



STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

Review Report of the Fiji Revenue and Customs Service 2022-2023 Annual Report



PARLIAMENT OF THE REPUBLIC OF FIJI
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Acronyms

FRCS	Fiji Revenue and Customs Service
JICA	Japan International Cooperation Agency
UNDP	United Nations Development Program
UNODC	United Nations Office on Drugs and Crime
WCO	World Customs Organisation

Chairperson's Foreword

The Standing Committee on Foreign Affairs and Defence, submits to Parliament the review report of the Fiji Revenue and Customs Service 2022–2023 annual report.

The Speaker of Parliament, on 4 August 2025, referred the report to the Committee for review. As part of this process, the Fiji Revenue and Customs Service appeared before the Committee on 23 October 2025, with the session broadcast live on Parliament's Facebook page and the Walesi Parliament Channel.

The Committee acknowledges that the reporting year marked a period of renewed economic confidence for Fiji, with FRCS collecting \$2.28 billion in net revenue—surpassing projections and contributing significantly to the country's post-pandemic recovery. Throughout the review, the Committee noted substantial progress in FRCS's digital transformation agenda, particularly the expansion of the Taxpayer Online Services platform and the continued rollout of the VAT Monitoring System. These reforms are essential to improving efficiency, transparency, and voluntary compliance while reducing the administrative burden on taxpayers and businesses.

The Committee also recognises the critical role FRCS plays in safeguarding Fiji's borders. In this regard, the Committee welcomes the developments toward establishing dedicated container examination facilities in Suva and Lautoka, the expansion of the K9 Unit, improved maritime surveillance, and stronger inter-agency cooperation. However, the Committee remains concerned about the persistent risks posed by transnational crime and the need for accelerated improvements in intelligence, technology, and integrity systems. Strengthening cybersecurity, modernising airport screening technologies, and enhancing real-time staff monitoring remain urgent priorities.

The Committee further examined institutional challenges highlighted during the year, including tax debt recovery, the administration of student loans, gaps in border-related legislation, and capacity constraints arising from funding shortfalls. The Committee commends the steps FRCS has taken to address these challenges, particularly through internal reforms, targeted partnerships with development agencies, and the implementation of a new job evaluation framework to retain skilled staff.


Aligned with Fiji's commitments to the Sustainable Development Goals, the Committee also acknowledges FRCS's initiatives to promote gender equity, support MSMEs, and strengthen international partnerships with organisations such as the UNDP, UNODC, WCO, JICA, New Zealand Customs, and the Australian Border Force.

Based on these assessments, the Committee makes several key recommendations to reinforce the operational capacity and integrity of the Service. These include fast-tracking the establishment of container examination facilities; advancing cybersecurity safeguards; securing interim facilities for airport security technology upgrades; implementing a comprehensive integrity framework;

expanding the K9 Unit; and prioritising customer-focused digital solutions through TPOS and public awareness campaigns.

The Committee anticipates that the findings and recommendations contained in this report will support ongoing reforms within FRCS and enhance its ability to fulfil its mandate of revenue collection, customs services and border protection.

I extend my appreciation to the FRCS management for their cooperation throughout this review process, and to the Members of the Committee for their diligence in compiling this bi-partisan report.



.....
Hon. Lenora Qereqeretabua
Chairperson

Recommendations

1. FRCS should expedite the establishment of container examination facilities in Suva and Lautoka to ensure full operational readiness for better boarder security by 2027. In the interim, FRCS should utilise newly designated secure areas at both ports to enable safe daytime operation of X-ray trucks. Coordination with the Ports Authority and strict adherence to health and safety protocols are essential.
2. FRCS to prioritise cybersecurity by accelerating ISO 27001 certification, conducting regular penetration tests (a structured assessment of a software application security by stimulating real world online attacks), and implementing robust monitoring systems to safeguard sensitive customs and taxation data.
3. FRCS must secure interim operational space and funding to deploy advanced screening technologies at Nadi and Nausori airports before full modernisation is completed, ensuring immediate improvements in passenger and cargo security.
4. The Committee recommends that FRCS implement a comprehensive integrity framework, including real-time monitoring of official devices, mandatory rotation of staff in high-risk roles, and collaboration with enforcement agencies to prevent infiltration by criminal networks.
5. The Committee recommends that FRCS accelerate the expansion of the K9 Unit to Savusavu and other strategic locations, ensuring adequate training, resources, and inter-agency coordination for narcotics and explosives detection.
6. The Committee recommends that FRCS prioritise user experience improvements on TPOS, conduct nationwide awareness campaigns, and implement a digital-first strategy to reduce in-person visits from customers and improve compliance.

