



PUBLIC NOTICE

Increase in VAT from 12.5% to 15%

The standard rate of VAT will increase to 15% on 1 January 2011. From that date, all Registered Persons must charge VAT at 15% on any sales of standard-rated goods and/or services. The change also applies to imported goods and to the receipt of imported services which are subject to the VAT reverse charge.

The general public is advised of the following:

1. VAT Registered Persons will be required to adjust their systems to accommodate the new rate.
2. For VAT inclusive sales, the new tax fraction is $\frac{3}{23}$ ($\frac{15}{100 + 15}$). This means that for such sales, the charge levied will give rise to a VAT liability of $\frac{3}{23}$ or 7.666 of the total charge.
3. Special provisions will be made for cases where the invoicing and/or payment for and delivery of goods and services spans the date of change as follows:
 - where invoicing and/or payment occurs before 1 January 2011 but goods/service delivered after that date, the goods/services will be taxed at 15% because VAT is charged at the time of delivery;
 - where the invoicing/payment occurs on or after 1 January 2011 but goods /services delivered before that date, the goods/services will be taxed at 12.5% because goods/services were delivered before the change in the tax rate.

For further information or clarification, please e-mail general/technical enquiries to our Taxpayer Education & Publicity Unit (tepu@frca.org.fj) or technical services team (tipu@frca.org.fj) ; or visit our customer service centers, or contact Taxation Senior

Executives, Lilly Bingwor, 324 3501; Makereta Ledua, 324 3590; Epeli Naua, 324 3505 or Paula Savai, 324 3509.

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