

HOTELS AID ACT 1964

REVISED TO 30 APRIL 2003

① TABLE OF CONTENTS

<i>Name</i>	<i>Act Number</i>
Hotels Aid Ordinance 1964	Ordinance 35 of 1964
???	Legal Notice 112 of 1970
Hotels Aid (Amendment) Act 1975 ???	35 of 1975
Hotels Aid (Amendment) Act 1981 ???	17 of 1981
Hotels Aid (Extension) Decree 1989	Decree 9 of 1989
Hotels Aid (Extension) Decree ¹	Decree 33 of 1990
Hotels Aid (Amendment) Decree 1991	Decree 10 of 1991
Hotels Aid (Amendment) Decree 1992	Decree 19 of 1992
Hotels Aid (Amendment) Act 1996.....	17 of 1996
Hotels Aid (Amendment) Act 1999.....	13 of 1999
Hotels Aid Act (Amendment) Decree 2000.....	Decree 28 of 2000
Hotels Aid (Budget Amendment) Act 2002.....	8 of 2002
Hotels Aid (Budget Amendment) Act 2003.....	2 of 2003

¹ Citation Name – Decree’s short title: Hotels Aid Act (Amendment) Decree 1990

CHAPTER 215
HOTELS AID

TABLE OF PROVISIONS

SECTION

1. Short title

PART 1 – STANDARD ALLOWANCES AND SUBSIDY

2. Interpretation
3. Application to be made to Minister
4. Provisional approval
5. Grant of subsidy
6. Hotel owner may apply for investment allowance as alternative
7. Special depreciation allowance
8. Investment allowance
9. Procedure on sale of hotel
10. Procedure in case of loss
11. Procedure when amount not written off at end of 15 years

PART II – SHORT LIFE INVESTMENT

12. Interpretation
 13. Minister may grant short life investment package
 14. Written application to be made to the Minister
 15. Provisional approval
 16. Effect of provisional approval
 17. Completion of short life investment
 18. Extension of time for completion
 19. Final approval if substantially completed
 20. Effect of final approval
 21. Income Tax exemption
 22. Depreciation
 23. Carry forward of losses
 24. Electricity generation
 25. Annual accounts
 26. Transferability of package
 27. Revocation of package
-

CHAPTER 215
HOTELS AID

AN ACT TO PROVIDE FOR THE ENCOURAGEMENT OF HOTELS IN FIJI BY THE
PROVISION OF FINANCIAL INDUCEMENTS

[23 December 1964]

Short title

1. This Act may be cited as the Hotels Aid Act.

[PART 1 – STANDARD ALLOWANCES AND SUBSIDY]¹

¹ Heading inserted by §3 Act 17/1996 WEF 25th October 1996

Interpretation

2. In this [Part]¹, unless the context otherwise requires—

“extension” means the provision of additional accommodation or of additional amenities to an existing hotel;

“hotel” means any premises in which accommodation is supplied to or is available to be supplied to [persons]² in exchange for money or other valuable consideration;

“hotel owner” means any person who has been given a provisional approval under the provisions of section 4;

[“Minister” means the Minister responsible for Tourism;]³

“project” means the building of a new hotel or the extension of an existing hotel [refurbishment and renovation]⁴;

“provisional approval” means the approval in principle by the Minister, signified in writing, to an application made under the provisions of section 3;

[“refurbishment and renovation” means:

those construction works of a substantial nature carried out in or upon an existing hotel building which have the effect of restoring the hotel building to a sound and as new state and/or which reconstruct, remodel, alter, upgrade or amend the interior of an existing hotel building so as to form new rooms or to alter the sizes of existing rooms, such not to be confined only to the repainting or redecorating of an existing hotel building and shall have an estimated cost per square of floor area which shall be established by the Minister and which, in the opinion of the Minister, is not less than 40% of the estimated cost per square metre of the floor area or a newly built equivalent hotel building. The capital expenditure allowable under this heading shall be given only to hotel, which has been in operation for a period of not less 5 years.]⁵

