



## **PUBLIC NOTICE**

### **CAPITAL GAINS TAX DECREE (Decree #23/2011)**

The Fiji Revenue & Customs Authority (FRCA) wishes to inform the general public that the Fiji capital gains tax is now in force. The Capital Gains Tax Decree, 2011 is effective from 1 May 2011 and FRCA has issued guidelines on how the law will be applied. Some of the basic features are listed below.

- The Capital Gains Tax (CGT) is 10% and applies to the gain on sale or disposal of 'capital assets' set out in the Decree. It does not apply on trading stock or assets not listed in the Decree.
- The total gain of a taxpayer is the total profit made from the sale of a capital asset. For example, if the profit from disposal of a property is \$30,000, the capital gains tax payable is \$3,000. Some disposals may be exempt from capital gains tax.
- A person is required to determine if the disposal is subject to capital gains tax and calculate the gain. Where a gain is taxable, the person is required to make a return (self-assessment) and pay the tax due within 30 days after the date of disposal, at any of our Customer Enquiry Centers in Suva, Lautoka or Labasa.

- Self-assessment means that taxpayers must calculate their own tax liabilities, complete their tax returns and submit returns and payments to FRCA. However, this does not preclude the Authority from auditing the said CGT returns. For capital gains tax purposes, taxpayers must keep records for 5 years after the date of disposal of capital assets.
- Access to information and assistance to determine the taxability of transactions can be obtained from FRCA. Requests must be accompanied by a completed and signed CGT declaration form, supporting documents and if required, a CGT return.

As the law applies to all persons **including individuals**, the general public is invited to make comments on our guidelines which are contained in discussion draft Practice statement #34 and submit these to FRCA by close of business 8 July 2011.

Copies of the Decree, CGT forms and guidelines are available on our website: [www.frca.org.fj](http://www.frca.org.fj).

Enquiries will be handled directly by our senior tax officials: Lily Bingwor on telephone number 324 3545, Satish Chand - 324 3595 and Epeli Naua - 324 3505. You can also e-mail [tepu@frca.org.fj](mailto:tepu@frca.org.fj) for our follow up.

Jitoko Tikolevu

**CHIEF EXECUTIVE OFFICER**