skills are uniformly applied across agencies involved in Fiji's border security.

### Strengthening of Partnerships

Through these training sessions, the program fostered stronger partnerships among the participating agencies. By working side-by-side, officers from Customs, Immigration, and other agencies formed effective cross-functional teams. This collaboration has been instrumental in improving the quality and efficiency of border inspections, thereby supporting Fiji's trade facilitation goals.

### Networking and Information Sharing

The vessel search training served as a platform for networking among officers from various border control units. This networking has led to the creation of a robust communication channel that allows agencies to swiftly share information about vessel movements and potential security risks, thereby enhancing the country's response capability to evolving maritime threats.

### Memorandum of Understanding (MOU) and Standard Operating Procedures (SOP)

As part of the training outcomes, a joint operational framework was established, highlighted by the development of an MOU and SOP for conducting vessel searches. This framework is designed to facilitate synchronized efforts in joint search operations, ensuring that each agency adheres to a standardized procedure, thus promoting consistency and efficiency.

### Joint Search Operations

Following the training sessions, agencies have engaged in joint search operations, applying their enhanced skills and aligning with newly established protocols. These operations demonstrate the success of the Vessel Search Training program in creating a unified response to threats at Fiji's ports, as well as in achieving a high standard of compliance with international maritime safety and security guidelines.

The vessel search training initiative in 2024 has substantially contributed to Fiji's border security and trade facilitation objectives, by equipping officers from Customs, BAF, Immigration, Police, Fisheries, and MSAF with vital search skills and reinforcing their collaboration through structured MOUs and SOPs. Fiji is better positioned to protect its borders and facilitate legitimate trade. This program has laid a strong foundation for continued cooperation among agencies, setting a standard for future training and joint operations that will be pivotal to the nation's trade facilitation and security endeavours.

## Make our border management more efficient

FRCS celebrated the successful completion of the data cleansing project on customs bond security and guarantee with the team from ANZ Bank. Our team from the customs revenue division in collaboration with officers from ANZ, revised and implemented the bond security and guarantee form which was being used since the 1960's. Additionally, both teams also cleansed the data and cancelled forms not used from the records.

A customs bond is a declaration of guarantee made by an importer and serves as an insurance that the bond's holder will pay the appropriate taxes and import duties for their shipment. ANZ, as our Gold Card member, played a vital role in this project and assisted FRCS in updating the records and issuing the new bond security and guarantee forms for the outdated version ones that were still valid. This was a remarkable collaboration and achievement of both organisations which was celebrated with an afternoon tea and the exchange of formal documents.

FRCS is looking forward to undertaking similar projects with other financial institutions that have issued Bond Security and Guarantee to their customers for customs operations.



## Make our border monitoring more intelligent

As part of our strategic initiative around making our border monitoring more intelligent our custom officers attended the Pacific Regional Information Sharing (IORIS) advanced course.

IORIS platform is a secure and neutral, web-based maritime coordination and information-sharing tool for national and regional multi-agency use.

The primary function of IORIS is to provide maritime centres with a means to jointly plan and coordinate maritime operations, including crisis/incident management, offering enhanced information-sharing functions and strengthen interagency collaboration at national and regional levels. The platform also offers additional surveillance functionalities.

Our team attended the IORIS training with officers from the Fiji Navy, Fiji Police Force, Department of Immigration, Airports Fiji Limited, Fiji Ports Authority and Department of Fisheries. The partnership between these key organisations will further enhance sharing of essential information, bolstering their collective efforts to safeguard Fiji waters and maritime interests for the benefit of maritime security for the country.

IORIS will be a key platform at the Maritime Essential Services Centre (MESC) that is expected to be commissioned next year to support maritime border security and safety agencies jointly working together to analyze, plan and coordinate maritime operations.



Our Acting Director Border Customs Ms. Shelini Kumar and Head of Border Operations Mr. Winston Rounds along with the law enforcement, national security, and military leaders, including police, customs, and immigration from across the Pacific attended the fifth annual Joint Heads of Pacific Security (JHoPS) meeting in Koror, Palau.

The meeting focused on areas of prioritizing security collaboration across agencies and the Pacific region, information sharing, operability, cooperation, and coordination between the regional law enforcement agencies. Discussions around the coordination and information sharing challenges were also part of the meeting, which is an important aspect of border security priorities. Various tabletop exercises highlighted regional security challenges, national capacity, and capability gaps.

The meeting also deliberated on a term of reference or memorandum of understanding to clarify the JHoPS mandate, mission, governance framework, and consideration of a regional treaty framework to enable and enhance the collective ability of security agencies to respond quickly and effectively to regional security challenges.



Officers from FRCS participated in a one-week training course in Nadi which focused on strategic trade and export control. Through the support of Fiji and the Australian Border Force (ABF), subject matter experts from ABF and the United Nations Office on Drugs and Crime (UNODC) delivered the first of the three one-week Strategic Trade and Export Control (STEC) training sessions.

The training allowed officers from Fiji to acquire enhanced awareness on strategic trade including dual-use goods and methods to identify and control these commodities while meeting national, regional, and international obligations. The officers provided positive feedback for the training and look forward to the second phase of the training.

FRCS acknowledges and appreciates the support of ABF and UNODC for their continued support, capacity building and partnership with Fiji and member states to establish and train custom officers to combat illicit trade, including narcotics, and various other potential violations such as those associated with environmental concerns, wildlife, and strategic trade.



# Engaged People

*We will create a high-performance culture as an employer of choice where our people are engaged and equipped to serve.*

## Assess and develop organisational capacity and capability

As part of one of our strategic focus areas, we continue to ensure we focus on becoming an employer of choice and at the same time ensure our people are equipped with the tools needed to develop their capacity to carry out their role. Post COVID-19, FRCS have committed to ensure we have the right number of personnel to drive and implement our strategic ambition. In the area of recruitments, for the period of 2023-2024, we have recruited 97 new staff and 73 staff who were previous employed by the organisation re-joined through the new vacant positions.

### Staff by Divisions

Row Labels	Count of Division Description
Customs	237
Corporate Services	57
Executive Office	4
Finance	26
People, Capability & Culture	16
Taxation	174
Technology	40
Compliance	94
<b>Grand Total</b>	<b>648</b>

Row Labels	Gender
Female	332
Male	316
<b>Grand Total</b>	<b>648</b>

### Staff by office location

Row Labels	Count of Location Description
Ba	5
Labasa	17
Lautoka	67
Levuka	2
Nadi	168
Nausori	4
Rakiraki	3
Savusavu	8
Sigatoka	3
Suva	371
<b>Grand Total</b>	<b>648</b>

As part of our trainings for the FY23-24, one hundred and twelve (112) training sessions were facilitated, encompassing both local and overseas trainings.

### Further Studies

The Capability and Development section oversees the further studies programme. For the FY23-24, twenty-nine (29) staff are enrolled in the further studies programme, both with and without reimbursements.

Eighty-seven (87) local trainings were facilitated with the support of the following stakeholders. Our staff were able to attend fully funded local trainings and workshops which enhanced their capacity building and development.

1. Austrian Tax Office (ATO)
2. World Customs Organization (WCO)
3. The Pacific Financial Technical Assistance Centre (PFTAC)
4. The United Nations Office on Drugs and Crime (UNODC)
5. The Oceania Customs Organisation (OCO)
6. United Nations Development Programme (UNDP)
7. Homeland Security Investigations (HSI)
8. Secret Service
9. UNODC GMCP (Global Maritime Crime Programme)
10. UNODC-ROSEAP (Regional Office for Southeast Asia and the Pacific)
11. Ministry of Environment
12. Ministry of Home Affairs and Immigration
13. Ministry of Trade, Co-operatives, Small and Medium Enterprises, Communications
14. Ministry of Environment and Climate Change
15. Ministry of Employment, Productivity & Industry Relation
16. United States Institute for Security Governance (ISG)
17. Mineral Resources Department (MRD)

A total of twenty-five (25) overseas training programs were facilitated. These international training courses significantly enhanced staff skills, building professional networks, strengthening institutional capacity, and promoting innovation. These training courses were fully funded by the following stakeholders:

1. World Customs Organization (WCO):
2. Asian Development Bank (ADB):
3. Customs Human Resources Development Institute (CHRDI)
4. East-West Centre
5. Australian Border Force (ABF)
6. Japan International Cooperation Agency (JICA)
7. Malaysian Tax Academy
8. OECD Global Relations Programme (GRP), Korea Tax Centre
9. Ministry of Trade, Co-operatives, and Small and Medium Enterprises and Communications
10. The Secretariat of the International Narcotics Control Board (SINCB)
11. Kigali HFC Implementation Plan Preparation and Twinning National Ozone-Customs
12. Indonesian Agency for International Development (Indonesian AID)
13. Oceania Customs Organization (OCO)

## Launch of the WCO Virtual Reality Training (VRT) System

The World Customs Organisation (WCO) officially launched the WCO Virtual Reality Training (VRT) System at the Regional Training Centre located at the FRCS Headquarters in Suva on 24 August 2023.