¹ Substituted for “Act” by §4(a) Act 17/1996 WEF 25th October 1996

² Substituted for “person” by §4(b) Act 17/1996 WEF 25th October 1996

³ Inserted by §4(c) Act 17/1996 WEF 25th October 1996

⁴ Inserted by §2 Decree 10/1991 WEF 10th January 1989; in respect of the hotels “The Fijian” and “Toberua Island Resort” WEF 10th June 1987 - §3 Decree 19/1992

⁵ Inserted by §2 Decree 10/1991 WEF 10th January 1989; in respect of the hotels “The Fijian” and “Toberua Island Resort” WEF 10th June 1987 - §3 Decree 19/1992 (Note: there are various grammatical errors in the definition – these have not been corrected for the purposes of FIMTS)

Application to be made to Minister

3. —(1) In order to obtain the benefit of the provisions of this [Part]¹, any person wishing to carry out a project may apply to the Minister for provisional approval of the proposed project and, with his application, give the information with regard thereto as specified in subsection (2) and such other information as may be required by the Minister.

(2) The information required to be given with an application under the provisions of subsection (1) shall be as follows: —

- (a) the location and description of the site;
- (b) the number and description of bedrooms and beds and of the toilet facilities, in the case of an existing hotel;
- (c) the number and description of proposed new bedrooms and beds and the toilet facilities proposed to be established in connection therewith;
- (d) a description of each public room both proposed and, in the case of an extension to an existing hotel, existing;
- (e) a detailed description of any other amenities existing or proposed;
- (f) a sketch plan showing in sufficient detail the site and lay-out of the proposed hotel or extension and the amenities thereof;
- (g) an estimate of the cost of the project;
- (h) where it is proposed to carry out the project in stages, a description, and an estimate of the cost, of each individual stage and details of the proposed timetable;
- (i) details of the proposed method of financing the project.

(3) Without prejudice to his powers under section **4**, the Minister may specify particular requirements applicable to any particular area of Fiji.

¹ Substituted for “Act” by §5 Act 17/1996 WEF 25th October 1996

Provisional approval

4. —(1) The Minister, upon receiving an application under the provisions of section **3**, shall consider such application, and may, after consideration—

- (a) reject the application;
- (b) give provisional approval to the application with or without such conditions as he may consider reasonable; or

- (c) give provisional approval to a part, and reject the remainder, of the application and impose such conditions to his partial provisional approval as he may consider reasonable.

(2) In arriving at his decision as aforesaid, the following matters shall be taken into consideration by the Minister: —

- (a) the requirements for the accommodation of travellers in the area concerned;
- (b) whether the proposed hotel or extension will make an adequate contribution to the requirements of the area concerned;
- (c) whether the proposed accommodation is of suitable size and standard for the area;
- (d) whether adequate amenities would be provided by the project.

(3) The decision of the Minister under the provisions of subsection (1) shall be final but, in case of rejection, shall not preclude any person from submitting a fresh application or amending his original application.

Grant of subsidy

5.—(1) Subject to the other provisions of this section, where an hotel owner—

- (a) has been granted provisional approval [under this Part]¹; and
- (b) has completed the project and the amenities thereto have been provided in accordance with the provisional approval,

he shall be granted a subsidy up to a maximum rate of 7 per cent of the total capital expenditure incurred in the project and in the provision of such amenities as may be approved by the Minister in the provisional approval, but less the cost of any land acquired for the project.

(2) (a) Notwithstanding the provisions of subsection (1), the Minister, in his discretion, may authorise payment of the subsidy by instalments upon the production to him of progress payment certificates signed by an architect, registered under the provisions of the Architects Act², or such other suitably qualified person as may be approved by the Minister in that respect;

(b) where payment of the subsidy is made by instalments under the provisions of paragraph (a), the final payment shall not be made until such time as properly audited accounts have been produced to the satisfaction of the Minister, showing in adequate detail the amount of total capital expenditure incurred in the project.