1.0 Committee Remit and Composition

Under Standing Order 109(2)(e) the Committee is mandated to investigate matters related to Fiji's relations with other countries, development aid, foreign direct investment, oversight of the military, and relations with multi-lateral organisations. The members of the Standing Committee on Foreign Affairs and Defence are as follows:



Hon. Lenora Qereqeretabua
Chairperson
Deputy Speaker of Parliament
Assistant Minister for Foreign Affairs



Hon. Rinesh Sharma
Deputy Chairperson



Hon. Ratu Isikeli Tuiwailevu
Member
Assistant Minister for iTaukei Affairs, Heritage and Arts



Hon. Penioni Ravunawa
Member
Assistant Minister for Health and Medical Services



Hon. Virendra Lal Member



Hon. Taito Rokomatu
Member

1.1 Committee Secretariat Team

Supporting the Committee in its work is a group of dedicated Parliament Officers serving as the Committee Secretariat. These officers are appointed and delegated by the Secretary-General to Parliament by Standing Order 15(3)(i). The Secretariat officers are as follows:

- Ms. Tirisiane Logavatu – Senior Committee Clerk
- Mrs. Elesi Tabuyaqona – Deputy Committee Clerk

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2.0 Background and Terms of Reference

2.1 Presentation of the Annual Report

- 2.1.1 The Speaker of Parliament, on 4 August 2025, referred the Fiji Revenue and Customs Service (FRCS) 2022-2023 annual report to the Committee for review. The referral was made pursuant to Standing Order 38(2), which mandates that all annual reports tabled in Parliament be referred to the relevant Standing Committee for examination and report back to Parliament.
- 2.1.2 The Committee is responsible for reviewing matters concerning Fiji's international relations, development assistance, foreign direct investment, national security oversight, and engagement with multilateral organisations.
- 2.1.3 The FRCS annual report falls outside the Committee's mandate, but the referral was made to assist in balancing the distribution of workload among the Standing Committees of Parliament.

2.2 Procedure and Program

Public Submission

- 2.2.1 In relation to Standing Order 111 (1), the Committee is committed to upholding public trust in Parliament, by ensuring that there is public participation and that all such participation is given due consideration. The Fiji Revenue and Customs Service appeared before the Committee at a public hearing in Suva on 23 October 2025. The public submission was broadcast live on Parliament Facebook page and aired on the Walesi Parliament channel.
- 2.2.2 A summary of the submission is provided in a later part of this report, under the heading 'Committee's Deliberation and Analysis'. Copies of the written submission and the verbatim from the public hearing can be obtained from the online Appendices of the report, which can be accessed from the Parliament website: www.parliament.gov.fj

3.0 Committee Deliberation and Analysis

3.1 Introduction

- 3.1.1 This report presents a summary and analysis of the FRCS annual report for the 2022-2023 financial year. It highlights key achievements, challenges, and provides recommendations for improvement to support the mandate of the Service.
- 3.1.2 FRCS is governed by the Fiji Revenue and Customs Service Act 1998. The Act establishes the FRCS as a statutory body; defines its functions and powers in administering and enforcing Fiji's taxation and customs laws; and provides for its governance structure, including the Board, Chief Executive Officer, and operational responsibilities. In addition, FRCS administers several other laws under its mandate, such as the Income Tax Act 2015, Value Added Tax Act 1991, and Customs Act 1986.
- 3.1.3 The principal activities of the Service during the year were to act as the agent of the State in the provision of taxation and customs services, particularly revenue collection and border management.

