

# BILL NO. 16 OF 2025

## A BILL

### FOR AN ACT TO AMEND THE EXCISE ACT 1986

ENACTED by the Parliament of the Republic of Fiji—

*Short title and commencement*

- 1.—**(1) This Act may be cited as the Excise (Budget Amendment) Act 2025.
- (2) This Act comes into force on 1 August 2025.
- (3) In this Act, the Excise Act 1986 is referred to as the “Principal Act”.

*Section 2 amended*

- 2.** Section 2 of the Principal Act is amended by—

- (a) in the definition of “manufacture”, in paragraph (c), deleting “goods” and substituting “and non-excisable goods in order to make an excisable product”; and
- (b) after the definition of “proper officer”, inserting the following new definition—

““raw materials” means any substance or material, used as an input in the manufacture of any finished excise product excluding materials with a basis of alcohol for the manufacture of intoxicating liquors;”.

Section 28 amended

3. Section 28 of the Principal Act is amended after subsection (3) by inserting the following new subsection—

“(3A) A fee of \$15 is payable for any modification of any entry or assessment made by a person for the purpose of any entry lodged and processed by the Comptroller.”.

Part 8B inserted

4. The Principal Act is amended after Part 8A by inserting the following new Part—

“PART 8B – DEMERIT POINTS SYSTEM

*Demerit points*

64D.—(1) In this section—

“demerit points system” means a system to provide the Service with an approach to treat noncompliance and offences by a licensed excise where the demerit points system will allow the Service to mitigate the risks associated with licensed excise operators by allowing for immediate and responsive treatment options to manage such behaviors; and

“prescribed offence” means an offence under this Act.

(2) Where a proper officer has reason to believe that a person has committed a prescribed offence, the proper officer may issue demerit points in relation to the offence by issuing a demerit points letter.

(3) A demerit point in subsection (2) must be issued by a demerit points letter to the excise licensee specifying the following—

- (a) the name of the excise licensee to whom the demerit point is issued;
- (b) the particulars of the prescribed offence;
- (c) the number of demerit points deducted; and
- (d) any other information prescribed by regulation.

(4) The applicable penalty awarded in column 2 of the table to this section will be determined in accordance with the number of demerit points deducted in column 1 of the table.

<i>Total demerit points deducted</i>	<i>Penalty awarded</i>
25 Demerit points	Warning letter
50 Demerit points	Pecuniary penalty
75 Demerit points	6 Months suspension
100 Demerit points	Licence revocation

(5) Any fine collected from the pecuniary penalty will be determined through the penalty matrix and collected by the Service in the manner and form prescribed by regulations.

(6) The fine collected in subsection (5) is to be paid by the Service into the consolidated account.

*Regulation for issuance of demerit points system*

64E. The Minister on the advice of the Comptroller may make regulations to prescribe matters that is required to be prescribed or are necessary or convenient to be prescribed for the application of the demerit points system under this Part, including—

- (a) the offence for which the demerit point is issued;
- (b) the demerit point to be issued to an excise licensee;
- (c) the fine collected for a penalty under any prescribed offence;
- (d) the manner, form and time frames for which a demerit point is issued; and
- (e) the actions an excise licensee may take on receipt of a demerit letter under section 64D(3).”.

*Schedule 1 amended*

**5.** Schedule 1 to the Principal Act is amended in item 3 by deleting “apples or pears” and substituting “any raw materials approved by the Comptroller.”.

*Office of the Attorney-General  
Suvavou House  
Suva*

*June 2025*

## **EXCISE (BUDGET AMENDMENT) BILL 2025**

### **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 Excise (Budget Amendment) Bill 2025 seeks to amend the Excise Act 1986 (**‘Act’**) to address regulatory gaps and to improve the operational efficiency with the effective enforcement and monitoring process supported by the policy changes in the 2025-2026 National Budget. Further, these changes will enhance transparency and accountability in customs administration.

#### **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 2025.
- 2.2 Clause 2 of the Bill amends section 2 of the Act by amending the definition of “manufacture” to include the use of the non-excisable goods to modify, blend or vary excisable goods that will be subject to excise duty. Additionally, section 2 of the Act is amended to insert the definition of “raw materials”.
- 2.3 Clause 3 of the Bill amends section 28 of the Act by inserting a new \$15 fee to be applied on the modification of the customs entries for excise.
- 2.4 Clause 4 of the Bill amends the Act by inserting a new Part 8B that introduce the “demerit points systems” that seeks to establish a demerit point system applicable to licensed excise operators under this Act. The Minister on the advice of the Comptroller is empowered to make regulations for the application of the demerit points system and other matters.
- 2.5 Clause 5 of the Bill amends Schedule 1 to the Act by deleting “apples and pears” from item 3 of the Schedule and substituting with “any raw materials approved by the Comptroller”.

### **3.0 MINISTERIAL RESPONSIBILITY**

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

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