



FIJI TAX & CUSTOMS INCENTIVES 2016

Fiji Tax and Customs Incentives for Investment administered by the
Fiji Revenue and Customs Authority

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ABOUT THE FIJI REVENUE & CUSTOMS AUTHORITY

The Fiji Revenue and Customs Authority (FRCA) is a statutory authority under the FRCA Act 1998 that is governed by a Board and administered by a Chief Executive Officer together with 800 managers and staff. FRCA's role is:

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



FRCA is organized into Taxation, Customs and Corporate divisions that operates from ten locations throughout Fiji – Ba, Labasa, Lautoka, Levuka, Nadi, Rakiraki, Rotuma, Savusavu, Sigatoka and our headquarters located in Suva.

OUR PERFORMANCE

In 2015,

- FRCA collected around 76% of the total projected government revenue; and
- The total revenue collected is \$2.354b, a 11.3% growth compared to 2014.

The 2016 tax revenue target stands at \$2.6b, an increase of 10% compared to the 2015 revenue collection.

TAX TYPES AND TAX RATES

Tax Types	Rates
Corporate Income Tax (CIT)	20%
Stock Exchange Listed Companies	10%
Multinational Headquarters	17%
Pay As You Earn (PAYE)	7%, 18%, 20%
Provisional Tax (PT)	5%
Fringe Benefit Tax (FBT)	20%
Social Responsibility Tax (SRT)	23% to 29% range-over \$270,000
Withholding Tax (WT)	15%
Value Added Tax (VAT)	9%

Tax Types	Rates
Capital Gains Tax (CGT)	10%
Service Turnover Tax (STT)	10%
Environmental Levy (EL)	6%
Stamp Duties (SD)	Subject to Instruments
Fish Levy (FL)	\$450/tonne
Departure Tax (DT)	\$200
Telecommunication Levy (TL)	1%
Credit Card Levy (CCL)	3%
Third Party Levy (TPL)	20%
Health Levy (HL)	6%
Customs Duty bands	0%, 5%, 15%, 32%

TAX RATE REDUCTION

- A foreign company that establishes/relocates its Headquarters to Fiji will be subject to a low corporate tax rate of 17%.
- A 150% tax deduction is available for capital expenditure incurred for the set-up of the Headquarters relocation to Fiji
- A listed company on the South Pacific Stock Exchange (SPSE) will be subject to a low corporate tax rate of 10%.
- Income earned from trading of shares in SPSE will be exempted from Income Tax and Capital Gains Tax.

YEAR	RESIDENT COMPANIES	NON-RESIDENT COMPANIES
2001	From 35% to 34%	From 45% to 34%
2002	From 34% to 32%	From 34% to 32%
2003	No change – 32%	No change – 32%
2004	From 32% to 31%	From 32% to 31%
2005 - 2008	No Change – 31%	No Change – 31%
2009	From 31% to 29%	From 31% to 29%
2010	From 29% to 28%	From 29% to 28%
2011	28%	28%
2012	From 28% to 20%	From 28% to 20%
2013-2016	20%	20%

RESIDENT TAXPAYERS: 2016

Chargeable Income (\$)	PAYE Tax Payable (\$)	Social Responsibility Tax (SRT) Payable
0-16,000	Nil	
16,001 – 22,000	7% of excess over \$16,000	
22,001– 50,000	420 +18% of excess over \$22,000	
50,001 – 270,000	5,460 +20% of excess over \$50,000	
270,001 - 300,000	49,460 + 20% of excess over \$270,000	23% of excess over \$270,000
300,001 - 350,000	55,460 +20% of excess over \$300,000	6,900 + 24% of excess over \$300,000
350,001 - 400,000	65,460 + 20% of excess over \$350,000	18,900 + 25% of excess over \$350,000
400,001 - 450,000	75,460 + 20% of excess over \$400,000	31,400 + 26% of excess over \$400,000
450,001 – 500,000	85,460 + 20% of excess over \$450,000	44,400 + 27% of excess over \$450,000
500,001 – 1,000,000	95,460 + 20% of excess over \$500,000	57,900 + 28% of excess over \$500,000
1,000,001 +	195,460 + 20% of excess over \$1,000,000	197,900 + 29% of excess over \$1,000,000

