



FIRCA DOES NOT BLOCK DEVELOPMENT

The Fiji Islands Revenue and Customs Authority is gravely concerned at the contents of an attack made upon its Minister and FIRCA in a broadcast made on primetime TV on Sunday evening, May 6, comprising an interview with the Minister of Tourism. It was not in any way consulted before the broadcast of the attack, which repeated assertions which have already been publicly refuted on countless occasions.

The attack asserted that FIRCA is blocking 50 developments of a value of more than six billion dollars. This assertion is totally incorrect, and this fact has already been pointed out by FIRCA on many previous occasions. FIRCA is not blocking any development. FIRCA has no issue whatsoever with developers who do not seek to fund development with taxable land sales. FIRCA is simply requiring those developers who rely on taxable land sales to fund development to pay tax on such sales, a very justifiable stance which is necessary to ensure non degradation of the tax base. FIRCA has also very greatly relaxed its stance on the time of payment of such tax, now only requiring "pay as you go" as distinct from upfront payment.

So far as concerns the figurework of billions of dollars cited in Sunday evening's programme, FIRCA cannot comment upon the figures involved, or if or when same may or may not be achieved and whether any of same will actually materialise. Such considerations would no doubt invariably be relevant when such figurework is quoted.

What FIRCA does know is that from time immemorial the costs of funding the security forces, of maintaining law and order, of maintaining public health and education and the public service, have been paid from taxes, and that this is still the same position today. FIRCA collects more than one billion dollars annually in taxes (around 90% of total Government revenue), of which tourism supplies only 2.5% of. FIRCA must insist upon collection of tax due to it, if society is to survive.

The attack also asserted a need for "relaxation" of policies by FIRCA. That relaxation is already in place. In the case of the company cited by the Minister, MATAPO, such relaxation was offered to them in early February. In the case of other developers, the relaxation was spelt out at the Tourism Convention on March 20, over which the Minister for Tourism herself presided, the relaxed policy being the subject of a presentation to all affected parties by FIRCA. That presentation was given at the invitation of the Minister. It was favourably received, and question time after the presentation was most amicable.

FIRCA has on countless occasions since March 20th repeated its relaxed policy to all concerned.

To set the record straight once and for all, here is the text :

" ..to avoid the need for time consuming and costly litigation, FIRCA is willing, for purpose of settlement of income tax due upon land sales, to agree figures of tax and payment dates to accommodate the concerns of developers who rely on taxable land sales to fund their developments. The relevant figures and dates must of course be consistent with FIRCA's statutory duties. All developers concerned in regard to the making of asserted "advance assessments", namely, apparently those who rely on taxable land sales to fund their developments, are invited to strike the arrangements already described."

Further comment on the assertion of non relaxation is superfluous.

The speech on Sunday evening also referred to MOMI and the company MATAPO and asserted millions of dollars allegedly invested by MATAPO. FIRCA is unable of course to make specific comment in regard to such issue. No doubt, those wishing to verify the validity or otherwise of this assertion may make their own enquiries.

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May 7, 2007