(3) Where payment of the subsidy is made by instalments under the provisions of paragraph (a) of subsection 2 and the project is not completed or is not completed to the satisfaction of the Minister, no further payments shall be made to the hotel owner:

Provided that the Minister may, in his discretion, make further payments where work on the project is resumed or where satisfactory completion subsequently takes place.

(4) The provisions of this section, unless further extended by resolution of Parliament, shall expire on [31 December 1966]³:

Provided that, in respect of any application made by an hotel owner prior to 31 December 1966, any payments of subsidy unpaid at that date may be made in accordance with the provisions of this Act.

¹ Inserted by §6 Act 17/1996 WEF 25th October 1996

² Cap. 258

³ Extended from 1st January 1997 to 31st December 1999 by Resolution (8/2/1) 2nd December 1996; previously extended from 1st January 1994 to 31st December 1996 by Resolution 7th June 1994; from 1st January 1990 to 31st December 1993 by §2 Decree 33/1990; from 1st January 1987 to 31st December 1989 by §2 Decree 9/1989; to 31st December 1986 by Resolution 9th December 1981; to 31st December 1981 by Resolution 9th December 1976

Hotel owner may apply for investment allowance as alternative

6. Where an hotel owner elects so to do he may, instead of accepting a subsidy under the provisions of section **5**, upon satisfying the Minister of his eligibility to receive such a subsidy, avail himself of an investment allowance in accordance with the provisions of section **8**:

[Provided that, where an hotel owner has elected to avail himself of an investment allowance in accordance with the provisions of section **8** but no allowance has at that time actually been claimed under the provisions of that section, he may, subject to the approval of the Minister, revoke the election in favour of the provisions of section **5** and any such revocation shall be final and binding on such hotel owner.]¹

¹ Proviso inserted by §2 Act 35/1975

Special depreciation allowance

7. An hotel owner who has been granted a subsidy under the provisions of section **5** shall, in addition, entitled, in each of the 15 years immediately succeeding the year of income in which capital expenditure has been incurred in the project, to claim a special depreciation allowance against the total income arising in respect of that income year for income tax purposes from that hotel or from any other hotel owned by the hotel owner of such amount of the total amount of capital expenditure as the hotel owner, in his discretion, so chooses, but so that no more than the total amount of capital expenditure shall be claimed as special depreciation allowance. For the purposes of this section, the total amount of capital expenditure incurred in the project shall include the provision of such amenities as may be approved by the Minister, but shall exclude the cost of any land acquired for such building or extension and the amount of any subsidy granted under section **5**. The special depreciation allowance for which provision is made in this section shall be an alternative and not in addition to any claim for depreciation in accordance with the provisions of the Income Tax Act¹.

¹ Cap. 201

Investment allowance

8. —(1) [Subject to subsection (3), where]¹ an hotel owner has elected to avail himself of an investment allowance under the provisions of section **6** and not to claim a subsidy under the provisions of section **5**, he shall be entitled to claim the following allowance: —

(a) an amount of chargeable income equal to 55 per cent of the total capital expenditure incurred in the project including the provision of such amenities as may be approved by the Minister, but less the cost of any land acquired for such project [or refurbishment or renovation]² shall be free of income tax;

(b)³ so much of such amount as shall be free of income tax in accordance with paragraph(a) and which cannot be set off against the total income of the hotel business or the total income of the hotel premises for the first fiscal year of the hotel owner after the commencement of operation or after the completion of the extension shall be carried forward and offset against the total income of that hotel business or the total income from that hotel premises for the next successive fiscal years as prescribed under section **105** of the Income Tax Act.

(2) Notwithstanding the provisions of subsection (1), an hotel owner who has elected to avail himself of an investment allowance, may claim depreciation under the provisions of the Income Tax Act⁴ and, for this purpose, the investment allowance shall not be taken into account

(3)⁵ Notwithstanding the provisions of this Part, the investment allowance shall only be available to residents of the Fiji Islands or to non-residents for which there is no shift of tax revenue to other countries.

