

BILL NO. 12 OF 2019

A BILL

FOR AN ACT TO AMEND THE STAMP DUTIES ACT 1920

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

- 1.—(1) This Act may be cited as the Stamp Duties (Budget Amendment) Act 2019.
- (2) This Act comes into force on 1 August 2019.

Schedule amended

2. The Schedule to the Stamp Duties Act 1920 is amended by—
 - (a) in Part 1 in the table after the row on “FINANCE LEASE OR LOAN AGREEMENT”, inserting the following new row—

“ <i>Exemption</i> Offshore borrowing provided that the borrowed funds are deposited into a bank account in Fiji		
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”; and

(b) in Part 2, deleting paragraph (29) and substituting the following—

“(29) Every instrument executed by or on behalf of an enterprise with an annual gross turnover not exceeding \$500,000 provided that such enterprise declares by way of a statutory declaration that—

- (a) the instrument is related to its business activity;
- (b) its annual gross turnover does not exceed \$500,000; and
- (c) it is not connected to a person whose annual gross income or annual gross turnover, as applicable, exceeds \$500,000,

where—

- (a) “enterprise” means any going concern of an individual, group, partnership or entity which trades in goods or services for profit; and
- (b) an enterprise is connected to a person if—
 - (i) the person controls more than 50% of the board composition of the enterprise; or
 - (ii) the person or the person with other persons controls—
 - (A) more than 50% of voting rights in the enterprise;
 - (B) more than 50% of rights to income or dividends in the enterprise; or
 - (C) more than 50% of rights to capital in the enterprise.”.

June 2019

STAMP DUTIES (BUDGET AMENDMENT) BILL 2019

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 Stamp Duties (Budget Amendment) Bill 2019 (**‘Bill’**) seeks to amend the Stamp Duties Act 1920 (**‘Act’**) to address budgetary policy changes in the 2019-2020 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 2019.

2.2 Clause 2 of the Bill amends Part 1 of the Schedule to the Act to exempt offshore borrowing from stamp duty provided that the borrowed funds are deposited into a bank account in Fiji.

2.3 Clause 2 of the Bill also amends Part 2 of the Schedule to the Act to exempt any instrument made or executed by or on behalf of an enterprise with an annual gross turnover not exceeding \$500,000 provided that the enterprise declares by way of a statutory declaration that the instrument made or executed is related to its business activity, its annual gross turnover does not exceed \$500,000 and that it is not connected to a person whose annual gross income or annual gross turnover, as applicable, exceeds \$500,000.

3.0 MINISTERIAL RESPONSIBILITY

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

A. SAYED-KHAIYUM
Attorney-General