NON-RESIDENT TAXPAYERS: 2016

Chargeable Income (\$)	PAYE Tax Payable (\$)	Social Responsibility Tax (SRT) Payable
0-16,000	20% of excess of \$0	
16,001 – 22,000	3,200 + 20% of excess over 16,000	
22,001– 50,000	4,400 + 20% of excess over \$22,000	
50,001 – 270,000	10,000 + 20% of excess over \$50,000	
270,001 - 300,000	54,000 +20% of excess over \$270,000	23% of excess over \$270,000
300,001 - 350,000	60,000 + 20% of excess over \$300,000	6,900 + 24% of excess over \$300,000
350,001 - 400,000	70,000 + 20% of excess over \$350,000	18,900 + 25% of excess over \$350,000
400,001 - 450,000	80,000 + 20% of excess over \$400,000	31,400 + 26% of excess over \$400,000
450,001 – 500,000	90,000 + 20% of excess over \$450,000	44,400 + 27% of excess over \$450,000
500,001 – 1,000,000	100,000 + 20% of excess over \$500,000	57,900 + 28% of excess over \$500,000
1,000,001 +	200,000 + 20% of excess over \$1,000,000	197,900 + 29% of excess over \$1,000,000

2016 INVESTMENT PACKAGE

INVESTMENT ALLOWANCE

Investment allowance (excluding cost of labor) of 40% for extension and renovation expenses with a minimum qualifying capital expenditure of \$50,000. This is only available to existing businesses in Vanua Levu.

ACCELERATED DEPRECIATION

- Accelerated depreciation for building erected before 2001 has been extended to 2018. 20% depreciation for building used for agricultural, commercial or industrial purpose can be written off within any 5 of 8 years.
- 100% write off will be available in the year the expenditure was incurred on water storage facilities and renewable energy plant and machineries.
- This will also be available to new plants and machineries used for manufacturing purposes.

EXPORT INCOME DEDUCTION

- "Export income" means net profits derived by a taxpayer from the business of exporting goods and services but excludes re-exports. Deduction shown below:

Year of assessment	Percentage of export income to be deducted
2011	50%
2012	40%
2013	40%
2014	40%
2015	50%
2016	50%

- Export income deduction will only be allowed if the Commissioner of Inland Revenue is satisfied that the export earnings will be remitted to Fiji.

LOSS CARRIED FORWARD

Loss carried forward can be claimed up to 4 years. Loss carried forward by a company is allowed if that entity satisfies the continuity of ownership test or the same business test.

DUTY CONCESSIONS

PRODUCTION INPUTS

All goods used as raw materials and packaging materials not available locally in the manufacture of approved goods will attract 0% fiscal duty and 9% VAT.

CAPITAL ITEMS

Duty rates on capital items (which refer to machinery used for converting / processing raw materials) will attract 0% fiscal duty + 9% VAT.

FILM MAKING AND AUDIO VISUAL INCENTIVES



INCOME TAX DEDUCTIONS

- 150% deduction for capital expenditure on an F1 audio-visual production.
- 125% deduction for capital expenditure on an F2 audio-visual production.

F1 and F2 Audio Visual Production (AVP) incentives are schemes whereby a production entity can raise production finance from Fiji taxpayers. This allows Fiji taxpayers to claim a tax deduction of either 125% (F2 AVP) or 150% (F1 AVP) against their tax liability, depending on the project's ability to meet the requirements as set out under Part III of the Income Tax (Film-making and Audio-visual Incentives) Regulations 2016.

Levels of Expenditure in Fiji for an audio-visual production for F1 and F2 status should not be less than:

- 40% for a large format film, a feature film or broadcast television programmes;
- 50% for a direct to video programme or video disk programme; and
- 55% for an audio recording.

INCOME TAX EXEMPTION

- Net income from an F1 production is exempt until taxpayer has received a 60% return on capital expenditure. Thereafter, net income will be fully taxed at the marginal rate.
- Net income from an F2 production is exempt until taxpayer has received a 50% return on capital expenditure. Thereafter, net income will be fully taxed at the marginal rate.