3.2 Committee Findings

The Committee findings are outlined below:

- 3.2.1 The Committee noted that in 2022-2023, FRCS collected \$2.28 billion in net revenue, surpassing projections by \$33 million and recording a 35 percent increase compared to the previous year. This growth reflected Fiji's post-COVID economic recovery, driven by the rebound in tourism, increased business turnover, and higher consumer spending. Value Added Tax (VAT) remained the largest revenue source, contributing just over \$1 billion, while corporate income tax and trade taxes also performed strongly.
- 3.2.2 The Committee noted that the Service recorded an operating surplus of \$6.7 million, reversing the previous year's deficit, contributing to the overall financial position of FRCS.
- 3.2.3 The Committee noted that FRCS made significant progress in digital transformation, with the Taxpayer Online Services (TPOS) platform expanding to over 100 online services for 63,000 registered users. Furthermore, the introduction of online filing for corporate and income tax (2015–2021), the Private Binding Rulings regime, and the Compliance Improvement Strategy (2023–2025) were major milestones in promoting taxpayer certainty, transparency, and voluntary compliance.
- 3.2.4 The Committee noted that FRCS continued to play a central role in national security and trade facilitation. More than 1,300 goods were intercepted or seized, including narcotics and undeclared items. Collaborative operations with the Fiji Police, Navy, and regional partners strengthened border resilience and contributed to combating illicit trade and transnational crime. The expansion of the Detector Dog Unit, including the recruitment of female officers, marked a significant step toward gender inclusion in enforcement.
- 3.2.5 The Committee also acknowledged FRCS's investment in staff development and wellbeing, including the relaunch of the Pacific Leadership Program, the establishment of a wellness centre, and the introduction of a new uniform to promote professional identity.
- 3.2.6 Despite these achievements, the Committee noted ongoing challenges relating to tax debt recovery, administration of large tax refunds, and the increasing sophistication of cross-border financial and narcotics crimes. FRCS continues to address these through enhanced data analytics, information sharing, and strengthened domestic and international partnerships. Overall, the Committee found that 2022–2023 was a year of renewed progress for FRCS, characterised by strong performance, modernisation, and improved institutional capacity to support national growth, security, and prosperity.
- 3.2.7 The Committee noted that during the year under review, the Service continued to administer aspects of the student loans on behalf of the Tertiary Scholarships and Loans Scheme (TSLs). FRCS had been delegated responsibility for managing the financial loan component of the scheme, including funding and documentation. However, the Service

acknowledged that it lacked the appropriate systems and structures to administer student loans effectively, as this function falls outside its core mandate. The Committee further observed that the dual administration arrangement—where TSLS managed scholarships and FRCS managed loan collections—created confusion among students, particularly at points of departure, with many uncertain whether to approach FRCS, TSLS, or Immigration, resulting in travel delays and missed flights.

During the period under review, these challenges were addressed through the transfer of full administrative responsibility for the loan and bond administration back to TSLS. The Committee noted that TSLS has since established a kiosk at border points to enable students to access their records, update balances, and obtain travel approvals online and in real time. This one-stop service has simplified clearance procedures and reduced inconvenience for students.

The Committee also observed that much of the earlier confusion stemmed from limited public awareness following government policy changes and reforms, including misinterpretation of public announcements regarding student debt relief. The Committee therefore emphasises the need for clear and coordinated communication between relevant government agencies to ensure students are fully informed of their responsibilities under the TSLS loan and bond agreements.

- 3.2.8 The Committee sought clarification on the utilisation of the X-ray truck currently stationed at King's Wharf. FRCS informed the Committee that the X-ray machines were procured in 2017, including one unit donated by the Government of China. FRCS advised that effective utilisation had been constrained for several years due to the absence of an authorised operational space at the ports, as required under relevant safety regulations. FRCS further explained that, due to radiation-related health and safety considerations and high pedestrian movement during peak hours, the X-ray trucks were previously operated only after 5.00 p.m.

The Committee noted that funding has now been secured through the Australian Border Force for the establishment of dedicated container examination facilities in both Suva and Lautoka. The financial submissions have been forwarded to the Ministry of Finance, and preparatory work by FRCS has commenced. These facilities are expected to be fully operational by 2027.

In addition, the Committee was advised that recent coordination between FRCS and the Ports Authority has resulted in the identification of a designated and secure demarcated area in both Suva and Lautoka. This will allow for more frequent and safer daytime use of the X-ray trucks, thereby improving border security operations and compliance monitoring at the ports.

- 3.2.9 The Committee raised concerns regarding the implementation of previous annual report recommendations, particularly the integration of the Automatic Identification System, AIS, (tracking system for yachts), noting recent incidents involving illegal items discovered on vessels. In response, FRCS reported that AIS tracking has been made mandatory following the National Budget announcement and is now incorporated into the Maritime Safety Authority of Fiji (MSAF) Act. FRCS will enforce the requirement at the border on behalf of MSAF.