## WCO WG5 of the Master Trainers Programme (MTP)

The World Customs Organization (WCO) concluded its final Working Group Activity of the Master Trainers Programme (MTP) on Customs Valuation (CV) and Harmonized System (HS) classification in February. The WCO Master Trainer Programme was successfully completed, and we now have accredited expert trainers within the organization.



## World Customs Organization (WCO) Authorized Economic Operator (AEO) Programme

The WCO mission to support the Authorised Economic Operator (AEO) Programme aimed to enhance international supply chain security and to facilitate legitimate trade. As an outcome of the mission, FRCS will review their current AEO programme to see how it can be extended to other players in the supply chain.



## World Customs Organization (WCO) Anti-money Laundering and Counter Terrorism Financing (AML/CTF) Workshop

FRCS hosts landmark WCO TENTACLE AML/CTF sub-regional workshop in Fiji in a significant step towards reinforcing the integrity of trade and financial systems in the Asia-Pacific region. The workshop had 74 delegates representing 10 Customs administrations, 6 Financial Intelligence Units (FIUs), 6 Police administrations, as well as representatives from INTERPOL, the EGMONT Group of FIUs and the regional liaison officers in Asia Pacific (RILO AP). The forum was instrumental in augmenting the capacity of participants to fight the laundering of money and financing of terrorism in the customs arena.



## **In-house Training**

The WCO accredited expert trainers, conducted training on the Harmonized System (HS) 2022 code classification for our staff to ensure uniform interpretation of HS and its periodic updating considering the developments in the trade process. FRCS also conducted similar training for customs brokers in Fiji. The training aimed to build capacity and further enhance the knowledge of the team on HS classification as the universal language for international trade. It will also enable the officers to correctly classify internationally traded goods to enable correct revenue collection and in providing data for trade statistics and policymakers.

## **Regional Training Center for Hire**

For the fiscal year 2023-2024, a total of \$24,575.77 was generated from the hire of the training rooms. External organizations have consistently selected our facilities due to the exceptional amenities we offer, convenient location, and exceptional customer service. Our unwavering commitment to providing a professional and conducive environment for training and development has firmly established FRCS as one of the preferred choices for numerous organizations.

Looking ahead to the next fiscal year, we anticipate an increase in revenue from the hire of our training rooms. We remain dedicated to enhancing our services and facilities to continue meeting and exceeding the expectations of customers.

## **Recruit, assess, reward and recognise staff equitably**

### **FRCS Appoints Director People, Capability & Culture**

The Fiji Revenue and Customs Service (FRCS) announced the appointment of Mr. Uraia Rasake as the Director People, Capability & Culture (PCC) effective from 21st August 2023. Mr. Rasake is responsible for FRCS's human resources strategy and operations including talent management, recruitment, training and development.

Mr. Rasake is a Human Resource Specialist and a certified Starwood Leadership, Service Culture and Brand Trainer and has over twenty-five years of experience in HR in both the public and private sectors with local, regional and international experiences.

Mr. Rasake has served at the senior executive level with internationally renowned resort brands including Sheraton & Westin Resort & Spa (Starwood), Pullman Resort & Spa (Accor), Warwick group of hotels, Vatulele resort, Fiji Development Bank (FDB) and the last being Six Senses Fiji (IHG). He is passionate about "People Development" and has developed several programs that would see locals self-develop and take on supervisor and management positions (Successful Transition Programs).

### **Launch of Tertiary Entry Level Paid Program (TELPP)**

In our desire to be an "employer of choice" FRCS launched the Tertiary Entry Level Paid Program (TELPP). TELPP has been developed through the technical assistance from the Australian Tax Office (ATO). The Program provides an early engagement point, aiming to attract, recruit and retain high quality tertiary students undertaking relevant bachelor's program or above and looking for paid work and experience aligned to their current studies.

A key pillar in FRCS's Strategic Plan for 2023 -2025 is Engaged People and as a service institution, having well trained, well developed and engaged people is crucial to the effectiveness of the services that we provide.

A key national issue currently is labour migration, loss of skilled and semi-skilled people to overseas countries. Indeed, it is a global issue that companies, institutions and Governments are dealing with, and it is important that we deal with this matter promptly. Australia as well as NZ have rolled out appropriate programs.

Skill shortages are bound to put pressure on our ability to effectively carry out our function and the services we provide to individuals and businesses. At FRCS, we must seek to attract talent with the desired qualifications and remain contemporary and competitive in the employment market. TELPP ensures that

FRCS invests in, and builds, an appropriately skilled workforce, with the right attitude and cultural traits to meet our workforce requirements now and into the future.

The current rates of migration require FRCS to be innovative and pursue best-practice recruitment methods. The technical assistance support provided by the ATO plays an important role in the development of this program.

FRCS and ATO have an official tax partnership supported by the Australian Government under the “Vuvale” partnership. This Partnership affirms our shared ambition to use this connection as the basis for a new, higher level of cooperation.

He added that TELPP is one of the achievements demonstrating the collaboration between FRCS and ATO and both organisations are currently working on other important tax areas which will benefit the Fijian Economy.

The First Secretary Governance at the Australian High Commission in Fiji, Ms. Rebecca Brown who was the Chief Guest of the TELPP launch said that TELPP is one element of Australia’s support for raising the next generation of leaders in the Fijian public sector and addressing skill shortages. According to Ms. Brown, the transfer of skills and formalized training will not only contribute to a pipeline of future leaders for Fiji’s public service but will assist FRCS in meeting its critical workforce targets now and into the future.

She also stated that considering the important role of tax administration, she is confident that the TELPP will help to ensure FRCS remains an “employer of choice” in its field.



# Technology

*We will digitally transform our organisation to be data driven and future focused.*

## Complete the implementation of the New Tax Information System

The New Tax Information System has been fully launched with some enhancements still in progress. There are a total of 93 new processes on-line that our taxpayers can use. The implementation of TPOS has made it easier for our taxpayers to do business with the tax office. Business customers are not required to come to the office and line up at the end of the month but rather process all their tax lodgment from the comfort of their offices. We anticipated some hiccups after the launch however we continue to work on these with our taxpayers and teams. We have moved into the self-assessment stage, moving the burden of compliance to the taxpayer while building trust between the tax office and the taxpayer. We acknowledge the work of all who made this possible and we thank our partners, stakeholders, taxpayers and project team for the great collaboration effort.

### Digitise and automate remaining manual processed

Our technology team won the 2-star award at the 27th National Quality and Innovation Conference, 3rd Team Excellence Competition. The Team Excellence Award was organized by the Fiji National University (FNU) to recognize and reward outstanding teamwork and collaboration within an organization or a group. These awards are a way to acknowledge and celebrate teams that have achieved exceptional results, demonstrated exceptional performance, and made a significant positive impact on their organization or project.

#### This year's objectives were:

- To promote and sustain continuous improvement through process improvement with a modern approach to Innovation and Creativity.
- To strive towards achievement of the company vision through small project teams

The team won the 2-star award, for which the 3-star award is the highest rating in the competition. The objective of the competition was to portray the project, which was undertaken by the team, the tools they used to reach their objectives and the overall experience and improvement in performance for the organization brought about by the project.

Our team showcased the new Service Desk project that was implemented.