STUDIO CITY ZONE CONCESSIONS

- Any sole proprietor, partnership or company that carries on a production activity (the production, distribution, or supply of services to audio-

FILM MAKING AND AUDIO VISUAL INCENTIVES (CONTINUED)

visual productions) may qualify for an operating licence in the Studio City Zone and be entitled to an exemption from tax on the income from the production activity carried on in the Zone.

- Tax free status for “permanent residents” of the Studio City Zone on income derived as earnings from audio-visual productions.
- For residence in the Zone to be approved, in the case of citizens, the individual must be:
 - resident in the Zone for at least 183 days;
 - have pre-tax audio visual earnings in excess of \$100,000;
 - have fixed assets in the Zone in excess of \$250,000; and
 - maintain a primary place of residence in the Studio City Zone.
- For residence in the Zone to be approved, in the case of non-citizens (or a citizen who derives a minimum of 80% of audio visual earnings from outside Fiji), the individual must be: -
 - resident in the Zone for at least 60 days;
 - have pre-tax audio visual earnings in excess of \$100,000;
 - have fixed assets in the Zone in excess of \$250,000; and
 - maintain a permanent place of residence in the Studio City Zone.

FILM TAX REBATE

Summary Part IV, 6th Schedule – Income Tax Act

Fiji Film Tax Rebate Bill Rebate	
Amount	47% tax rebate or credit on production costs spent in Fiji: paragraph 68(1)
Eligibility	Films and television productions, as per existing Sixth Schedule: paragraph 69
Minimum Spend in country	Minimum spend in Fiji F\$250,000 for feature films and broadcast television; and \$50,000 for production intended as an advertising program or commercial in at least one significant international market : paragraph 69(e)
Maximum Rebate	F\$11.75 million, so even if more than \$25 million spent in Fiji the maximum rebate is still F\$11.75 million: paragraph 68(2).
Exclusions	Where a producer has chosen to access the film tax rebate, the producer will not be able to obtain any other tax concessions under Parts 3 of Sixth Schedule: paragraph 67(2).

ADDITIONAL INCENTIVES (ALLOWABLE EXPENDITURES):

- Allowable expenditure incurred for services rendered by the producers (producer’s fees) – provided that such expenditure shall not exceed 10% of the total Fiji Expenditure. Producers are not restricted to remain in Fiji throughout the production of the film.
- 75% of the expenditure incurred to purchase costumes, make-up and set design properties not available in Fiji that will be used in relation to the film production in Fiji provided that any such costumes, make-up and set design properties shall be left in Fiji at the end of the production.
- Expenditure incurred to purchase the writer’s story and rights for the production of the film provided that the producer submits the following documentary evidence:
 - o Notarized legal contract with the writer which is registered in Fiji with the Registrar of Deeds upon payment of the appropriate stamp duty;
 - o Evidence of payment made directly into the writer’s bank account from the Fiji bank account; and
 - o Receipt of acknowledgement of payment received.
- Approved post-production expenditure on the film paid from a Fiji bank account to the extent that it is incurred or reasonably attributable to approved post-production services in relation to the completing of the film made in Fiji. The maximum payable in rebate shall be granted upon the production of documentary evidence of the expenditure. Rebate is around 2%-2.5% of production budget.
- Expenditures incurred on hiring of cameras and filming equipment from outside Fiji, where such cameras and filming equipment are not available in Fiji.

Additional Requirements:

- Companies should engage Audio Visual Agents
- Fiji as a location needs to be accredited and acknowledged in the film’s credits and other accreditation as stipulated by Film Fiji in their approval letter.

HOTEL INVESTMENT INCENTIVES



STANDARD ALLOWANCE

- Investment allowance (in addition to ordinary depreciation) of 25% of total capital expenditure is allowed as a deduction provided there is no shift of tax revenue to other countries.
- Applicable to building of new hotel including renovations or refurbishments or extensions of existing hotel and International Retiree Facilities.
- Investment Allowance can only be written-off against the income of the hotel business or income from the hotel premises.
- Losses carried forward extended to 4 years.
- Recipients of the provisional approval for Standard Allowance in 2016 shall complete the project within two years from the date the provisional approval was granted
- Investors would only need to provide a sketch plan to obtain provisional approval for the investment allowance, and not necessarily a certified approved.
- There will be no Investment Allowance from 2017 for existing hotels.

