



STANDING COMMITTEE ON ECONOMIC AFFAIRS

Review Report of the Fiji Revenue & Customs Service August 2017 – July 2018 Annual Report



PARLIAMENT OF THE REPUBLIC OF FIJI
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Chairperson's Foreword

The Standing Committee on Economic Affairs is pleased to submit to Parliament, the Review Report of the Fiji Revenue and Customs Services 2017-18 Annual Report.

During the period under review, FRCS collected \$2.83 billion in net tax revenue, recording a growth of \$252.8 million which was about 9.8 percent over the previous fiscal year of 2016/17.

FRCS had introduced the Standard Interpretation Guidelines (SIGs) during the 2017/18 period which is an extremely useful instrument that enables taxpayers to understand the technical interpretations made by FRCS. These guidelines cover all complex issues which the taxpayers would be able to access and understand, especially regarding specific tax policies.

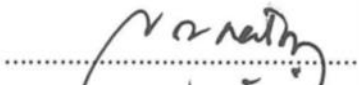
The Committee commended FRCS for transitioning towards the use of digital technology through the use of HR Information System including the Online Performance Management System within the organization.

The FRCS designed and consulted on the New Tax Information System (NTIS) Programme and the Taxpayer Online Services during the period under review.

I would like to take this opportunity to extend our appreciation to the CEO of the FRCS and his team members for making time to present before the Committee.

Finally, I would like to thank our Committee Members who were part of the team that produced this report: - Deputy Chairperson Hon. Veena Bhatnagar, Hon. Sachida Nand, Hon. Inosi Kuridrani and Hon. Ro Filipe Tuisawau. I also take this opportunity to acknowledge and thank the Parliamentary Staff who have given us invaluable support.

On behalf of the Standing Committee on Economic Affairs, I commend the Review of the Fiji Revenue and Customs Services 2017-18 Annual Report to Parliament.



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Hon. Vijay Nath (Chairperson)

Acronyms

ASYCUDA	Automated System for Customs Data
ECAL	Environment & Climate Adaptation Levy
EFL	Energy Fiji Limited
FRCS	Fiji Revenue And Customs Services
STT	Service Turnover Tax
VAT	Value Added Tax

1.0 Introduction

1.1 Background

Fiji Revenue and Customs Services is a statutory organization established under the FRCS Act 1998 that is governed by a Board and administered by a Chief Executive Officer¹.

The roles of FRCS are as follows:

- i. Collect taxes and duties on behalf of government;
- ii. Provide quality advice on tax and customs matter to all our stakeholders;
- iii. Facilitate trade and travel; and
- iv. Protect the borders.

FRCS services are available from ten locations throughout Fiji: Ba, Labasa, Lautoka, Levuka, Nadi, Rakiraki, Nausori, Savusavu, Sigatoka and Suva. Regular visitations are also held with outer islands, often in partnership with Government.

Committee Remit and Composition

The Committee is made up of five (5) Members of Parliament, three (3) of which are Government members and two Opposition members. According to Section 109(2) (a) the Standing Committee is responsible to look into matters related to economic development, finance, banking and taxation.

¹ <https://www.frscs.org.fj/about-us/>

2.0 Findings and Recommendations

1. The Committee noted that FRCS collected \$2.83b, recording a growth of \$252.8m over the last fiscal year and commended FRCS for the 9.8% growth compared to the previous year.
2. The Committee noted that FRCS introduced a number of initiatives during the period under review including the design and consultation of a New Tax system and roll out of Electronic Fiscal Device system in phases. The Committee recommends that thorough consultation be undertaken and progress reports be made available to ensure that these initiatives are meeting its objectives.
3. The Committee commends FRCS for transitioning towards the use of digital technology through the use of online performance management system and HR information system within the organization.
4. On Treatment of Risk, the Committee noted the use of various data to target High Wealth Individuals, matching with ASYCUDA, IMF On Line Data, SMS Platforms and 3rd Party data such as FEA/ EFL. The Committee recommends that these a summary of these data be also included in future reports.
5. The Committee noted that 277 organisations/ businesses have Electronic Fiscal Devices to monitor VAT, SITT and ECAL Collections. The Committee recommends that a summary these data be presented in future reports.
6. The Committee commends the development of Standard Interpretation Guidelines to improve operational efficiency and encourages that these be expanded to encompass all relevant areas where necessary.

3.0 Sustainable Development Goals Analysis

Sustainable Development Goals – Fiji Revenue and Customers Services 2017 -2018

As part of the report the Committee appreciates the work Fiji Revenue and Customs Services in its efforts towards the UN Sustainable Development Goals, permitted under the Standing Orders of Parliament whereby all matters before the Committee are to be reviewed through an SDG lens.

SDG 5 Gender Equality Empowerment of Women and Girls

It was encouraging to note that FRCS work is based on gender-neutral and non-discriminatory principles. The Committee encourages FRCS to include more gender-related data where applicable.

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

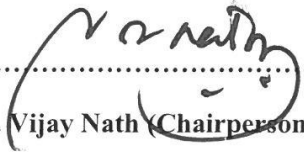
Target 17.1: Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.

The Committee noted on the report that a VAT Monitoring System was launched and being implemented in certain supermarkets in Suva. The objective of this system is not only to have efficient and reliable software to encourage voluntary compliance and at the same time collect the revenue due to the government, but it will also play a broader role in alignment to the government roadmap for development of Fiji, greater financial inclusion initiatives as well as push towards a cashless economy, addressing the black money challenges

4.0 Conclusion

Overall, the Committee is satisfied with the performance of FRCS during the 2017/18 financial period and looks forward to the progress on various initiatives that FRCS had introduced.


Members Signature




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Hon. Vijay Nath (Chairperson)



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Hon. Veena Bhatnagar (Deputy Chairperson)



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Hon. Sachida Nand (Member)



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Hon. Ro Filipe Tuisawau (Member)



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Hon. Inosi Kuridrani (Member)