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INTERIM GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS

INCOME TAX ACT (AMENDMENT) (NO.1) PROMULGATION 2009
(PROMULGATION NO. 13 OF 2009)

IN EXERCISE of the powers conferred upon the Interim Government, and upon the exercise of my own deliberate judgment as President of the Republic of the Fiji Islands as to what is best and good for the people of the Republic of the Fiji Islands, and by exercise of the executive authority of the State in accordance with section 85 of the Constitution and such other powers as may appertain, and with the approval of the Cabinet, I, Josefa Iloilovatu Uluivuda, make this Promulgation—

TO AMEND THE INCOME TAX ACT (CAP. 201)—

Short title and commencement

1.—(1) This Promulgation may be cited as the Income Tax Act (Amendment) (No.1) Promulgation 2009.

(2) This Promulgation comes into force on 1 January 2009, except for section 21(1) (zl) which comes into force on 13 January 2009.

Section 17 amended

2. The Income Tax Act (Cap.201) “the Act” is amended under Section 17 as follows—

(i) in paragraph (76)—

(a) by deleting “for a period of 10 years,” under the first paragraph;

(b) by deleting subsection (i) and inserting—

“(i) any new activity approved and established between 1 January 2009 to 31 December 2009 shall be exempt from tax as follows—

(a) capital investment from \$250,000 to \$1,000,000, for a period of 4 consecutive fiscal years; or

(b) capital investment from \$1,000,000 to \$2,000,000, for a period of 7 consecutive fiscal years; or

(c) capital investment above \$2,000,000, for a period 10 consecutive fiscal years.

(ii) any new activity approved and established from 1 January 2010 to 31 December 2014 shall be exempt from tax for 10 consecutive fiscal years with a capital investment of \$2,000,000 or more;”

(ii) by renumbering subsection (ii) as (iii).

(iii) by inserting a new paragraph (79)—

“(79) the income of the Fijian Trust Fund;”

Section 21 amended

3. The Act is amended under Section 21(1)—

(a) in paragraph (zh) by deleting “Committee” and substituting it with “Commission”;

(b) by inserting new paragraph (zk) and (zl)—

“(zk) two times the amount of capital spent by any existing legal entities in Vanua Levu that is engaged in commercial agricultural farming and agro-processing as approved by the Commissioner under section 17(76)—

Provided that the incentives are available only—

(i) to taxpayers who do not enjoy other incentives under this Act;

(ii) the capital investment is more than \$250,000; and

(iii) for the period commencing 1 February 2009 and ending 1 March 2010;”

- (zl) *two times the amount of any cash donation exceeding \$1,000 made by a taxpayer in 2009 by—*
- (i) *deposit to the Prime Minister's National Disaster Relief and Rehabilitation, Colonial National Bank Account No. 4706578; or*
- (ii) *deposit to an account operated by an organization or company as approved by the Commissioner that raises funds towards the 2009 Flood Victims;”*

Twelfth Schedule amended

4. The Twelfth Schedule of the Act is amended—

- (i) by repealing paragraph 7 sub paragraph (1) and substitute with—

“7.—(1) The Minister, when considering an application shall take into account that the company is a newly incorporated entity engaged in a new trade, business or manufacture in the Fiji Islands with the following level of investment—

- (a) *capital investment from \$500,000 to \$1,000,000;*
- (b) *capital investment from \$1,000,000 to \$2,000,000;*
- (c) *capital investment above \$2,000,000;”*

- (ii) by repealing paragraph 12 and substitute with—

“12.—(1) A licence granted by the Minister under sub paragraph (2) of Paragraph 7 from the commencement year of such a licence, shall be provided in the following periods—

- (i) *any new activity approved and established between 1 January 2009 to 31 December 2009 shall be exempt from tax—*
- (a) *capital investment from \$500,000 to \$1,000,000, for a period 5 consecutive fiscal years; or*
- (b) *capital investment from \$1,000,000 to \$2,000,000, for a period of 7 consecutive fiscal years; or*
- (c) *capital investment above \$2,000,000 for a period of 13 consecutive fiscal years.*
- (ii) *any new activity approved and established from 1st January 2010 shall be exempt from tax for a period of 13 consecutive fiscal years with an initial capital investment of \$2,000,000 or more.*

(2) Subject to sub paragraph (1) and in accordance with the Customs Tariff Act, the Excise Act and this Act, the licensee shall be exempt from the following payments—

- (a) *duties leviable on the importation or purchase ex bond or excise duty leviable on purchase ex-excise factory of raw materials, machinery and equipment (including parts and materials) insofar as they are required for the establishment of the business in the Tax Free Region;*
- (b) *tax normally leviable on chargeable income under this Act in respect of a company licensed under subparagraph (2) of Paragraph 7.”*

GIVEN UNDER MY HAND this 18th day of March 2009.

J. I. ULUIVUDA
President of the Republic of the Fiji Islands