NEW SHORT LIFE INVESTMENT PACKAGE

- 10 year tax holiday for capital investments not less than \$7million.
- Import duty exemption on all capital goods (including capital equipment, plant & machinery) not available in Fiji but this does not include

furniture or motor vehicles that are used in carrying out the investment.

- Short Life Investment Package (SLIP) Incentives is also available for retirement facilities and resorts.
- Short Life Investment Package (SLIP) Incentives is also available for NEW Apartments provided the length of stay is not more than 6 months.
- Recipients of the provisional approval for SLIP in 2016 shall complete the project within two years from the date the provisional approval was granted.
- Investors would only need to provide a sketch plan to obtain provisional approval for the investment allowance, and not necessarily a certified approved.
- There will be no SLIP from 2017 for existing hotels.
- A new SLIP incentive with 4 years Tax holiday will be available to new hotels from 2017. This SLIP incentive will not be applicable to renovations.

BACKPACKER OPERATIONS

- Income tax exemptions will be introduced for locally owned backpacker operators with annual sales turnover of \$1m or less.
- Duty exemption on the importation of raw materials and equipment used for the establishment of a backpacker hotel. (This incentive will only be available to backpacker businesses who are granted the income tax holiday).

AGRICULTURE INCENTIVES



COMMERCIAL AGRICULTURE AND AGRO-PROCESSING

- The income of any new activity in commercial agricultural farming and agro-processing approved and established from 1 January 2015 to 31 December 2018 shall be exempt from tax as follows:
 - o capital investment from \$250,000 to \$1,000,000, for a period of 5 consecutive fiscal years; or
 - o capital investment from \$1,000,000 to \$2,000,000, for a period of 7 consecutive fiscal years; or
 - o capital investment above \$2,000,000 for a period of 13 consecutive fiscal years.

BIO - FUEL PRODUCTION

- 10 year tax holiday is available to a taxpayer undertaking a new activity in processing agricultural commodities into bio-fuels as approved by the Commissioner from 1 January 2009 to 31 December 2018. To qualify, the taxpayer must have:-
 - o Minimum level of investment of \$1,000,000; and
 - o Employ 20 local employees or more for every income year.
- Duty free importation of plant, machinery and equipment for initial establishment of the factory.
- Duty free importation of chemical required for bio-fuel production.
- The Importation of all agricultural items will be subject to zero Duty.

SMALL AND MICRO ENTERPRISES (SME'S)



Income tax exemption to be applicable to selected sectors with maximum turnover threshold of \$500,000. The sectors include:

- Agriculture and Fishing (For Agriculture, this will cover activities in the entire Agriculture Sector).
- Tourism (Sea Cruise and River tour Operators).
- Community and Social Services (Amusement, recreation services; traditional handcraft producers (not "middleman" or agents).
- Supportive projects to tourism industry (flora, fauna and other natural characteristics of Fiji; and history, traditions, cultures and ways of life of its peoples).

TAX FREE REGION INCENTIVES



TAX FREE REGION

Who will qualify for this incentive?

- This incentive is available to a newly incorporated entity engaged in a new business established in the following areas:-
- Vanua Levu – included Taveuni, Rabi, Kioa and other islands generally included for government's administrative purpose as being in the Northern Division.
- Also: Rotuma, Kadavu, Levuka, Lomaiviti, Lau: and
- Nausori-Lautoka region (from Nausori Airport side of the Rewa River (excluding township boundary) to the Ba side of the Matawalu River.
- Any company may apply to the Minister for Finance in a prescribed form for an operating licence.

