

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