FRCS advised that, based on updates from MSAF during a recent inter-agency meeting, the relevant legislative amendments are currently before Cabinet for approval. Once endorsed, the effective date for full AIS implementation will be publicly communicated.

The Committee was further informed that monitoring will be undertaken through the Maritime Essential Services Centre based at the Naval Base in Lami, which provides real-time nationwide AIS tracking, where officers maintain 24/7 monitoring of all incoming vessels. It was highlighted that yachts are legally required to activate their AIS and submit a 48-hour inward report prior to arrival, enabling authorities to track movements and conduct intelligence assessments. Fiji also accesses shared databases with Australia, Canada and the United States to identify any adverse reports.

The Committee further noted that where risks are detected, joint operations involving the Navy, Police and Customs are undertaken to investigate and, if necessary, conduct rummage or interdiction activities.

- 3.2.10 The Committee sought clarification on the absence of cybersecurity references in the report, noting the increasing sophistication of transnational crime. FRCS informed the Committee that substantial work is underway in this area, despite it not being captured in the reporting period. This includes collaboration with external partners to conduct both internal and external penetration testing, as well as efforts toward achieving ISO 27001 accreditation to strengthen data protection standards. FRCS emphasised that cybersecurity is a strategic priority given the sensitivity of customs and taxation data, and that significant initiatives are now being implemented within the organisation.
- 3.2.11 The Committee further queried progress on airport security technologies, including the introduction of body scanners and advanced detection systems, and the availability of operational space to support such upgrades. FRCS advised that it is working closely with Fiji Airports and the Biosecurity Authority of Fiji as part of the long-term airport modernisation plans at Nadi and Nausori, extending to 2034 and 2048 respectively. These developments will inform the installation of enhanced security technologies, including body scanners and upgraded x-ray systems. The Committee was also informed that FRCS is engaging with the Australian Border Force, a key development partner, to improve risk-

based approaches at points of entry. As part of these ongoing efforts, FRCS officials will be visiting Australia to assess suitable equipment and technologies.

- 3.2.12 The Committee raised concerns regarding internal integrity risks within the Service, particularly considering the recent case in which an FRCS Customs Officer was charged with the importation of four kilograms of methamphetamine. The Committee sought clarification on measures being implemented to prevent FRCS personnel from being implicated in drug trafficking or other serious criminal activities.

FRCS advised that while the matter is before the courts and therefore sub judice, it underscores the significant integrity challenges faced by border agencies. The Service is working closely with the Fiji Police Force on integrity-related matters and has strengthened internal controls, including staff rotation, ensuring officers do not work alone on cases, and improving the distribution of sensitive information to limit the risk of infiltration. FRCS noted that organised criminal groups are increasingly targeting public institutions across the region, and the Service is actively coordinating with enforcement partners to counter these threats.

- 3.2.13 The Committee further sought clarification on how FRCS monitors staff, use of communication devices, email systems, and other channels to ensure accountability and traceability of official actions. FRCS reported that this area is in its developmental stages, with assistance from development partners, particularly the Australian Border Force. FRCS is upgrading its IT systems to enable immediate access control, including the ability to shut down devices and retrieve data as necessary. Work is also underway to extend similar oversight to mobile devices. FRCS emphasised that some operational details remain confidential but confirmed that a structured framework for digital monitoring and oversight is being established in partnership with relevant agencies, including the Maritime Safety Authority of Fiji, to strengthen the integrity and security of its operations.

- 3.2.14 The Committee sought clarification on the proportion of micro, small and medium enterprises (MSMEs), businesses, and sole traders that do not possess a Taxpayer Identification Number (TIN), and whether FRCS maintains data on TIN coverage. The Committee emphasised the importance of this information, given ongoing national efforts to encourage registration and compliance.

FRCS informed the Committee that, under the design of the TIN system, all individuals and entities in Fiji are required to be registered for a TIN, as it is needed for a wide range of activities—including opening bank accounts, enrolling students in school, and accessing government services. FRCS reported that a total of 1.1 million TINs has been issued to date. Of these, 577,000 individuals hold a TIN but are not required to file tax returns, such as students, domestic workers, and others not earning taxable income.

FRCS further advised that 367,000 TIN holders fall under wages and salaries, while 159,000 are registered business taxpayers. Within this group, 38,000 are MSMEs. The Committee was informed that government programmes, including grants and assistance schemes, require both a TIN and a tax compliance certificate, which has helped drive broader registration and ensure compliance with filing obligations.