CRITERIA FOR GRANT OF LICENCE

- The company is a newly incorporated entity engaged in a new business.
- The minimum initial level of investment should be \$250,000

TAX EXEMPTIONS AVAILABLE

The income of any new activity approved and established between:

- 1 January 2009 to 31 December 2018 for Vanua Levu, Rotuma, Kadavu, Levuka, Lomaiviti & Lau
- 1 January 2014 to 31 December 2018 for East of Vitilevu (Korovou to Tavua region)
- 1 January 2016 to 31 December 2018 from the

airport side of the Rewa Bridge excluding the town boundary of Nausori, up to the Ba side of the Matawalu River shall be exempt from tax as follows:

- capital investment from \$250,000 to \$1,000,000, for a period 5 consecutive fiscal years; or
- capital investment from \$1,000,000 to \$2,000,000, for a period of 7 consecutive fiscal years; or
- capital investment above \$2,000,000 for a period of 13 consecutive fiscal years.

DUTY EXEMPTION

Import duty exemption on the importation 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.

OTHER BENEFITS UNDER THE TFR

- Additional 5 years of income tax exemption is available to any company granted a license and having indigenous Fijian landowner equity of at least 25 percent.
- Additional 7 years of income tax exemption is available to any hotel developer granted a license and having indigenous Fijian landowner equity of at least 25 percent.

INFORMATION COMMUNICATION TECHNOLOGY (ICT) INCENTIVES



- (i) The income of an Information Communication Technology (ICT) operator operating in the declared Kalabu Tax Free Zone from 1 January 2007 to 31 December 2016 shall be exempt from tax for 10 years.
- Income tax exemption is available to ICT investors under the following criteria:-
 - Business employs 50 employees or more for any 6 months within the income year; and
 - 60 percent of its total services is exported.
- (ii) The income of any new operator who is granted a license from 1 January 2009 to be exempt from tax for a period of 13 years
- Any new operator may apply and pay a license fee of \$1,000 per annum to the Commissioner of Inland Revenue. The Tax exemption is granted from the date of the initial license.
 - Income tax exemption is available to investors under the following criteria:-
 - Business employs 50 employees or more for any 6 months within the income year; and
 - 60 percent of its total services is exported.
 - Duty free importation of computer, computer parts & accessories, plant, equipment & fittings, and specialised furniture for initial establishment and during its ongoing operations to approved ICT/BOP Business operators from 1 January 2009.

ICT ACCREDITED TRAINING INSTITUTIONS

The income of any new operator setting up internationally accredited ICT training institutions who is granted a license from 1 January 2015 to be exempt from tax for a period of 13 years

- Any new operator may apply and pay a license fee of \$1,000 per annum to the Commissioner

of Inland Revenue. The Tax exemption is granted from the date of the initial license.

- Income tax exemption is available to investors under the following criteria:-
 - Business employs 50 employees or more for any 6 months within the income year; and
 - 60 percent of its total services is exported.
- Duty free and VAT exemption on the importation of all items required for the establishment of the business.

APPLICATION DESIGN AND SOFTWARE DEVELOPMENT

The income of any new operator setting up ICT businesses involved in Application designing and Software development who is granted a license from 1 January 2015 to be exempt from tax for a period of 13 years.

- Any new operator may apply and pay a license fee of \$1,000 per annum to the Commissioner of Inland Revenue. The Tax exemption is granted from the date of the initial license.
- Income tax exemption is available to investors under the following criteria:-
 - Business employs 50 employees or more for any 6 months within the income year; and
 - 60 percent of its total services is exported.
- Duty free and VAT exemption on the importation of all items required for the establishment of the business.

SMALL ICT START-UPS

For small ICT start-ups, a 150% deduction on all start-up costs will be made available with no employment conditions/requirements attached.

MANUFACTURERS INCENTIVES

FOOD PROCESSING & FORESTRY

100% of the amount of investment as a deduction for investing in food processing as well as forestry. Re-investment will also be allowed for expansion purposes. In order to qualify, the investor should utilize 50% of local produce in its production process.

RENEWABLE ENERGY PROJECTS AND POWER COGENERATION

- 5 year tax holiday is available to a taxpayer undertaking a new activity in renewable energy projects and power cogeneration as approved by the Commissioner.
- Duty free importation of renewable energy goods is also available.

SHIPPING COMPANIES

MARITIME SHIPPING

- A 7 years tax holiday will be introduced for shipping companies servicing uneconomical routes, which includes Rotuma and Lau. The uneconomical routes will be ring-fenced.
- All importation of spare parts for Maritime vessels will be subject to zero duty.