# Process

*We will strengthen our processes to support a culture of efficiency and compliance.*

## Make our budgeting and debt collection processes more effective

### Launch of the Debt Management Strategy

The management of tax debt is one of the key pillars of collecting revenue. The lack of timely payment by taxpayers is an overly sensitive issue for efficient management. The launch of the 2024-2027 Debt Management Strategy is a milestone achievement for FRCS. It is a working document to assist us in having in place, effective collaboration with the taxpayers in assisting them in fulfilling their tax obligations promptly. Objectives and enablers outlined in the document will enable our debt management team to deliver excellence in debt collection contributing towards national revenue by partnering with taxpayer community.

Our debt strategy sets out how we will improve the management of the tax debt in the future and reiterate that FRCS has a critical role in protecting not just the revenue and the broader economy but also the taxpayers themselves from creating too much debt.

The Debt Management Strategy was developed with the assistance from the Australian Taxation Office (ATO) under the ATO Technical Assistance Program to FRCS and the Fiji-Australia Vuvale Partnership. We value the strong partnership we have established with the Australian Government and ATO and we appreciate the capacity-building efforts we have received over the years.

## FRCS Announces Appointment of New Board Directors

The Fiji Revenue and Customs Service (FRCS) announced the appointment of two new members to its Board of Directors, Ms. Nancy Tikoisuva and Dr. Neelesh Gounder. Ms. Tikoisuva and Dr. Gounder have been appointed in accordance with Section 4 of the FRCS Act 1998 for 3 years effective from 25th July 2023.

FRCS's Acting Chief Executive Officer, Malakai Naiyaga welcomed the highly talented individuals to the Board of Directors of FRCS.

"The new Board of Directors have valuable expertise and perspectives that will help provide effective strategic direction and oversight to FRCS. The appointments are also reflective of youth, energy and balance which are required to support the processes and services transformation tasks FRCS is undertaking.

Ms. Tikoisuva is a legal practitioner with the law firm, Toganivalu Legal and simultaneously works as an External Academic with the University of the South Pacific (USP) and as a national consultant with the Food Agricultural Organisation (FAO).

She obtained her Bachelor of Law (LLB) in 2003, master's in law (LLM) in 2022 from USP and was admitted to the bar in 2004. Ms. Tikoisuva has 18 years of legal experience. She serves in the area of prosecution, specializing in serious financial crimes, money laundering and asset forfeiture as well as in private legal practice in civil litigation. Ms. Tikoisuva also conducts community legal awareness in child and environmental protection and domestic violence.

Dr Gounder is a senior lecturer in economics and the deputy head of school (research, innovation and postgraduate affairs) with the school of accounting, finance and economics at USP. He has a Ph.D. in economics from the griffith university in Australia. Dr. Gounder is also a centre associate at the development policy centre, crawford school of public policy at the Australian national university.

He was one of the members of the fiscal review committee appointed by the Fiji Government to review the government's revenue and expenditure strategies and policies and to provide recommendations for strengthening the fiscal framework.

## Chief Executive Officer Appointed

The Fiji Revenue and Customs Service (FRCS) Board, after receiving confirmation from the Deputy Prime Minister and Minister of Finance, Hon. Professor Biman Prasad, announced the appointment of Mr Udit Singh as the new Chief Executive Officer (CEO) of FRCS.

In making the announcement the Interim Chairman Mr Shiri Gounder said they are pleased to be able to reach an agreement with someone with Mr Singh's extensive business transformation, financial and leadership background to take up the CEO role which took effective from the 25th March, 2024

Mr Singh is a vastly experienced business leader having worked as a CEO of multinational subsidiaries in New Zealand for approximately seven years. He is a former CEO of Milk Test NZ a subsidiary of Fonterra and has also worked as a Managing Director or senior executive in various industries including pharmaceutical, primary industry, food and environment.

A seasoned executive with a distinguished career marked by transformative leadership and a proven track record in governance, strategy, finance and operations. With expertise in driving company transformation, market development, and profitability, Mr Singh brings to FRCS a focus on achieving operational excellence and fostering revenue growth. His strength lie in scaling and transforming organizations and cultivating a culture of innovation and leadership development.

He is a graduate in Accounting and Economics from the University of the South Pacific, holds a CPA from the Australian Society of Certified Public Accountants, an ACA of the New Zealand Institute of Chartered Accountant and an Associate of the New Zealand Institute of Company Directors.



# 2023-2024 **Financial Report** For the year ended 31 July 2024

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In accordance with a resolution of the Service, the members herewith submit the Statement of Financial Position and Statement of changes in Equity of the Service as at 31 July 2024, and the related Financial Performance and Cash Flows Statements for the year ended 31 July 2024 and report as follows:

**THE NAMES OF THE MEMBERS OF THE SERVICE IN OFFICE AT THE DATE OF THIS REPORT**

Board Member	Appointment Dates
Mr. Malakai Naiyaga (Chairman)	Appointed 25th May 2023
Mr. Shiri Gounder	Appointed 01st December 2021
Mr. Neelesh Goundar	Appointed 25th July 2023
Ms. Umesh Prasad	Re-appointed on 26th September 2023
Mr. Nitin Gandhi	Appointed on 16th July 2024
Mr. Jitoko Tikolevu	Appointed on 16th July 2024
Ms. Nancy Tikoisuva	Resigned on 11th July 2024
Mr. Ilisoni Vuidreketi	Resigned on 13th February 2024

**PRINCIPAL ACTIVITIES**

The principal activities of the Service during the year were to act as the Agent of the State in the provision of taxation and customs services, particularly revenue collection and border management.

**OPERATING RESULTS**

The net deficit of the Service for the year ended 31 July 2024 was \$598,039 compared to net surplus of \$6,703,570 for the period ended 31 July 2023.

**BAD AND DOUBTFUL DEBTS**

Prior to the completion of the Service's financial statements, the members took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate provisions made for doubtful debts.

At the date of this report, the Board members are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for impairment, inadequate to any substantial extent.

**CURRENT ASSETS**

Prior to the completion of the financial statements of the Service, the members took reasonable steps to ascertain whether any current assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Service. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the members are not aware of any circumstances which would render the values attributed to current assets in the Service's Financial statements misleading.

**UNUSUAL TRANSACTION**

The results of the Service's operations during the financial year have not, in the opinion of the members, been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

**EVENTS SUBSEQUENT TO BALANCE DATE**

There were no events subsequent to balance date that materially affect the financial statements , except for those already noted in the accounts.

**OTHER CIRCUMSTANCES**

As at the date of this report:

- a. no charge on the assets of the Service has been given since the end of the financial year to secure the liabilities of any person;
- b. contingent liabilities could not be reliably estimated at the end of the financial year; and
- c. can become or are likely to be enforceable within the period of twelve months after the end of the financial year, which in the opinion of the members, will or may substantially affect the ability of the Service to meet its obligations as and when they fall due.

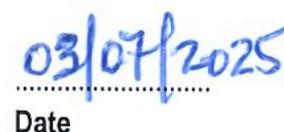
As at the date of this report, the members are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Service's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Service misleading or inappropriate.

**MEMBERS' BENEFIT**

Since the end of the previous financial year no member has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by members) by reason of a contract made by the Service with the member or with a company/ firm which he or she is a partner, or in which he or she has a substantial financial interest.

**For and on behalf of the Service:**

  
.....  
Chairman

  
.....  
Date

### STATEMENT BY THE MEMBERS

In accordance with a resolution of the members of the Fiji Revenue and Customs Service, we state that:  
In the opinion of the members:

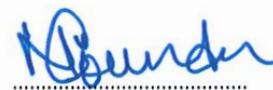
- i. the accompanying Statement of Financial Position and Statement of Changes in Equity of the Service are drawn up so as to give a true and fair view of the state of affairs of the Service as at 31 July 2024;
- ii. the accompanying Statement of Financial Performance of the Service is drawn up so as to give a true and fair view of the results of the Service for the year ended 31 July 2024;
- iii. the accompanying Statement of Cash Flows is drawn up so as to give a true and fair view of the cash flows of the Service for the year ended 31 July 2024;
- iv. at the date of this statement, there are reasonable grounds to believe that the Service will be able to pay its debts as and when they fall due; and
- v. all related party transactions have been adequately recorded in the books of the Service.