¹ Substituted for "where" by §2(a) Act 8/2002 WEF 1st January 2002

² Substituted for a comma by §3 Decree 10/1991 WEF 10th January 1989; in respect of the hotels "The Fijian" and "Toberua Island Resort" WEF 10th June 1987 - §3 Decree 19/1992

³ Repealed and replaced by §2(1) Act 8/2002 WEF 1st January 2002 - previously read:

"(b) so much of such amount as shall be free of income tax in accordance with the provisions of paragraph (a) and which cannot be set off against the chargeable income for the first fiscal year of the hotel owner after the commencement of operation or after the completion of the extension shall be carried forward and be set off against the chargeable income of the next successive fiscal years of the hotel owner until such amount is wholly set off."

⁴ Cap. 201

⁵ Inserted by §2(b) Act 8/2002 WEF 1st January 2002

Procedure on sale of hotel

9. Where the property of an hotel has been sold and the capital expenditure in respect of such hotel has, in accordance with section **7**, been wholly or partly set off against income, the like consequences shall ensue as respects both the vendor and the purchaser with regard to the provisions of paragraph (a) of section **21**¹ of the Income Tax Act² as would have ensued if the transaction were the sale and purchase of depreciable property in the normal course of events.

¹ Reference should be to paragraph (a) of subsection (1) of section 21

² Cap. 201

Procedure in case of loss

10. Where any loss is incurred in connection with any hotel in respect of which a special depreciation allowance has been allowed under the provisions of section **7**, such loss may be set off against the income of any other hotel owned by the hotel owner or may be carried forward and set off against the income of the hotel or any other hotel owned by the hotel owner for subsequent years, [subject to]¹ the period prescribed by section **22** of the Income Tax Act².

¹ Substituted for "notwithstanding" by §3 Act 8/2002 WEF 1st January 2002

² Cap. 201

Procedure when amount not written off at end of 15 years

11. Where, at the expiration of the period of 15 years, any of the capital expenditure referred to in section 7 has not been written off, depreciation allowance under the provisions of the Income Tax Act¹, may be claimed by the hotel owner, in the normal manner, upon the balance so remaining.

¹ Cap. 201

[PART II—SHORT LIFE INVESTMENT]¹

¹ Part II inserted by §7 Act 17/1996 WEF 25th October 1996

Interpretation

12. In this Part, unless the context otherwise requires—

["capital goods" for the purpose of section 16 excludes furniture and motor vehicles;]¹

"company" means a company registered under the Companies Act, Cap. 247;

"consultant fees" include salaries, allowances, per diem and incidental expenses, food and accommodation, and any other fees paid to an overseas consultant that directly or indirectly relate to the short life investment;

["developer profits" means profits derived from hotel development including income gained from the subdivision and sale of land and property;]²

"hotel" means any premises in which accommodation is supplied to or is available to be supplied to persons in exchange of money or other valuable consideration;

"Minister" means the Minister responsible for Tourism;

"provisional approval" means the approval in principle by the Minister, signified in writing, to an application made under the provisions of section 14;

"short life investment" means a project for the building of a new hotel—

(a)³ with a minimum capital investment of either—

(i) not less than F\$10,000,000 but less than \$40,000,000; or

(ii) not less than \$40,000,000,

exclusive of the cost of land, but including the cost of support infrastructure and overseas consultant fees; and⁴; and

(b)⁴ where the building of the hotel commences—

(i) if the minimum capital investment referred to in paragraph (a) is not less than \$10,000,000 but less than \$40,000,000—on or after 1st July 1998;

(ii) if the minimum capital investment referred to in paragraph (a) is not less than \$40,000,000—on or after 13th February 1996,

and, in either case, is completed on or before [31st December 2005]⁵;