UNIT TRUST COMPANIES

WITHHOLDING TAX AND CAPITAL GAINS TAX WAIVER

Withholding taxes and capital gains taxes on interest income distribution to investors of the Unit Trusts will be waived.

FOREIGN CURRENCY ACCOUNT SCHEME

Interest income is exempt from tax which accrues to or in favor of a non-resident including former Fiji residents who hold funds in Fiji commercial bank accounts under the following criteria:-

- For foreign currency accounts, interest income for deposit above the equivalent of FJD\$150,000;
- For Fiji Dollar accounts, any amount of interest income.

FIJI MY SECOND HOME PROGRAMME

This Programme is open to citizens of other countries recognized by Fiji in the "Fiji My Second Home Programme" as administered by the Reserve Bank of Fiji.

- Interest income is exempt from tax under the following criteria:-
 - o Age below 50 years old:
 - Minimum deposit of \$150,000 and maintain the deposit in Fiji for a minimum of two years.
 - o Age 50 years and above::
 - Minimum deposit of \$100,000 and maintain the deposit in Fiji for a minimum of two years.
- To qualify the applicant must maintain a minimum balance of \$50,000 from the third year onwards and throughout the entire stay in Fiji.

RESIDENTIAL HOUSING DEVELOPMENT INCENTIVES

- (i) This Incentive is available to companies with:
 - capital investment (including the cost of support infrastructure and overseas consultant fees but excluding the cost of land) over \$2,000,000 with at least 20 residential housing units; and
 - the project commences on or after 1 January 2016 and the building is completed within 2 years from the date the provisional approval was granted.
- (ii) Provisional approval is granted after the Minister consults the Minister responsible for Housing.
- (iii) The income of the company:
 - shall be exempt from tax on developer profits from the sale of residential units
 - shall be granted a subsidy up to a maximum rate of:-
 - 5% of the total capital expenditure incurred in the residential housing development provided that the capital expenditure is not less than \$2,000,000 and not more than \$10,000,000; and
 - 7% of the total capital expenditure incurred in the residential housing development provided that the capital expenditure is more than \$10,000,000.
- (iv) Duty concession on all capital goods imported will apply.

MEDICAL INVESTMENT INCENTIVES



- i. The income of any business setting up Private Hospitals on or after 1 January 2016:
 - Shall be exempt from tax for a period of 10 years with a minimum capital investment level of \$7,000,000
 - 60% Investment Allowance will apply for refurbishments, renovations and extensions with a minimum capital investment of \$1,000,000
 - Duty Concession (Free Fiscal Duty, Free Import Excise & Free VAT) on medical, hospital, surgical, dental goods that are used and imported by the business.
 - Recipients of the provisional approval for setting up Private Hospitals shall complete the project within two years from the date the provisional approval was granted
 - Loss carried forward of 8 years
- ii. The income of any business setting up Ancillary Medical Services such as Pathology Lab, MRI, other diagnostics on or after 1 January 2016:
 - Shall be exempt from tax for a period of 4 years with a minimum capital investment level of \$2,000,000
 - 60% Investment Allowance will apply for refurbishments, renovations and extensions with a minimum capital investment of \$500,000
 - Duty Concession (Free Fiscal Duty, Free Import Excise & Free VAT) on medical, hospital, surgical, dental goods that are used and imported by the business.
 - Recipients of the provisional approval for setting up Ancillary Medical Services shall complete the project within two years from the date the provisional approval was granted
 - Loss carried forward of 8 years