**Dated at Suva this 03 day of July 2024.**

**For and on behalf of the Service and in accordance with a resolution of the members.**



.....  
Member



.....  
Member

# OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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## INDEPENDENT AUDITOR'S REPORT

### Fiji Revenue & Customs Service

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of Fiji Revenue & Customs Service ("the Service"), which comprise the statement of financial position as at 31 July 2024, and the Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Service as at 31 July 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

#### Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Service in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other Information

The Management and Directors are responsible for the other information. The other information comprises the Members' Report but does not include the financial statements and the auditor's report thereon, which I obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to me after that date.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Management and Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as the Management and Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Directors are responsible for assessing the Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Directors either intend to liquidate the Service or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Service's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgement and maintain professional scepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Service's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Management's and Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Service's ability to continue as a going concern. If I conclude that material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Service to cease to continue as a going concern.

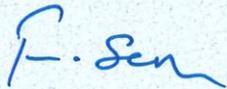
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

#### **Report on Other Legal and Regulatory Requirements**

In my opinion, the financial statements have been prepared in accordance with the requirements of the Fiji Revenue and Customs Act 1998 in all material respects, and;

- a) I have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b) the Service has kept financial records sufficient to enable the financial statements to be prepared and audited.



Finau Seru Nagera  
**AUDITOR-GENERAL**



Suva, Fiji  
08 July 2025

Fiji Revenue and Customs Service  
STATEMENT OF FINANCIAL POSITION as at 31 July 2024

		31 July 2024	31 July 2023
	Notes	\$	\$
<b>Total Equity</b>	(refer page 10)	<b>85,716,309</b>	<b>86,314,348</b>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalent	5	28,033,767	26,704,615
Receivables	6	3,680,225	5,825,466
Inventory		194,569	199,871
Prepayments		2,271,482	1,833,326
Investments	7	14,640,616	12,095,226
<b>TOTAL CURRENT ASSETS</b>		<b>48,820,659</b>	<b>46,658,504</b>
<b>NON- CURRENT ASSETS</b>			
Property, Plant and Equipment	8	15,435,281	18,860,966
Intangibles Assets	9	34,847,748	36,691,778
Right-Of-Use Assets	14(a)	16,122,241	19,332,900
Investment Property	10	12,301,645	12,539,666
<b>TOTAL NON-CURRENT ASSETS</b>		<b>78,706,915</b>	<b>87,425,310</b>
<b>TOTAL ASSETS</b>		<b>127,527,574</b>	<b>134,083,814</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	5,313,021	3,446,653
Provision	12	844,970	518,217
Lease Liabilities	14(b)	3,606,309	3,276,783
Revenue Received In Advance		460,464	973,001
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,224,764</b>	<b>8,214,654</b>
<b>NON-CURRENT LIABILITIES</b>			
Revenue Received In Advance		98,676	405,468
Lease Liabilities	14(b)	15,913,725	19,346,841
Deferred Grant Liability	13	15,574,100	19,802,503
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>31,586,501</b>	<b>39,554,812</b>
<b>TOTAL LIABILITIES</b>		<b>41,811,265</b>	<b>47,769,466</b>
<b>NET ASSETS</b>		<b>85,716,309</b>	<b>86,314,348</b>

**Fiji Revenue and Customs Service**  
**STATEMENT OF FINANCIAL POSITION as at 31 July 2024**

---

The above Statement of Financial Position has been prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

These financial statements are approved in accordance with a resolution of the members of the Service.

Member.....  
Date: 03/07/ 2025 

Member .....  
Date: 03/07/ 2025

Fiji Revenue and Customs Service  
STATEMENT OF FINANCIAL PERFORMANCE for the Year Ended 31 July 2024

		31 July 2024	31 July 2023
	Notes	\$	\$
<b>REVENUE</b>			
Grants from Government	15(a)	44,011,609	38,774,190
Fees and Charges	16	10,481,354	9,256,781
Recoupment of Depreciation through grants	13	4,570,746	5,537,438
Sundry Income	17	1,662,079	1,161,518
Interest Income		347,344	320,598
Rent Concession		2,928	4,254
Gain on Disposal of Asset		79,827	36,819
<b>TOTAL REVENUE</b>		<b>61,155,887</b>	<b>55,091,598</b>
<b>EXPENSES</b>			
Employee Costs	18	33,697,210	25,203,590
Administrative Expenses	19	2,216,448	2,061,578
Other Operating Expenses	20	11,994,877	6,729,674
Property Expenses	21	1,533,879	1,549,076
Depreciation - PPE	8(a) and 10	5,464,935	6,078,824
Depreciation - Right-of-use Assets	14(a)	3,452,206	3,431,853
Amortisation of Intangible Asset	9	1,844,030	1,598,646
Finance Cost	14(b)	1,550,341	1,734,787
<b>TOTAL EXPENSES</b>		<b>61,753,926</b>	<b>48,388,028</b>
<b>NET SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(598,039)</b>	<b>6,703,570</b>

The above Statement of Financial Performance has been prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

**Fiji Revenue and Customs Service**  
**STATEMENT OF CHANGES IN EQUITY as at 31 July 2024**

	<b>Asset Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at 01 August 2022</b>	<b>11,959,851</b>	<b>67,650,927</b>	<b>79,610,778</b>
<b>Surplus/(Deficit) for the period</b>	<b>-</b>	<b>6,703,570</b>	<b>6,703,570</b>
<b>Balance as at 31 July 2023</b>	<b>11,959,851</b>	<b>74,354,497</b>	<b>86,314,348</b>
Surplus/(Deficit) for the period	-	(598,039)	(598,039)
<b>Balance as at 31 July 2024</b>	<b>11,959,851</b>	<b>73,756,458</b>	<b>85,716,309</b>

The above Statement of Changes In Equity has been prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

Fiji Revenue and Customs Service  
STATEMENT OF CASH FLOWS for the Year Ended 31 July 2024

		31 July 2024	31 July 2023
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Amount received from government for operating activities		44,011,609	38,774,190
Amount received for services provided		9,490,647	8,290,983
Payments to suppliers & employees		(45,171,263)	(34,393,222)
<b>Net cash provided by operating activities</b>		<b>8,330,993</b>	<b>12,671,951</b>
<b>Cash flows from investing activities</b>			
Payment for Property, Plant & Equipment		(1,467,149)	(4,416,156)
Net redemption / (payment) for investment		(2,545,391)	5,509,097
Proceeds from sale of fixed assets		87,840	57,303
Interest from investment and other income		1,288,028	1,056,668
Income from investment property		525,425	357,015
<b>Net cash provided/( used) in investing activities</b>		<b>(2,111,247)</b>	<b>2,563,927</b>
<b>Cash flows from financing activities</b>			
Lease payments	14(b)	(4,890,594)	(4,828,994)
<b>Net cash provided/(used) from financing activities</b>		<b>(4,890,594)</b>	<b>(4,828,994)</b>
Net increase/(decrease) in cash held		1,329,152	10,406,884
Cash as at beginning of the year		26,704,615	16,297,731
<b>Net cash at the end of the year</b>	<b>22</b>	<b>28,033,767</b>	<b>26,704,615</b>

The above Statement of Cash Flows has been prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

## 1. PRINCIPAL ACTIVITIES

The principal activities of the Service during the year were to act as the agent of the State in the provision of taxation and customs services, particularly revenue collection and border management.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been drawn up in accordance with International Financial Reporting Standards (full "IFRS"). The principal accounting policies adopted by the Service are stated to assist in the general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except when stated otherwise.

### a. Issue of Financial Statements

The financial statements were approved for issue by the Service's Board of Directors at its meeting held on 03/07/2025

### b. Basis of Accounting

The financial statements have been prepared in accordance with the historical cost conventions, except for investment properties, and the land and buildings that are classified as property, plant and equipment, have been measured at fair value.

The financial statements are presented in the Fijian currency and are rounded off to the nearest dollar, except otherwise indicated.

The Service's financial statement has been prepared on a going concern basis. However, the Service is dependent on Government policy and the continued funding by Parliament for the administration of the Service.

### c. The Service as the Agent of the State

All funds utilised by the Service through various branches to carry out its functions as the agent of the state have been included in the financial statements.

As the Service acts as the Agent of the State, it administers, but does not control, funds collected on behalf of the Fiji Government. The Service is accountable for transactions involving those resources, but does not have the discretion to deploy the resources for the achievement of its objectives. Government revenue include taxes and customs duties. Government revenue is recognised on receipt (cash basis) whereas the Service's transactions are recorded on accrual basis.