[“short life investment package” means the various exemptions, concessions and allowances provided for in respect of a short life investment.]⁶

¹ Inserted by §3(a) Act 13/1999 WEF 1st July 1998

² Inserted by §4(a) Act 8/2002 WEF 1st January 2002

³ Substituted by §3(b) Act 13/1999 WEF 1st July 1998 - previously read:

“(a) with a minimum capital investment of not less than F\$40 million exclusive of the cost of land, but including the cost of support infrastructure and overseas consultant fees;”

⁴ Substituted for paragraphs (b) and (c) by §3(c) Act 13/1999 WEF 1st July 1998 previously read—

“(b) with a minimum room capacity (in the new hotel) of not less than 200 bedrooms; and

(c) where the building of the hotel commences at any time on or after 13 February 1996 and is completed on or before 30 June 2000;”

⁵ Substituted for "30th June 2003" by §4(b) Act 8/2002 WEF 1st January 2002. [§2(a) Decree 28/2000 required amendment to Section 12(c). However, Section 12(c) was earlier repealed by §3(c) Act No. 13/1999 WEF 1st July 1998. The intention of Decree No. 28 was to delete "2000" in section 12 and substitute "2003" as stated in a later corrigendum]

⁶ Amended by deleting "by sections 21 to 24 inclusive" after "for" by §2 Act 2/2003 WEF 1st January 2003

Minister may grant short life investment package

13. The Minister may, in accordance with this Part, grant a short life investment package to a company, which has completed a short life investment and otherwise has complied with the provisions of this Part.

Written application to be made to Minister

14.—(1) A company intending to carry out a short life investment may apply in writing to the Minister for provisional approval of the short life investment.

(2) In support of its application under subsection (1) the company shall provide the following information: —

- (a) the name and registered office of the company;
- (b) the names of all directors and shareholders of the company together with details of their respective shareholdings;
- (c) a current statement of all assets and liabilities of the company;
- (d) the location and description of the site;
- (e) the number and description of proposed bedrooms and beds and the toilet facilities proposed to be established therewith;
- (f) a description of each proposed public room;
- (g) a detailed description of any other proposed amenities, including, but not limited to, swimming pools, tennis courts, golf courses, recreation facilities and such like;
- (h) a sketch plan showing in sufficient detail the site and layout of the proposed hotel and the amenities thereof;
- (i) an estimate of the total cost of the short life investment;
- (j) a description, and an estimate of the cost, of each individual stage of construction and details of the proposed timetable for completion of the short life investment;
- (k) details of the proposed method of financing the short life investment;
- (l) evidence of the company's ability to complete the short life investment;
- (m) estimates of the projected income from the new hotel.

(3) Without prejudice to his powers under section 15 the Minister may require the company to provide such other information he may consider necessary and may specify particular requirements applicable to any particular area of Fiji.

Provisional approval

15.—(1) Upon receiving an application under section 14 and subject to subsections (2) and (3), the Minister shall consider such application and after consultation with the Minister responsible for finance may, by written notice to the company—

- (a) reject the application; or
- (b) give provisional approval to the application with or without such conditions as he may consider reasonable.

(2) The Minister shall not give provisional approval to the application unless he is satisfied that:—

- (a) the application is made in respect of a short life investment; and
- (b) the company intends to complete and is capable of completing the short life investment; and
- (c) the short life investment will benefit the economic development of Fiji.

(3) In arriving at his decision the Minister shall take the following matters into account:—

- (a) the assets and liabilities of the company;
- (b) the nature and extent of the short life investment;
- (c) the requirements for hotel accommodation in the area concerned;
- (d) whether the short life investment will adequately contribute to the requirements of the area concerned;
- (e) whether the proposed hotel is of suitable size and standard for the area concerned;
- (f) whether adequate amenities would be provided as part of the proposed hotel;
- (g) such other matters as the Minister may consider relevant to the desirability or otherwise of the short life investment for Fiji and the capability of the company to complete it.