- 3.2.16 The Committee noted the update provided on Fiji's participation in the Regional Aerial Surveillance Programme. FRCS explained that Fiji's maritime zone and Exclusive Economic Zone (EEZ) is extensive and continues to pose challenges for coastal monitoring, further constrained by existing legislative gaps across Customs, the Border Police and the Navy. Legislative amendments, including work towards a Maritime Safety Act, are currently underway to strengthen enforcement.

The Committee was informed that Fiji participates in both ship rider and air rider programmes, which provide opportunities for officers from Customs and other agencies to build operational capability and assess the relevance of surveillance tools to Fiji's maritime needs. These programmes support real-time exposure to regional monitoring practices and enhance inter-agency cooperation.

The Committee further noted that the ship rider programme is funded by the United States and the air rider component by the Australian Border Force. These contributions assist Fiji in developing the necessary capacity and platforms required for effective maritime surveillance and future legislative compliance.

- 3.2.17 The Committee sought clarification on entry requirements for vessels entering Fiji's 220-nautical-mile EEZ. FRCS advised that all vessels must submit an inward report at least 48 hours prior to arrival, including crew lists, passenger details and all declarations. This information is shared with Immigration, which issues the entry permit. Only after these clearances are completed can a cruising permit be obtained from the Ministry of iTaukei Affairs or the Ministry of Foreign Affairs.

The Committee also inquired about improvements to the provision of passenger lists before departure. FRCS reported that an integrated targeting centre has been established in Nadi, housing the Passenger Intelligence and Information Unit, which has already supported successful interceptions.

The Committee was further informed that work is ongoing to secure more advanced passenger information. Immigration is progressing an Advanced Passenger Information System (API), while FRCS is exploring a World Customs Organisation system to enhance passenger data. At present, information is received from airlines once flights depart, but both agencies are working to strengthen these systems.

3.2.18 The Committee noted the significant reduction in Customs rebate refunds from \$5.3 million to \$2.5 million. FRCS explained that this decrease is linked to changes in duty rates for raw materials used by the manufacturing sector. Previously, manufacturers claimed industrial drawback on the 3 percent duty paid on imported raw materials for goods that were subsequently exported. However, during the period under review, the duty on concessionary raw materials was reduced to zero, eliminating the need for manufacturers to claim rebates. As a result, the overall Customs rebate refund declined accordingly.

3.2.19 The Committee noted that the Customs K9 Unit currently operates with seven detector dogs and is supported through the New Zealand Detector Dog Programme, which funds training and expansion initiatives. Plans are progressing for the establishment of a K9 presence in Savusavu in collaboration with the Fiji Police. One Customs officer is presently undergoing training in New Zealand and will return with a detector dog to be stationed in Savusavu, where two dogs will be allocated for Customs and two for the Police. The Committee further noted that an additional explosives detector dog will be deployed to Nadi Airport, with arrangements for rotational deployment as needed.

In relation to operational resource needs, the Committee was advised that the Savusavu office currently has one vehicle, while the Labasa office is equipped with two official vehicles.

3.2.20 The Committee noted the reduction of more than \$5.5 million in FRCS's investments compared to the previous year. FRCS clarified that this decline is primarily due to a reduction in operational grants from the Ministry of Finance in 2023. To sustain operations and meet capital expenditure needs during this period, FRCS utilised its existing investment funds rather than seeking additional capital support from Government.

The Committee further noted that these "investments" largely consist of cash holdings. As explained, FRCS adjusts these balances depending on operating surpluses or deficits. In years where Government funding is insufficient to cover operational or capital requirements, FRCS draws down on these funds, leading to the observed reduction in investment balances.

3.2.21 The Committee were concerned with the significant reduction in FRCS's non-current assets, decreasing from \$31 million to \$18 million, a decline of 58%. FRCS confirmed that this reduction is not the result of asset disposals. Instead, it is primarily attributed to depreciation of property, plant, and equipment.

The Committee also noted that in the previous financial year, FRCS recorded \$6 million in work-in-progress related to the New Taxation Information System (NTIS). This amount

was subsequently capitalised, contributing to the notable year-on-year movement in the non-current asset value.

- 3.2.22 The Committee noted the update provided on Fiji's progress toward removal from the European Union (EU) blacklist. FRCS reported that Fiji had been assessed across nine to ten criteria, grouped under: tax transparency, harmful tax practices, and base erosion and profit shifting (BEPS) measures.