### d. Changes in Accounting Policies

There were no major changes in the accounting policies for the year ended 31 July 2024.

### e. Cash and cash equivalents

For the purposes of the statement of cash flow, cash equivalents comprise cash on hand and cash at bank.

### f. Comparative figures

Where necessary, comparative figures have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

**g. Property, Plant and equipment**

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment loss except for one class of PPE, which is buildings. Buildings are measured at revalued amount less accumulated depreciation and impairment loss.

**Additions**

While expenditure on assets with a value of less than \$1,000 is generally not capitalised, physical control is maintained over all items regardless of cost.

**Depreciation rates**

Property, plant and equipment (except land) and intangible assets are depreciated at the rates based upon their expected useful lives using the straight line method:

	Period	Rate
Buildings	20 - 25 years	4 - 5%
Motor Vehicles	5 - 10 years	10 - 20%
Office Equipment	3 - 10 years	10 - 33%
Detectors and Scanners	5 - 10 years	10 - 20%
Furniture & Fittings	5 - 10 years	10 - 20 %
Computer Hardware	3 - 5 years	20 - 33%
Computer Software	3 - 20 years	5 - 33%

**Disposals**

Gain and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of financial performance.

**Intangible assets**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives. The costs of infinite life are tested for impairment annually and if there is any indication of impairment, necessary amortisation is carried out.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Service, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

**h. Provision for Employee Entitlements**

Liabilities for salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

**i. Income tax**

The Service is exempt from Income Tax under section 53 of the Fiji Revenue and Customs Act 1998. Hence, Income Tax is not separately accounted for in the Service's financial statements.

**j. Revenue Recognition****Government Operating & Capital Grant**

Government grants are recognised in the Statement of Financial Performance on an accrual basis over the periods necessary to match them with the related costs which the grants are intended to

compensate. The cost of assets funded by grants are capitalized to fixed assets and the corresponding credit is taken as a deferred grant income.

The fixed assets are depreciated over their estimated useful lives. The benefits arising from the grants being the recoupment through depreciation, is credited to revenue over the period of the useful lives of those assets.

#### **k. Other income**

Fees and charges earned is recorded in the Statement of Financial Performance on an accrual basis.

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Rental income earned from leasing or sub-leasing properties is recorded in the Statement of Financial Performance on an accrual basis.

#### **l. Rounding off amounts**

Amounts in the financial statements have been rounded off to nearest dollars unless specifically stated to be otherwise.

#### **m. Value Added Tax**

All items in the financial statements are exclusive of Value Added Tax ( VAT), with the exception of Trade Creditors which are stated as VAT inclusive.

#### **n. Trade and other payables**

Trade and other payables are stated at cost. Trade payables are recognised in the statement of financial position when the Service has legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **o. Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the stock and bringing it to its existing condition and location. Consumables are valued at cost plus the associated delivery charges.

#### **p. Revenue Received in Advance**

Revenue received in advance relates to income received in advance for which service is yet to be provided. Revenue will be realised as and when the service is rendered. This relates to customs agent fees paid in advance.

#### **q. Leased Assets**

##### **Policy applicable**

At inception of a contract, the Service assesses whether a contract is, or contains, a lease. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset, the Service assesses whether:

- a.** the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset.

- b. the Service has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- c. the Service has the right to direct the use of assets. The Service has this right when it has the decision - making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Service has the right to direct the use if the asset if either :
  - i. the Service has the right to operate the asset ; or
  - ii. the Service designed the assets in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Service allocates the consideration in the contract to each lease component on the basis of their relative stand - alone prices. However, for the leases of land and buildings in which it is a lease, the Service has elected not to separate non - lease components and account for the lease and non lease components as a single lease component.

**i. As a Lessee  
Under IFRS 16**

The Service recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets are determined on the term of the lease. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the Service's weighted average cost of capital.

Lease payments included in the measurement of the lease liability comprise the following :

- a. fixed payments, including in substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- c. the exercise price under a purchase option that the Service is reasonably certain to exercise, lease payments in an optional renewal period if the Service is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Service's estimate of the amount expected to be payable under a residual value guarantee, or if the Service changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Service presents right-of-use assets and lease liabilities as separate line items in the statement of financial position

**Short term leases and leases of low-value assets.**

The Service has elected not to recognise right-of-use assets and lease liability for short-term leases i.e. leases with lease term 12 months or less and leases of low value assets. The Service recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**ii. As a Lessor**

When the Service acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Service makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is finance lease; if not, then it is an operating lease. As part of this assessment, the Service considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

"When the Service is a lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the lease, not with reference to the underlying asset. If a lease is a short-term lease to which the Service applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Service applies IFRS 15 to allocate the consideration in the contract.

The Service recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other operating revenue'

Where the Service is an intermediate lessor the sub-leases were classified with reference to the underlying asset.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

**r. Financial Instruments****Initial Recognition and Measurement**

The Service recognises a financial asset and financial liability in the statement of financial position when, and only when, the Service becomes party to the contractual provisions of the instrument.

The Service measures the financial asset and financial liability (except for trade receivables) at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A trade receivable without a significant financing component is initially measured at the transaction price.

**Classification and subsequent measurement**

The financial assets shall be classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss depending on the financial asset's contractual cash flow characteristics and the Service's business model for managing them.

The Service measures financial assets at amortised cost if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b. the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets and liabilities are subsequently measured at amortised cost using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Service Financial assets ( Cash & Cash Equivalents, Receivables, Prepayments and Investments) meet these condition and hence are subsequently measured at amortised cost.

### **Derecognition of Financial Assets**

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e.; removed from the Services Statement of Financial Position) when :

- a. The rights to receive cash flows from assets have expired;
- b. The Service has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass - through' arrangement and either :
  - i. the Service has transferred substantially all the risks and rewards of the assets , or
  - ii. the Service has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

### **Derecognition of Financial Liabilities**

The Service derecognises a financial liability from its statement of financial position when its obligation specified in the contract is discharged or cancelled or expires. The Service also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss.

### **Impairment of Financial assets**

The Service recognises an allowance for Expected Credit Losses (ECL) for all financial assets recognized and measured under amortised cost. The Service on initial recognition of a financial asset recognises a loss allowance based on the 12-months ECL and is assessed as Nil. At each reporting date, the Service assesses the credit quality of the financial assets and if the credit quality of the financial assets deteriorates significantly since initial recognition the impairment loss is based on lifetime ECL. If the credit quality of the financial assets shows no evidence of deterioration, the loss allowance continues to be based on the 12 months ECL.

The Service applies a simplified approach in calculating ECLs for rent and other trade receivables in that no credit loss allowance is recognised on initial recognition. Any loss allowance will be the present value of the expected cash flow shortfalls over the remaining life of the receivables at each reporting date. The Service uses a provision matrix to determine the lifetime expected credit losses. It is based on the Service's historically observed default rates and adjusted for forward - looking estimates that

includes the probability of a worsening economic environment within the next year. At each reporting date, the Service updates the observed default history and forward- looking estimates.

Loss allowance for financial assets measured at amortised cost are deducted from the gross carrying amount of assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Offsetting of Financial Instruments**

Financial assets and financial liabilities are off set and the net amount is reported in the statement of financial position when and only when, the Service has a legally enforceable right to offset the recognised amounts and it intends either to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **3. FINANCIAL RISK MANAGEMENT**

The Service's activities may expose to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Service's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Service's financial performance.

#### **a. Market Risk**

##### **Interest rate risk**

The Service has significant interest-bearing assets in the form of short-term/long term cash deposits. These are at fixed interest rates and hence there are no interest rate risks during the period of investment. For re-investment of short and long term cash deposits, the Service negotiates an appropriate interest rate with the banks and invests with the bank which offers the highest interest return. Given the fixed nature of interest rates described above, the Service has a high level of certainty over the impact on cash flows arising from interest income. Accordingly, the Service does not require simulations to be performed over impact on net profits arising from changes in interest rates.

#### **b. Credit Risk**

Credit risk arises from deposits with banks, as well as credit exposure to customers, including outstanding receivables. For deposits with banks, only reputable parties with known sound financial standing are accepted. Receivable consist of a small number customers. The Service does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, represents the Service's maximum exposure to credit risk.