(4) The decision of the Minister under subsection (1) shall be final but, in the case of rejection, shall not preclude the company from submitting a fresh application or amending its original application.

Effect of provisional approval

16.—(1) On the giving of provisional approval, all capital goods, including capital equipment plant and machinery, imported on or before [31 December 2005]¹ by or on behalf of the company and used in the carrying out of the short life investment, shall be exempt from all duties otherwise payable in respect of their importation notwithstanding anything contained in the Customs Act 1986 and the Customs Tariff Act 1986.

(2) Nothing in this section shall apply to any tax payable under the Value Added Tax Decree 1991.

¹ Substituted for "30 June 2003" by §3 Act 2/2003 WEF 1st January 2003. Previously substituted for "30 June 2000" by §2(b) Decree 28/2000 WEF 30th June 2000. For avoidance of doubt, Decree 28/2000 was validated by §6 Act 2/2003 WEF 1st January 2003.

Completion of short life investment

17.—(1) Subject to the other provisions of this section where a company has been given provisional approval and has completed the short life investment it may apply to the Minister for final approval.

(2) An application under subsection (1) shall be made in writing and be supported by the following:

- (a) fully audited final accounts showing the total cost of the short life investment; and
- (b) a final plan showing the site and layout of the hotel and surrounding areas.

(3) Upon receiving an application under subsection (1), the Minister shall consider the application and after consultation with the Minister responsible for finance may, in his discretion, by written notice to the company—

- (a) reject the application; or
- (b) give final approval to the application with or without such conditions as he may consider reasonable.

(4) Subject to the provisions of sections **18** and **19** the Minister shall refuse to grant final approval if the company has failed to complete the short life investment or has failed to comply with any conditions upon which provisional approval was given.

(5) If the Minister refuses to grant final approval, the duties otherwise exempted under section **16** immediately become due and payable by the company.

Extension of time for completion

18.—(1) If the company is unable to complete the short life investment on or before [31 December 2005]¹ due to unforeseen circumstances or some other act beyond the control of the company the Minister may extend the time by which the short life investment must be completed.

(2) In the event that time is extended by the Minister under subsection (1) the company shall continue to enjoy the duty free concession provided for by section **16** during the extended period.

¹ Substituted for "30 June, 2003" by §4 Act 2/2003 WEF 1st January 2003. Previously substituted for "30 June, 2000" by §2(b) Decree 28/2000 WEF 30th June 2000 For avoidance of doubt, Decree 28/2000 was validated by §6 Act 2/2003 WEF 1st January 2003.

Final approval if substantially completed

19. Notwithstanding any other provision of this Act the Minister, after consultation with the Minister responsible for finance, [shall]¹ grant final approval if he is satisfied the company has in all respects substantially completed the minimum requirements of a short life investment.

¹ Substituted for "may" by §5 Act 2/2003 WEF 1st January 2003

Effect of final approval

20.—(1) The grant of final approval shall entitle the company to the benefits of a short life investment package from the first day of commercial operation of the hotel or such other date as the Minister may specify.

(2) The company shall not be entitled to claim the benefits of a short life investment package in any year unless it has been granted final approval and the Minister is satisfied that the shareholders of the company are substantially the same as the shareholders of the company when provisional approval was given.

(3) For the purposes of subsection (2) the shareholders of the company shall be deemed not to be substantially the same as the shareholders on the date when provisional approval was given unless not less than 51 percent of the voting power in and the right to receive dividends from the company is held by or on behalf of the same persons, nor unless, not less than 50 percent of the nominal value of the allotted shares in the company are held by or on behalf of the same persons.

(4) Notwithstanding the provisions of subsections (2) and (3) the company may apply to the Minister for exemption from those provisions and the Minister may, in his discretion, grant such an exemption.