The Committee was advised that Fiji has met all required commitments. The final outstanding matters included the non-extension of the Export Income Deduction and Fiji's signing of the Mutual Administrative Cooperation (MAC) Convention, which required legislative amendments. These amendments were incorporated in the recent national budget, and Fiji has formally written to the EU to proceed with signing the MAC, along with a separate request for Fiji's removal from the blacklist.

FRCS further highlighted that Fiji has undertaken several major reforms in recent years, including amendments to the ICT policy, removal of the headquarters relocation incentive, and implementation of international tax information exchange platforms under the Global Forum. These measures enhance Fiji's alignment with international tax standards.

The Committee noted that EU reviews occur in October and March each year. Should the October review be missed due to the timing of MAC signing, Fiji is expected to be considered in March 2026, and FRCS is optimistic about a favourable outcome.

- 3.2.23 The Committee noted FRCS's update on staff retention and remuneration. FRCS reported that a comprehensive job evaluation exercise was undertaken in 2023, with implementation progressing over the past 12 to 18 months. As part of this process, staff remuneration was benchmarked against the financial services sector, given the absence of a comparable tax administration in Fiji.

The Committee was advised that staff salaries have been substantially adjusted because of this benchmarking exercise, and FRCS is confident that its workforce is now competitively positioned within the market.

- 3.2.24 The Committee noted the clarification regarding the treatment of M-PAiSA accounts in the taxpayer online services and annual declarations. FRCS confirmed that M-PAiSA balances will be recognised in the same manner as cash-at-bank for the purposes of asset declaration.

The Committee was further informed that FRCS is currently designing an updated declaration form, which will include specific criteria for assets that must be disclosed. For business taxpayers declaring assets as of 31 December annually, all forms of cash holdings including M-PAiSA accounts will be required to be declared.

3.2.25 The Committee noted the update on the implementation of the Vat Monitoring System (VMS) requirements for businesses earning \$50,000 or more. FRCS confirmed that the rollout is ongoing, with full implementation expected by January 2026. The threshold was introduced to address taxpayers deliberately remaining below the previous \$100,000 requirement and to support greater transparency and digitisation among small and medium-sized businesses.

The Committee was informed that the cost of adopting VMS will be borne by businesses. FRCS is working with vendors to provide low-cost point-of-sale (POS) solutions, including cloud-based and mobile options, some costing as little as \$50 to \$70 per month. A free POS option is also available for businesses issuing fewer than 20 invoices per month, such as landlords, real estate agents, architects, and engineers.

FRCS outlined the phased rollout schedule. Early-adopter industries have already transitioned, while upcoming phases include:

- **March** – accommodation sector (entities below \$5 million turnover),
- **September** – accommodation providers above \$5 million,
- **June** – food and restaurant sector,
- **December** – wholesalers, distributors, and retailers.

The Committee noted that compliance is compulsory for all businesses meeting the \$50,000 threshold. However, FRCS indicated it is open to supporting businesses facing genuine difficulty, and guidance on the rollout has been published in the Government Gazette, on FRCS social media platforms, and in local newspapers.

3.2.26 The Committee sought clarification regarding whether taxi drivers are required to issue receipts. FRCS confirmed that the transport sector is currently exempt from the VMS requirements. This exemption is due to the ongoing rollout of the Government's e-ticketing system, administered by the Ministry of Trade and Commerce. FRCS advised that the intention is to avoid duplicating systems and creating confusion for operators. The Committee further noted that plans are underway to integrate VMS with the e-ticketing platform to enable seamless information sharing, with a view to extending this integration to public service vehicles in the future.

3.2.27 The Committee sought clarification on the long waiting times experienced by taxpayers at FRCS offices, particularly in Lautoka and Ba. FRCS explained that it is actively promoting digital platforms to reduce the need for in-person visits. However, many taxpayers continue to prefer visiting offices due to limited access to computers, slow internet, or unfamiliarity with online services.

To address this, FRCS has implemented QR-based systems in all offices, allowing taxpayers to register and receive assistance from staff, which significantly speeds up

service compared to traditional counter visits. Additionally, a centralised contact centre has been established to provide phone-based support, forming part of a broader roadmap to gradually transition customers from face-to-face interactions to online services.

The Committee noted that while full digital adoption remains a work in progress, these measures are intended to improve efficiency and reduce waiting times across FRCS offices.