#### **c. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash to ensure availability of funding. The Service monitors liquidity through rolling forecasts of the Service's cash flow position. Overall, the Service does not see liquidity risk as high given that the Service holds a healthy cash balance.

The table below analyses the Service's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows.

##### **Fair value estimation**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities and financial assets and provisions are estimated to approximate their fair values.

Financial Assets	<1 year	2 to 5 years	>5 years	Total
Investment	14,640,616	-	-	14,640,616
Receivables	1,362,340	2,082,015	235,870	3,680,225
<b>Total</b>	<b>16,002,956</b>	<b>2,082,015</b>	<b>235,870</b>	<b>18,320,841</b>
<b>Financial Liabilities</b>				
Trade and other payables	5,089,193	80,550	143,278	5,313,021
Provisions	844,970	-	-	844,970
<b>Total</b>	<b>5,934,163</b>	<b>80,550</b>	<b>143,278</b>	<b>6,157,991</b>

#### 4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Service makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### a. Impairment of Non-Financial Assets

At each reporting date, the Service reviews the carrying amounts of its tangible assets to determine whether those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss.

##### b. Impairment of Receivables

Impairment of receivable balances is assessed at an individual level and impairment tests are performed on a more specific basis. If any such indication exists, the recoverable amount of the receivable are estimated in order to determine the extent of the impairment loss and are accordingly provided for.

#### 5. Cash and Cash Equivalents

	31 July 2024	31 July 2023
	\$	\$
Operating Account - ANZ	5,236,974	3,766,320
Fees & Charges - HFC	4,357,256	14,619,245
Interest Bearing - BSP	16,075,484	979,533
Interest Bearing- Bred Bank	1,303,689	6,265,593
BOB - Cheque Account	10,321	10,321
Petty Cash	2,450	2,450
Debit Card 1 - WBC	10,830	12,861
FRCS E Account -WBC	958,882	968,117
FRCS E Account -HFC	52,242	51,954
Debit Card 2 - WBC	6,616	9,481
Interest Bearing - HFC	19,023	18,740
<b>Cash and Cash Equivalent</b>	<b>28,033,767</b>	<b>26,704,615</b>

The cash and cash equivalents held by the Service that is not available for use include, "Taxpayer funds" for taxpayers that are not contactable of \$143,278 which is held in trust in the Operating Account with ANZ. Above accounts except for ANZ Operating Account, BOB, Petty Cash & WBC Debit Card earn interest.

## 6. RECEIVABLES

	31 July 2024	31 July 2023
	\$	\$
Debtors	1,095,307	790,813
WHT Refund	2,082,015	4,415,432
Deposits	146,632	153,042
Rental Deposits	89,238	81,738
Interest Receivable	117,236	95,154
Business Advance	-	373
Vat Refund	149,797	288,914
	3,680,225	5,825,466
Less: Doubt full Debts	-	-
<b>Total Receivables</b>	<b>3,680,225</b>	<b>5,825,466</b>
<b>Terms and conditions of the above financial assets</b>		
<ul style="list-style-type: none"> <li>Debtors are non-interest bearing and are normally received with 30-60 day terms.</li> <li>Interest receivable and business advance are non-interest bearing with an average term of 60-180 days.</li> </ul>		
<b>Contingent Assets</b>	-	12,999
<ul style="list-style-type: none"> <li>This relates to general litigation claims made by the Service against a taxpayer. These matters are resolved through various means not wholly within the control of the Service and may or may not give rise to a receivable.</li> </ul>		

## 7. INVESTMENT

Investments as at balance date comprised of short and long term money placements ranging from three months to one year with interest rates between 1.50% - 2.15%

	31 July 2024	31 July 2023
	\$	\$
Current	14,640,616	12,095,226
<b>Total Investments</b>	<b>14,640,616</b>	<b>12,095,226</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

	31 July 2024	31 July 2023
	\$	\$
<b>Carrying amount of :</b>		
Building	5,056,994	5,287,687
Computer Hardware	1,699,803	2,858,604
Office Equipment	305,273	337,345
Furniture & Fixtures	1,502,752	1,409,947
Land	2,870,000	2,870,000

Motor Vehicles	3,286,485	4,520,071
Detectors & Scanners	378,992	1,524,637
Capital Works in Progress	334,982	52,675
<b>Total</b>	<b>15,435,281</b>	<b>18,860,966</b>
<b>Work in Progress</b>		
Opening Balance	52,675	6,460,484
Addition during the year	1,548,425	5,020,303
Transfer: Suva Wharf Fitout	(256,102)	
Transfer : Lautoka Wharf Fitout	(147,539)	
Transfer: Motor Vehicle	(207,826)	-
Transfer: IT & Others	(654,651)	(11,428,112)
<b>Closing Balance</b>	<b>334,982</b>	<b>52,675</b>

**b. The Principal Land Valuer, Professional Valuations Limited during June 2021 valued the following properties:**

	Jun-21	July 2016
	\$	\$
1. Queens Warehouse with Land	2,740,000	3,360,000
2. Nadi Airport Customs Office	490,000	515,000
3. Nadi Dog Kennel	411,800	-
4. Suva Dog Kennel	380,000	-
5. Security Booth - Nasese	5,200	-
6. Lautoka Customs Office with Land	7,000,000	6,000,000
<b>Total Value</b>	<b>11,027,000</b>	<b>9,875,000</b>

Land and buildings are stated at their revalued amounts as determined by an independent valuer in 2021. The valuer used replacement cost approach to value the property.

## 9. INTANGIBLE ASSETS

	31 July 2024	31 July 2023
	\$	\$
<b>Cost-Software</b>		
Balance as at 1st August 2023	43,821,562	35,408,411
Additions	-	8,413,151
<b>Balance as at 31 July 2024</b>	<b>43,821,562</b>	<b>43,821,562</b>
<b>Accumulated amortisation:</b>		
Balance as at 1st August 2023	7,129,784	5,531,138
Amortisation for the year	1,844,030	1,598,646
Balance as at 31 July 2024	8,973,814	7,129,784
<b>Net Carrying amount</b>	<b>34,847,748</b>	<b>36,691,778</b>

Fiji Revenue and Customs Service  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the Year Ended 31 July 2024

**8.a. Reconciliation of Property, Plant and Equipment - 2022/2023**

	Land at revalued amount	Building at revalued amount	Computer Hardware at cost	Office Equipment at cost	Furniture and Fixtures at cost	Motor Vehicles at cost	Detectors and Scanners at cost	Capital Works in Progress	Total
<b>Cost or valuation</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 August 2023	2,870,000	6,727,040	12,864,939	7,193,556	10,730,281	11,618,229	11,022,083	52,675	63,078,803
Additions	-	-	408,638	133,438	434,940	207,826	342,343	1,548,425	3,075,610
Disposals	-	-	(10,353)	-	-	(210,603)	-	-	(220,956)
Transfers	-	-	-	-	-	-	-	(1,266,118)	(1,266,118)
<b>Total</b>	<b>2,870,000</b>	<b>6,727,040</b>	<b>13,263,224</b>	<b>7,326,993</b>	<b>11,165,221</b>	<b>11,615,452</b>	<b>11,364,426</b>	<b>334,982</b>	<b>64,667,339</b>
Accumulated depreciation									
Balance at 1 August 2023	-	1,439,353	10,006,335	6,856,211	9,320,334	7,098,158	9,497,446	-	44,217,837
Depreciation expense	-	230,693	1,559,176	165,510	342,135	1,441,412	1,487,988	-	5,226,914
Transfer/Eliminated on disposal of assets	-	-	(2,090)	-	-	(210,603)	-	-	(212,693)
<b>Total</b>	<b>-</b>	<b>1,670,046</b>	<b>11,563,421</b>	<b>7,021,721</b>	<b>9,662,469</b>	<b>8,328,967</b>	<b>10,985,433</b>	<b>-</b>	<b>49,232,058</b>
<b>Carrying amount as at 31 July 2024</b>	<b>2,870,000</b>	<b>5,056,994</b>	<b>1,699,803</b>	<b>305,273</b>	<b>1,502,752</b>	<b>3,286,486</b>	<b>378,992</b>	<b>334,982</b>	<b>15,435,281</b>

## 10. INVESTMENT PROPERTY

	31 July 2024	31 July 2023
	\$	\$
<b>Investment Property</b>		
Balance as at 1 August 2023	12,941,649	10,620,000
Addition	-	2,321,649
<b>Balance as at 31 July 2024</b>	<b>12,941,649</b>	<b>12,941,649</b>
<b>Accumulated Depreciation</b>		
Balance as at 1 August 2023	401,983	181,567
Add: Depreciation	238,021	220,416
Balance as at 31 July 2024	640,004	401,983
<b>Written Down Value as at 31 July 2024</b>	<b>12,301,645</b>	<b>12,539,666</b>

The Investment Property (Main Customs Building & Lot 3 Lautoka Building) was revalued by an independent valuer (Professional Valuations Limited) in June 2021. The valuer used replacement cost approach to value the property. Date of valuation was on 9th June 2021. There is no restriction on the realisability of investment property. The property is leased under operating lease. Revaluation is done every 5 years.

