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## GOVERNMENT OF FIJI

INCOME TAX (BUDGET AMENDMENT) DECREE 2010  
 (DECREE NO. 8 OF 2010)

IN exercise of the powers vested in me as President of the Republic of Fiji and the Commander in Chief of the Republic of Fiji Military Forces by virtue of the Executive Authority Decree 2009, I hereby make the following Decree—

*Short title and commencement*

1.—(1) This Decree may be cited as the Income Tax Act (Budget Amendment) Decree 2010, and comes into force on 1st January 2010.

*Object of this Decree*

2. The object of this Decree is to amend the Income Tax Act (Cap. 201).

*Section 7C repealed*

3. Section 7C of the Income Tax Act (“the Act”) is repealed.

*Section 8 amended*

4. Section 8 of the Act is amended in subsection (2)(a) by inserting after paragraph (hh) a new paragraph (ii)—

“(ii) in the case of a sale of a company, the total value of retained earnings shall be deemed to be dividends distributed to shareholders”.

*Section 8A amended*

5. Section 8A of the Act is amended—

- (i) in subsection (2)(a) by deleting the expression “...and any sum paid for the use of such films...” and deleting the word “and” and substituting with the word “or”;
- (ii) in subsection (2)(b) by deleting the number “4” and substituting with the number “7” and by deleting the word “a” and substituting with “any”;
- (iii) in subsection (2)(b) by inserting a “,” after the words “management of” and the words “of, or the supply of any similar activity” before the word “in”;
- (iv) in subsection (2) by inserting a new paragraph—
  - “(d) any sum paid or credited for the supply of professional services or other independent activities of similar character.”
- (v) in subsection (3)(a) by deleting the word “and” and substituting “or cinematograph films”;
- (vi) in subsection (3)(b) by deleting the word “films” and substituting it with “tapes”: and deleting the expression “...for use in connection with television” and inserting the word “and” after the semi colon.
- (vii) in subsection (3) by inserting a new paragraph—
  - “(c) compact discs, digital video discs, video compact discs, or any other form of electronic visual image storage medium.”
- (viii) by inserting the new paragraphs (4), (5), and (6);
  - “(4) For the purpose of subsection (2)(b) “management payments” include payments of any kind to any persons, other than to an employee of the person making the payments, for, or in respect of, the provision of industrial, agricultural, scientific or commercial advice, or management of technical services, or similar services or facilities including consultancy services, but does not include payments for independent personal services;

(5) For the purposes of subsection (2)(d) “professional services” includes services performed in the exercise of independent scientific, literary, artistic, educational or teaching activities, as well as in the exercise of independent activities, as well as in the exercise of independent activities of physicians, lawyers, engineers, architects, dentists and accountants;

(6) For the purpose of subsection (2)(b) and (2)(d) “supply” includes all forms of supply whether in the persons physical capacity or by electronic means.”

- (viii) by renumbering subsection (4) as subsection (7);
- (ix) by repealing subsection (8);
- (x) by renumbering subsection (5) as subsection (8);
- (xi) in subsection (6) by deleting the number “5” and substituting the number “8” and renumbering subsection (6) as subsection (9);
- (xii) in subsection (7) by deleting the number “6” and substituting the number “9” and renumbering subsection (7) as subsection (10);
- (xiii) by renumbering subsection (9) as subsection (11).

*Section 10A amended*

6. Section 10A of the Act is amended—

- (i) in subsection (1A) by inserting the words “royalty or” before the word “royalties”;
- (ii) by inserting after paragraph (d) the new paragraphs (e), (f), (g) and (h), (i), (ii) and (iii)—
  - “(e) the use of, or the right to use, motion picture films or video tapes or compact discs or digital video discs or video compact discs for use in television broadcasting or tapes for use in radio broadcasting; or
  - (f) the use of, or the right use, visual images or sounds transmitted by satellite or cable, optic fibre or similar technology in connection with television broadcasting or radio broadcasting; or
  - (g) the reception of or the right to receive visual images or sounds transmitted by satellite or cable, optic fibre or similar technology in connection with television broadcasting or radio broadcasting;
  - (h) any forbearance in respect in respect of:
    - (i) the use of, or the right to use any such property or right mentioned in paragraph (a) or any such equipment mentioned in paragraph (b) or the supply of any knowledge or information mentioned in paragraph (c) or any such assistance mentioned in paragraph (d); or
    - (ii) the use of, or the right to use any such property mentioned in paragraph (e) or any such visual images or sounds mentioned in paragraph (f); or
    - (iii) the reception of or the right to receive such visual images or sounds mentioned in paragraph (g).”