OTHER INCENTIVES

- Employment Taxation Scheme – 150% of the salary and wages paid within 1 January 1997 and 31 December 2018 are tax deductible. The deduction is restricted to salary and wages paid in respect of 12-month period commencing from the date of the appointment of the employee provided he or she has not previously been in full-time paid employment. This is extended to trainees and apprentices.
- Donation of new Computers, Laptops & Tablets - 150% and 200% tax deductions for donation of computers to schools registered with the Ministry of Education, will be available with the following features:
 - 200% tax deduction relates to donation to schools in rural areas.
 - 150% tax deduction relates to donation to schools in urban areas
 - Donations to be between \$10,000 to \$100,000.
- Voluntary Contribution for Disaster Relief - A 150% tax deduction for voluntary contribution of cash donation by businesses towards a Disaster Relief Fund was introduced from 1 January 2014. The threshold will range from a minimum contribution of \$10,000 to a maximum contribution of \$100,000.
- Sports Sponsorship - The minimum threshold for the 150% tax deduction for sports sponsorship will be reduced from \$100,000 to \$50,000.
- Sponsorship of hiring of international Coaches – A new 150% tax deduction will be introduced in 2014 for sponsorship between \$100,000 and \$200,000 towards the hiring of international sporting coaches.
- Cash Contribution towards Housing Projects - A new 150% tax deduction will be introduced in 2014 for cash contributions up to \$50,000 towards any Government sanctioned housing project for squatters and informal settlements.
- Incentives for Senior Citizens - All Senior citizens (over 55 years) and Pensioners will be exempted from paying resident interest withholding tax on interest income of up to \$16,000 from bank deposits, provided this is their only source of income.
- Voluntary Contribution for Disaster Relief for FARMERS - A new 200% tax deduction for voluntary contribution of cash donation by taxpayers towards a Farmers Emergency Fund Account for disaster relief is introduced on 1 January 2015. The minimum threshold for contribution is \$10,000.
- Tax Deduction on Fijian Made Uniforms- Annual tax deduction of 50% is available for the value of Fijian made uniforms supplied by businesses to their staff.

OTHER CUSTOMS CONCESSIONS

NEWLY INTRODUCED CONCESSIONS

Items	Descriptions	Fiscal (%)	VAT (%)
Tags	Dive Tags used for diving and shark feeding	0%	9%
Sauces and Preparations	Mixed condiments and mixed seasoning (2103.90.00)	0%	9%
Shipping Incentives	Duty on the importation of all spare parts for maritime vessels is reduced to 0%.	0%	9%
Agriculture	Duty on the importation of all agricultural items will be reduced to 0%.	0%	9%
Duty concession for returning residents	Duty concession under code 220 (Free Fiscal, Free import excise, Free VAT) on importation of house hold effects and vehicles by returning residents. This concession is subject to certain conditions under Code 220.	0%	Free

OTHER EXISTING CONCESSIONS

Items	Descriptions	Fiscal (%)	VAT (%)
Agriculture & Dairy	Specialised agriculture, livestock and dairy machineries, equipment and agricultural inputs excluding those that attract duty rates of free Fiscal and free Import Excise in the Tariff. The importation under concession is subject to the condition that a letter of approval is issued by the Ministry of Agriculture in relation to goods under concession.	Free	9%

Items	Descriptions	Fiscal (%)	VAT (%)
Bus Operators	Bus operators holding Road Service Licence operating under schedule trips approved by Land Transport Authority. Refund of duty on gas oil (diesel) having sulphur content not exceeding 500ppm purchased ex-duty paid stock.	2 cents per litre refund	
Backpacker Operators	To promote locally owned backpacker operations. Duty exemption on the importation of raw materials and equipment used for the establishment of a backpacker hotel are not manufactured and available in Fiji (This will only be available to backpacker businesses who are granted the income tax holiday).	Free	9%
Fisheries & Forestry	Specialised machineries directly used for fisheries and forestry purposes. The importation under concession is subject to the condition that a letter of approval is issued by Department of Fisheries & Department of Forests in relation to goods under concession.	Free	9%
Fishing Industry	Exemption of bunker fee 2cents/litre and duty free fuel concession for local fishing vessels. The eligibility of this duty concession will be based on the fulfillment of the new eligibility criteria and approval by the Minister for Finance.	Free	9%
Pre-fabricated houses (Kit Homes)	(i) Pre-fabricated houses (kit homes)	3%	9%
	(ii) Pre-fabricated concrete products and iron panels for commercial use	5%	9%

NOTES

[illegible]

Disclaimer

These incentives are available as at 1st January 2016.
For their availability and application, please contact FRCA Policy and Research Unit:
Phone: (679) 3243021 Fax: (679) 3302 321
e-mail: FRCA-Policy&ResearchUnit@frca.org.fj
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