

**ACT NO. 4 OF 2017**

I assent.

J. K. KONROTE  
President

[14 February 2017]

**AN ACT**

TO AMEND THE VALUE ADDED TAX ACT 1991

ENACTED by the Parliament of the Republic of Fiji—

*Short title and commencement*

**1.**—(1) This Act may be cited as the Value Added Tax (Amendment) Act 2017.

(2) This Act comes into force on a date or dates appointed by the Minister by notice in the Gazette.

(3) In this Act, the Value Added Tax Act 1991 is referred to as the “Principal Act”.

*Section 14 amended*

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

- (a) deleting “201” and substituting “201A”;
- (b) deleting “, 226 (a person to whom medals and decorations are awarded), 227 (an owner or temporary owner of trophies),” and substituting “and”;
- and
- (c) deleting “and 229 (an institution or organisation approved by the Minister responsible for finance)”.

*Section 22 amended***3.** Section 22 of the Principal Act is amended by—

(a) inserting the following new subsections after subsection (4)—

“(4A) Notwithstanding subsection (1), a person engaged in the supply of residential accommodation which is expected to exceed a gross annual turnover of \$100,000, may, in the prescribed form, make an application to the Chief Executive Officer to be registered in accordance with subsection (1).

(4B) Upon receipt of an application under subsection (4A), the Chief Executive Officer may approve the application for registration in accordance with subsection (5) where it appears to the Chief Executive Officer that there are reasonable grounds to believe that the total value of the supply of residential accommodation will exceed a gross turnover of \$100,000 within 12 months following the registration.”; and

(b) in subsection (5)(a), deleting “subsection (3) or (4)” and substituting “this section”.

*Section 23 amended***4.** Section 23 of the Principal Act is amended by inserting the following new subsections after subsection (8)—

“(9) The Chief Executive Officer may cancel a person’s registration under subsection (5) if the Chief Executive Officer is satisfied that the total value of the taxable supply of residential accommodation by the registered person has not exceeded a gross turnover of \$100,000 in the preceding 12 months.

(10) Prior to cancellation under subsection (9), a registered person whose total value of taxable supply of residential accommodation has not exceeded a gross turnover of \$100,000 in the preceding 12 months may write to the Chief Executive Officer requesting for an additional period of up to 24 months to meet the \$100,000 gross turnover threshold.

(11) Upon receipt of a written request made under subsection (10), the Chief Executive Officer may, at his or her discretion, extend the turnover period requirement in subsection (1).

(12) Where a person’s registration is cancelled in accordance with subsection (9), any input tax credit or VAT refund which had been claimed by the person for any expense including the construction of the residential accommodation from the date of registration to the date of the cancellation of registration, may be recovered by the Chief Executive Officer and section 3(4) of the Act shall apply.”

*New section 27A inserted*

5. The Principal Act is amended by inserting the following new section after section 27—

*“Branches or divisions containing residential accommodation*

27A.—(1) Where a registered person carries on a taxable activity in branches or divisions, and a branch or division of that taxable activity is the supply of residential accommodation in which the gross turnover does not exceed \$100,000, that registered person may apply in writing to the Chief Executive Officer for that branch or division to be treated as a separate entity for the purpose of this Act.

(2) The Chief Executive Officer may, upon receiving an application made pursuant to subsection (1), treat that branch or division separately to maintain an independent system of accounting, and any taxable activity carried on by the registered person who is a supplier of residential accommodation, shall not be included as part of other divisions or branches which are below the taxable threshold under section 22.”

*Section 39 amended*

6. Section 39 of the Principal Act is amended by inserting the following new subsection after subsection (9)—

“(10) Notwithstanding anything in this section, a registered person under section 22(4B) and (5) who makes payment for any expenses including the construction of the residential property for rental shall be allowed a deduction from the date of registration.”

Passed by the Parliament of the Republic of Fiji this 8th day of February 2017.