- 3.2.28 The Committee noted that FRCS did not receive the full budget requested from the Ministry of Finance, with funding reduced by approximately \$10 million. FRCS explained that while some of their budgetary requests were ambitious, they have managed to operate within the approved funding.

The Committee was informed that the Ministry of Finance has assured support for critical capital expenditure requirements if needed. FRCS also highlighted that revenue from fees and charges, which had not been increased for around ten years, has been adjusted, particularly for aircraft and airport-related services, helping to offset some of the funding shortfall.

- 3.2.29 The Committee noted the impact of the reduction in VAT from 15 percent to 12.5 percent on revenue collections. FRCS explained that while the shortfall is estimated at around \$300 million, it has not yet been fully reflected in forecasts or collections.

FRCS advised that factors such as increased transactional volumes may partially offset the reduction. To address any remaining shortfall, FRCS is focusing on enhancing collections in other areas and directing its risk and financial analysis teams toward non-compliant taxpayers to ensure revenue gaps are managed effectively.

4.0 Sustainable Development Goals

4.1 SDG 5 – Gender Equality

Gender Representation in Leadership

Board Members: FRCS has 13 board members, of whom 5 are female (38%) and 8 are male. Women have held significant positions, including Chairperson roles in previous years. While female representation at the board level remains below parity, it reflects progress in leadership inclusion.

Executive Management: FRCS's executive management comprises 10 key personnel, with an equal gender split of 5 females and 5 males. This demonstrates strong gender parity at the senior leadership level.

Gender-Focused Initiatives

Fiji Women in Business Awards: Ms. Momina Beg, FRCS Director of Taxation, was awarded Senior Manager of the Year – Public Sector, highlighting recognition of women's leadership.

Border Security – Female Inclusion: The Fiji Detector Dog Unit held an open day for female officers from the FRCS and Fiji Police Force to encourage female officers to participate as K-9 handlers, promoting inclusion in traditionally male-dominated roles.

4.2 SDG 8 – Decent Work and Economic Growth

FRCS supports the development of productive activities and entrepreneurship through its revenue collection efforts and the Micro, Small, and Medium Enterprises (MSMEs) Support Centre. These initiatives provide support and guidance to businesses, fostering economic growth and compliance.

4.3 SDG 17 - Partnerships for the Goals

FRCS engages in strong collaborations with international partners, including UNDP, UNODC, WCO, JICA, New Zealand Customs and Australian Border Security. These partnerships facilitate knowledge exchange, technical assistance, and capacity building, supporting sustainable development both nationally and regionally.

5.0 Conclusion

The Committee concludes that the FRCS Annual Report for 2022–2023 reflects a year of strong performance, institutional strengthening, and innovation, marked by improved revenue collection, expanded digital services, and enhanced border security operations. While commending these achievements, the Committee notes the need for continued focus on container facility upgrades, cybersecurity, integrity measures, airport security, and enhanced digital services for taxpayers. Coordinated communication among government agencies is also essential to reduce public confusion on government policies.

The Committee recommends timely implementation of these measures to further strengthen FRCS's capacity to safeguard revenue, facilitate trade, support national security, and contribute to sustainable economic growth.

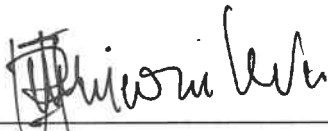
6.0 Committee Members' Signatures



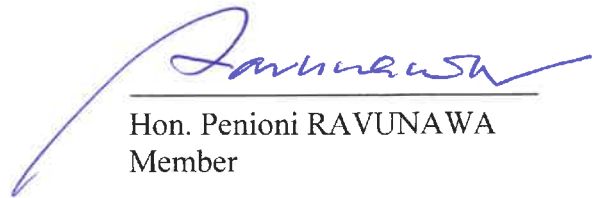
Hon. Lenora QEREQERETABUA
Chairperson



Hon. Rinesh SHARMA
Deputy Chairperson



Hon. Isikeli TUIWAILEVU
Member



Hon. Penioni RAVUNAWA
Member



Hon. Virendra LAL
Member



Hon. Taito ROKOMATU
Member

7.0 Annexure

Published evidence

Written evidence, transcripts, and supporting documents can be viewed on the Parliament website at the following link:

<https://www.parliament.gov.fj/committees/standing-committee-on-foreign-affairs-and-defence/>