*Section 17 amended*

7. Section 17 of the Act is amended—

- (a) in paragraph (74)(i) by deleting “F\$300,000” and substituting with “F\$150,000”
- (b) in paragraph (74)(ii) by deleting “F\$200,000” and substituting with “F\$100,000”
- (c) in paragraph (74) by deleting “F\$50,000” and substituting with “F\$100,000”

*Section 17 amended*

8. Section 17 subsection 75 is amended by deleting “F\$300,000” and substituting “F\$150,000”.

*Section 19A amended*

9. Section 19A of the Act is amended by deleting “5%” and substituting “3%”.

*Section 21 amended*

10. Section 21 subsection (1) paragraph (zg) of the Act is repealed.

*Section 47 amended*

11. Section 47(1) of the Act is amended by deleting "may" and substituting "must" before the word "include".

*Fourth Schedule amended*

12. The Fourth Schedule to the Act is amended:—

- (i) by inserting a new table A7—

"Table A7—Year of Assessment 2010 and every subsequent year

Chargeable Income (\$)	Tax Payable (\$)
0-15,000	NIL
15,001-15,600	25% of excess over \$15,000
15,601-22,000	150 + 31% of excess over \$15,600
22,001+	2134 + 31% of excess of \$22,000"

- (ii) under Table C6:—

- (a) by inserting "or (c)" after "(b)" under paragraph (a); and  
 (b) by inserting new paragraph (c):—

"(c) any company listed with the Stock Market Exchange for a minimum period of 3 years or over and has a minimum of 40% resident shareholding.....20%."

*Sixth Schedule amended**Paragraph 36 amended*

13. Paragraph 36(2)(b) of the Sixth Schedule to the Act is amended—

- (i) by deleting "55%" and substituting "40%";  
 (ii) by deleting "75%" and substituting "50%";  
 (iii) by deleting "80%" and substituting "55%".

*Eighth Schedule Amended*

14. The Eighth Schedule of the Act is amended—

- (a) in Paragraph 1 subsection (2)(b)(i) by deleting the words "a complete set of drawings of the vessel" and substituting "a Maritime Safety Authority of Fiji Approved plan of the vessel".  
 (b) in Paragraph 8 after the definition of "eligible vessel", by inserting the definitions—  
 (i) "Maritime Safety Authority of Fiji means Maritime Safety Authority of Fiji, established under the Maritime Safety Authority of Fiji Decree 2009;  
 (ii) MSA Approved Plan means a vessel plan that bears the official seal of MSA".

*Eleventh Schedule amended*

15. The Eleventh Schedule of the Act is amended in paragraph 2—

- (i) by inserting "island resort means any resort separated by 15km or more of sea from Viti Levu" after the definition of Hotel owner; and  
 (ii) by inserting the words "a local and" before the word "an" under the definition of consultant fees.

*Twelfth Schedule amended*

16. The Twelfth Schedule of the Act is amended—

- (i) in Paragraph 7(1)(a) by deleting the amount "\$500,000" and substituting "\$250,000";  
 (ii) in Paragraph 12—

- (a) sub-Paragraph (1)(i) by deleting the year "2009" after December and substituting the year "2014";

- (b) sub-Paragraph(1)(i)(a) by deleting "\$500,000" and substituting "\$250,000"; and
- (iii) in subsection(1)(ii) by deleting the year "2010" after January and substituting the year "2015".

GIVEN under my name this 6th day of January 2010.

EPELI NAILATIKAU  
President of the Republic of Fiji