

# BILL NO. 12 OF 2018

## A BILL

### FOR AN ACT TO AMEND THE INCOME TAX ACT 2015

ENACTED by the Parliament of the Republic of Fiji—

*Short title and commencement*

- 1.—(1) This Act may be cited as the Income Tax (Budget Amendment) Act 2018.
- (2) This Act comes into force on 1 August 2018.
- (3) In this Act, the Income Tax Act 2015 is referred to as the “Principal Act”.

*Section 25A amended*

2. The Principal Act is amended by deleting section 25A and substituting the following—

*“Other incentives*

25A. The Minister may make regulations prescribing—

- (a) incentives, including—
  - (i) incentives to promote the investment in or growth of a particular industry or region in Fiji;
  - (ii) research and development incentives;

- (iii) environment and climate change mitigation and adaptation incentives;
  - (iv) modernisation of buildings and housing development incentives;
  - (v) employment incentives, including through deductions from business income; and
  - (vi) incentives that will contribute to an identifiable benefit to Fiji; and
- (b) matters that are required to be prescribed or are necessary or convenient to be prescribed for the provision of the incentives under paragraph (a), including—
- (i) terms or conditions issued by the CEO;
  - (ii) offences for failure to comply with any of the terms or conditions issued by the CEO or any of the requirements relating to the incentives; and
  - (iii) penalties for offences under regulations made in relation to the incentives with fines not exceeding \$200,000 or imprisonment for terms not exceeding 10 years or both.”.

*Section 67 amended*

**3.** Section 67(1)(g) of the Principal Act is amended by deleting “a capital gain made by a resident person from the sale of shares where a private company goes” and substituting “any gain made by a resident person from a capital asset, including from the sale of shares where a private or public company goes”.

June 2018

## **INCOME TAX (BUDGET AMENDMENT) BILL 2018**

### **EXPLANATORY NOTE**

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

#### **1.0 BACKGROUND**

- 1.1 The Income Tax (Budget Amendment) Bill 2018 (**‘Bill’**) seeks to amend the Income Tax Act 2015 (**‘Act’**) to address certain policy changes introduced in the 2018-2019 Budget.

#### **2.0 CLAUSES**

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2018.
- 2.2 Clause 2 of the Bill replaces section 25A of the Act to empower the Minister to prescribe other incentives by regulations.
- 2.3 Clause 3 of the Bill amends section 67(1) of the Act to extend the exemption to any gain made by a resident person from the sale of any capital asset, including from the sale of shares where a company is preparing for listing on the South Pacific Stock Exchange.

#### **3.0 MINISTERIAL RESPONSIBILITY**

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

A. SAYED-KHAIYUM  
Attorney-General