## 11. TRADE AND OTHER PAYABLES

	31 July 2024	31 July 2023
	\$	\$
Trade payable	1,137,525	1,026,520
VAT payable	1,512,278	1,122,231
Others	2,663,218	1,297,902
<b>Total Trade and other Payables</b>	<b>5,313,021</b>	<b>3,446,653</b>
<b>Terms and conditions of the above financial liabilities:</b>		
- Trade payables are non-interest bearing and are settled on 30 day terms.		
- Other payables are non-interest bearing and are settled as and when required.		

## 12. PROVISION

Employee entitlement represents annual leave accrued as at 31 July 2024

	31 July 2024	31 July 2023
	\$	\$
<b>Annual Leave</b>		
Opening Balance	518,217	390,709
Accrued during the year	2,023,299	1,456,346
Utilised during the year	(1,696,546)	(1,328,838)
<b>Closing Balance</b>	<b>844,970</b>	<b>518,217</b>

**13. RECOUPMENT OF DEPRECIATION THROUGH GRANTS**

	31 July 2024	31 July 2023
	\$	\$
<b>Building</b>		
Written down Value	692,518	729,365
Addition during the year	-	-
Depreciation recoupment	(36,847)	(36,847)
Deferred Grant Liability	655,671	692,518
<b>Computer Hardware &amp; Software</b>		
Written down Value	11,984,878	13,525,253
Addition during the year	1,309	17,788
Disposal	(1,309)	(868)
Depreciation recoupment	(1,403,144)	(1,557,295)
Deferred Grant Liability	10,581,734	11,984,878
<b>Motor Vehicles</b>		
Written down Value	4,185,613	5,652,682
Disposal	-	(15,255)
Depreciation recoupment	(1,343,679)	(1,451,814)
Deferred Grant Liability	2,841,934	4,185,613
<b>Furniture &amp; Fittings</b>		
Written down Value	1,346,222	1,634,727
Addition during the year	-	-
Depreciation recoupment	(245,500)	(288,505)
Deferred Grant Liability	1,100,722	1,346,222
<b>Office Equipment</b>		
Written down Value	68,633	199,387
Addition during the year	-	-
Depreciation recoupment	(53,588)	(130,754)
Deferred Grant Liability	15,045	68,633
<b>Detectors and Scanners</b>		
Written down Value	1,524,639	3,596,862
Addition during the year	342,343	-
Depreciation recoupment	(1,487,988)	(2,072,223)
Deferred Grant Liability	378,993	1,524,639
<b>Total Depreciation Recoupment</b>	<b>4,570,746</b>	<b>5,537,438</b>
<b>Total Deferred Grant Liability</b>	<b>15,574,100</b>	<b>19,802,503</b>

## 14. LEASES

	31 July 2024	31 July 2023
	\$	\$
<b>Right-Of-Use Assets</b>		
Balance as at 01 August 2023	19,332,900	21,548,572
Additions during the year	241,547	1,216,181
Depreciation charge for the year	3,452,206	(3,431,853)
<b>Balance as at 31 July 2024</b>	<b>16,122,241</b>	<b>19,332,900</b>
<b>Lease Liabilities</b>		
Current	3,606,309	3,276,783
Non-Current	15,913,725	19,346,841
<b>Total Lease Liabilities</b>	<b>19,520,034</b>	<b>22,623,624</b>
<b>Reconciliation of movement of liabilities to cash flows from financing activities</b>		
Balance as at 01 August 2023	22,623,624	24,530,366
Additions during the year	236,663	1,187,465
Total Lease Liability for the year	22,860,287	25,717,831
<b>Less Repayment of Lease Liability</b>		
Lease payment	(4,890,594)	(4,828,994)
Interest Expense	1,550,341	1,734,787
Net Repayment of Lease Liability	(3,340,253)	(3,094,207)
<b>Closing Balance as at 31 July 2024</b>	<b>19,520,034</b>	<b>22,623,624</b>

## 15. GRANTS

	31 July 2024	31 July 2023
	\$	\$
<b>a. GOVERNMENT GRANTS</b>		
Operating Grants from Government	44,011,609	38,774,190
<b>Net Grant received from Government</b>	<b>44,011,609</b>	<b>38,774,190</b>
Operating Grant for the financial year 2023/2024 was received in full amounting to \$45.55M (VIP)		
<b>b. GRANTS IN KIND</b>		
The Service received 3 Thermo Scientific Chemical Identification tool set for a total value of \$378,994 VEP from United National Development Programme (UNDP). All these items has been capitalized to fixed assets and necessary adjustments for depreciation and deferred grant is recorded on a monthly basis.		

**16. FEES AND CHARGES**

	31 July 2024	31 July 2023
	\$	\$
<b>Fees and Charges</b>	<b>10,481,354</b>	<b>9,256,781</b>

These are revenue earned from services provided by the Service, which are collected with other revenues and lodged into the Government consolidated fund account. The Ministry of Economy reimburses these funds to the Service.

**17. SUNDRY INCOME**

	31 July 2024	31 July 2023
	\$	\$
Income from Investment Property	525,425	357,015
Rental Income	939,500	578,790
Other Revenue	197,154	225,713
<b>Total Sundry Income</b>	<b>1,662,079</b>	<b>1,161,518</b>

**18. EMPLOYEE COSTS**

	31 July 2024	31 July 2023
	\$	\$
Salaries and Wages	26,172,469	19,976,543
FNPF, Overtime and Allowances	4,262,201	2,832,592
Annual Leave	2,093,047	1,456,346
Training, Professional Development	204,028	218,367
Recruitment, Transfer and Others	965,465	719,742
<b>Total Employee Costs</b>	<b>33,697,210</b>	<b>25,203,590</b>

**19. ADMINISTRATIVE EXPENSES**

	31 July 2024	31 July 2023
	\$	\$
Communications	668,134	707,767
Electricity, Water & Power Supply	908,068	891,484
Travel and Accommodation	281,560	189,167
Contributions to ASMP, WCO & CATA	358,686	273,160
<b>Total Administrative Expenses</b>	<b>2,216,448</b>	<b>2,061,578</b>

**20. OTHER OPERATING EXPENSES**

	31 July 2024	31 July 2023
	\$	\$
Insurance	170,165	171,932
Computer Maintenance/Software Licenses	10,171,980	4,830,264
Stationery & Supplies	281,589	453,216
Vehicle Service & Maintenance	295,120	244,204

Training Levy	287,184	189,415
FCEF Levy	10,000	10,000
Consultancy / Special Projects	105,820	166,332
Professional fees	-	3,916
Legal Fees	125,832	69,665
Audit Fees	26,797	34,190
Advertising /Public Education	66,155	52,453
Books, Periodicals, Publication	1,381	641
Uniforms & Entertainment	127,793	159,549
Directors Fees	71,449	69,671
Minor Assets	159,673	135,944
Staff Team Building	26,025	18,507
Bank Fees and Charges	47,787	55,359
Write Off & Doubtful Debts	-	3,220
Dog Kennel Expenses	20,127	17,573
Rewards	-	43,623
<b>Total Other Operating Expenses</b>	<b>11,994,877</b>	<b>6,729,674</b>