Income Tax exemption

21.—(1)¹ Notwithstanding anything contained in the Income Tax Act², the income of the company shall be exempt from tax on- —

- (a) developer profits derived up until 31st December 2005; and
- (b) profits derived from the operation of the hotel for a period of -
 - (i) if the hotel has a minimum capital investment of not less than \$10,000,000 but less than \$40,000,000-10 years; or
 - (ii) if the hotel has a minimum capital investment of not less than \$40,000,000 – 20 years.

(2) The Minister shall notify the Commissioner of Inland Revenue when final approval is given.

¹ Repealed and replaced by §5 Act 8/2002 WEF 1st January 2002 - Previously* read:

"(1) Notwithstanding anything in the Income Tax Act, the income of the company derived from the operation of the hotel is exempt from tax for a period of—

(a) if the hotel has a minimum capital investment of not less than \$10,000,000 but less than \$40,000,000—10 years;

or

(b) if the hotel has a minimum capital investment of not less than \$40,000,000—20 years."

*The previous subsection (1) was substituted by §4 Act 13/1999 WEF 1st July 1998. It previously read:

"(1) Notwithstanding anything in the Income Tax Act, the income of the company derived from the operation of the hotel is exempt from tax for a period of 20 years."

² Cap. 201

[Depreciation]¹

22.² During the period from the date appointed by the Minister under the provisions of section 20 to the end of the accounting period in which the last day of the tax-free period falls, such depreciation shall be written off the assets of that company in calculating its profits or gains as would have been available to it under the provisions of the Income Tax Act if the company were not in receipt of the concession provided by this Part, and the written down values of such depreciable assets at the end of the accounting period in which the last day of the tax-free period falls shall be calculated accordingly:

Provided that the company shall not be obliged to claim initial allowances but such election shall in that event continue for the whole of the tax free period.

¹ Substituted for "Special depreciation allowance" §6 Act 8/2002 WEF 1st January 2002

² Repealed and replaced by §6 Act 8/2002 WEF 1st January 2002 - Previously read:

"Special depreciation allowance

22 (1) *The company shall be entitled in any one of the eight years immediately succeeding the tax free period referred to in section 21 to claim a special depreciation allowance against the income arising from the operation of the hotel of up to the total amount of the capital expenditure incurred in the short life investment excluding the cost of land.*

(2) *The special depreciation allowance provided for by subsection (1) shall be an alternative and not in addition to any claim for depreciation otherwise available under the Income Tax Act."*

Carry forward of losses

23.¹ Subject to the provisions of the Income Tax Act, any loss incurred by the company in the operation of the hotel may be carried forward and set off against the total income of that hotel business or the total income from that hotel premises for the next 8 years in succession.

¹ Repealed and replaced by §7 Act 8/2002 WEF 1st January 2002 - Previously read:

"Carry forward of losses

23. *Subject to the provisions of the Income Tax Act¹ any loss incurred by the company in the operation of the hotel may be set off against its income from other sources for the same year or may be carried forward and set off against what would otherwise have been the total income of the company for the next 6 years in succession."*

Electricity generation

24. —(1) The company shall be entitled to be issued with a licence under the Electricity Act¹ to operate a generating station for the purposes of providing electricity for the hotel.

(2) Any electricity generated by the company and surplus to the company's requirements may be sold.

(3) For the avoidance of doubt, the company shall comply with all requirements of the Electricity Act² in respect of its generating station.

¹ Cap. 180

² See Note 1

Annual accounts

25. Within 6 months after the end of each financial year a company which is entitled to the benefits of a short life investment package shall submit to the Minister fully audited accounts together with such further information as the Minister may, in his discretion, require.

Transferability of package

26. Where the hotel in respect of which a short life investment package has been granted is sold or to be sold the purchaser or prospective purchaser, as the case may be, may apply to the Minister for the transfer to it of any remaining benefits of the short life investment package.

Revocation of package

27. The Minister may revoke any short life investment package where the company has breached any conditions imposed by the Minister when granting provisional or final approval or has failed to comply with any of the requirements of this Act.