

BILL NO. 30 OF 2022

A BILL

FOR 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 (Budget Amendment) (No. 3) Act 2022.

(2) This Act comes into force on 1 August 2022.

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

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

(a) in paragraph (c), deleting “.” and substituting “;”; and

(b) after paragraph (c), inserting the following new paragraph—

“(d) electric vehicles which are imported under customs tariff codes
8701.24.10, 8701.24.90, 8702.40.11, 8702.40.12, 8702.40.19,
8702.40.21, 8702.40.22, 8702.40.29, 8703.80.10, 8703.80.11,
8703.80.14, 8703.80.15, 8703.80.18, 8703.80.19, 8703.80.22,
8703.80.23, 8703.80.26, 8703.80.29, 8704.60.00, 8711.60.00.
”.

Section 21 amended

3. Section 21 of the Principal Act is amended by deleting subsection (7).

Schedule 1 amended

4. Schedule 1 to the Principal Act is amended by deleting paragraph 7 and substituting the following—

“7.—(1) The supply by a registered person of goods and services used wholly by the registered person for the purposes of making exempt supplies including goods and services which can only be used for making exempt supplies for which no deduction for input tax was claimed on the acquisition, production, maintenance and upgrading of those goods and services.

(2) Notwithstanding subparagraph (1), the supply by a registered person of goods used wholly by the registered person including goods which can only be used for making supplies under paragraph 2 qualifies as an exempt supply regardless of whether deduction for input tax was claimed on the acquisition, production, maintenance and upgrading of the goods.”.

July 2022

VALUE ADDED TAX (BUDGET AMENDMENT) (NO. 3) BILL 2022

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 Value Added Tax Act 1991 (**‘Act’**) provides for the administration of value added tax (**‘VAT’**) in Fiji.
- 1.2 The Value Added Tax (Budget Amendment) (No. 3) Bill 2022 (**‘Bill’**) seeks to amend the Act to address the budgetary policy changes in the 2022-2023 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 2022.
- 2.2 Clause 2 of the Bill amends section 14 of the Act to remove the 15% VAT which is applied on the importation of electric vehicles.
- 2.3 Clause 3 of the Bill amends section 21 of the Act to ensure that VAT reverse charge is paid by a person who is registered for VAT for relevant services received by the person from anyone outside Fiji.
- 2.4 Clause 4 of the Bill amends Schedule 1 to the Act to allow for the disposal of residential dwellings used to provide accommodation by way of hire to be exempted from VAT, regardless of whether input tax was claimed in relation to the residential dwelling.

3.0 MINISTERIAL RESPONSIBILITY

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

A. SAYED-KHAIYUM
Attorney-General