## 21. PROPERTY EXPENSES

	31 July 2024	31 July 2023
	\$	\$
This includes rent for staff quarters, office space and office maintenance (building maintenance, cleaning, security, local rates, OHS, leased equipment and X-Ray equipment maintenance)		
Staff Quarters	24,087	41,018
Office Rent	3,580	-
Office Maintenance	1,506,212	1,508,058
<b>Total Property Expenses</b>	<b>1,533,879</b>	<b>1,549,076</b>
Rodwell Road property expenses & Lot 3 Lautoka Property expense for the period was \$117,696		

## 22. NOTES TO STATEMENT OF CASH FLOW

	31 July 2024	31 July 2023
	\$	\$
<b>Reconciliation of Cash</b>		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and excludes short term deposits		
Operating Account - ANZ	5,236,974	3,766,320
Fees & Charges - HFC	4,357,256	14,619,245
Interest Bearing - BSP	16,075,484	979,533
Interest Bearing- Bred Bank	1,303,689	6,265,593
BOB - Cheque Account	10,321	10,321

Petty Cash	2,450	2,450
Debit Card 1 - WBC	10,830	12,861
FRCS E Account -WBC	958,882	968,117
FRCS E Account -HFC	52,242	51,954
Debit Card 2 - WBC	6,616	9,481
Interest Bearing - HFC	19,023	18,740
<b>Cash on hand and in Bank</b>	<b>28,033,767</b>	<b>26,704,615</b>

## 23. COMMITMENTS AND CONTINGENT LIABILITIES

	31 July 2024	31 July 2023
	\$	\$
Rakiraki Office Upgrade	103,345	-
Sigatoka Office Upgrade	61,862	-
2 x Lenovo THinkSystem SR650V3 Server	24,911	-
PG PMS Implementation	14,797	14,797
Meraki MX9/MX75/MX68CW License 3yr/5yr	-	34,855
Rakiraki Generator	-	39,885
<b>Total Commitment</b>	<b>204,915</b>	<b>89,537</b>
<b>Contingent Liabilities</b>	<b>2,942,654</b>	<b>4,456,919</b>
The Service as a statutory body has a number of general litigation claims made against it and vice versa for employment or contractual matters. These matters are resolved through various means not wholly within the control of the Service and may or may not give rise to an obligation.		
<b>Operating lease commitments</b>		
Total commitments for future base lease rentals are:	-	-
<b>Operating lease revenue</b>		
Non Cancellable operating lease rentals are receivables as follows:		
Not later than 1 year	1,168,487	1,153,062
Later than 1 year but not later than 5 years	4,833,813	3,702,680
Greater than 5 years	8,452,417	-

## 24. RELATED PARTIES

### a. Transaction with related parties

All transaction that occurred between the Service and companies or organisations in which a member may have an interest, either as a member or employee, were at 'arms length' and in normal course of business.

## b. Directors and Key Management Personnel Remuneration

	31 July 2024	31 July 2023
	\$	\$
Directors' remuneration-fees	71,449	69,671
Key Management Personnel remuneration for salary and other benefits	1,349,398	1,463,558
Directors remuneration include amounts paid to the directors of the Service. Remuneration for Mr. Shri Gounder was paid directly to the Ministry of Finance. Remuneration for Mr. Malakai Naiyaga, Mr. Ilisoni Vuidreketi, Mr. Neleesh Gounder, Ms. Nancy Tikoisuva, Mr. Nitin Gandhi, Mr. Jitoko Tikolevu and Ms. Umesh Prasad was paid to them.		

## Key Management Personnel

Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly (whether executive or otherwise) of that entity.

During the reporting period, the following persons were the executives identified as key management personnel, with the greatest authority and responsibility for the planning, directing and controlling of activities.

Mr. Udit Singh - Chief Executive Officer	25/03/2024 - 31/07/2024
Mr. Malakai Naiyaga - Acting Chief Executive Officer	01/08/2023 - 25/03/2024
Mr. Shavindra Nath - Director Corporate Services/Chief of Staff	01/08/2023 - 31/07/2024
Mrs. Kelerayani Dawai- Director Compliance	01/08/2023 - 31/07/2024
Mr. Uraia Rasake - Director People, Capability & Culture	21/08/2023 - 31/07/2024
Mr. Rohit Singh - Acting Director People,Capability & culture	01/08/2023 - 20/08/2023
Mrs. Shelini Devi - Director Border Forces	01/11/2023 - 31/ 07/2024
Mrs. Shelini Devi - Acting Director Border Forces	01/08/2023 - 31/10/2023
Mrs. Momina Beg - Director Tax	01/08/2023 - 31/07/2024
Mrs. Ansu Singh - Chief Financial Officer	01/08/2023 - 31/07/2024
Mr. Nalin Ranawalage - Chief Information Officer	15/05/2024 - 31/07/2024
Mr. Robert Khan - Acting Chief Information Officer	01/08/2023 - 14/05/2024

## 25. REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business of the entity is located at:

**Fiji Revenue and Customs Service Complex  
Lot 1 Corner of Queen Elizabeth Drive and Ratu Sukuna Road  
Nasese, Suva, Fiji**

## 26. EVENTS SUBSEQUENT TO BALANCE DATE

There were no major events recorded subsequent to the balance date which had an impact on the financial statement for the year ended 31 July 2024.

## 27. AGENCY TRANSACTIONS ADMINISTERED FOR THE GOVERNMENT OF FIJI

### a. Government Revenue

The Service is responsible for the collection of the following revenues which are deposited directly by the Service into the Government's Consolidated Fund account of Government.

**Government revenue is recognised on cash basis.**

	31 July 2024	31 July 2023
	\$	\$
<b>Customs Collection</b>	<b>728,451,106</b>	<b>620,691,618</b>
Less: Rebates/misc. fees & charges	(15,619,794)	(12,303,027)
	712,831,312	608,388,591
<b>Inland Revenue Collection</b>	<b>1,061,143,903</b>	<b>719,570,285</b>
Less: Refunds	(39,153,193)	(50,497,686)
	1,021,990,710	669,072,599
<b>Value Added Tax</b>	<b>1,752,816,100</b>	<b>1,241,696,488</b>
Less: Refunds	(383,413,606)	(233,647,938)
	1,369,402,494	1,008,048,550
<b>Total Government Revenue</b>	<b>3,104,224,517</b>	<b>2,285,509,740</b>

### b. Government Assets - Debtors

The balance outstanding as at 31 July 2024 of \$998,593,983 consisted of revenue arrears as follows:

	31 July 2024	31 July 2023
	\$	\$
Income Tax & Other Taxes	115,931,790	94,409,432
Value Added Tax	122,346,612	90,951,452
Customs	2,189,358	970,485
Tertiary Education Loan Scheme (TELS)	717,944,486	648,331,889
PSC Loan	8,745,369	8,745,368
MSME Loan	31,436,368	32,243,205
<b>Total Arrears</b>	<b>998,593,983</b>	<b>875,651,831</b>

The above amounts include penalties that may be waived and balances that may be disputed by taxpayers.

For the year ended 31 July 2024, a total amount of \$305,148,897 for TELS loan balances was provisioned for expected future Accelerated Repayment Incentive (ARI) claims by students.

For the year ended 31 July 2024, the total amount of \$109,513,509 in penalties was waived/written-off by the Service. The withdrawals were made in accordance with Section 48(7) of the Tax Administration Act and Section 34 of the Financial Management Act 2004.

### c. Government Liabilities

	31 July 2024	31 July 2023
	\$	\$
VAT Refunds Outstanding	168,471,865	127,185,511
Income Tax Refunds	426,326,078	51,801,692
Film Rebate	-	155,759,295
<b>Total Liabilities</b>	<b>594,797,943</b>	<b>334,746,498</b>

In 2023/2024 budget, it was announced that to promote transparency in government revenue and expenditure reporting, the film rebate will be issued as part of government expenditure initiatives and not through government tax revenue refunds. The Film Rebates are now processed from Ministry of Finance.

### d. Government Contingent Liabilities and Contingent Assets

The Service as an agent of government currently has a number of litigation claims made against it and also claims against the taxpayers in relation to tax and customs matters. These matters are resolved through various means not wholly within the control of the Service and may not give rise to an obligation.

	31 July 2024	31 July 2023
	\$	\$
Contingent Liability	41,142,721	74,794,441
Contingent Asset	50,000	50,000







**FIJI REVENUE AND  
CUSTOMS SERVICE**

Fiji Revenue and Customs Service Complex,  
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