FIJI REVENUE AND CUSTOMS SERVICE

Information Communication Technology (ICT)Incentives

ICT Business Investment Incentives

Information Communications Technology (ICT) business means services provided by businesses registered with the Business Process Outsourcing (BPO) Council of Fiji that engage in Business Process Outsourcing(BPO), Knowledge Process Outsourcing(KPO), Information Technology(IT) outsourcing and Shared Services/Global Business Services (GBS).

These excludes services related to research and software development, as well as any involvement in internet cafes, retail or wholesale of information technology products, or the repair, sale, or servicing of such products.

Tax Benefit and Conditions

Income generated by an Information Communications Technology (ICT) business is considered exempt income, contingent upon satisfying the criteria related to capital investment and minimum number of employees:

- capital investment from FJD 100,000 to FJD250,000 for a period of 5 years; a minimum of 25 employees;
- capital investment from FJD250,001 to FJD 500,000 for a period of 7 years; a minimum of 50
- employees;
- capital investment from FJD500,001 to FJD 1000,000 for a period of 10 years; a minimum of 75
- employees; and
- capital investment greater than 1000,000 for a period of 13 years; a minimum of 100
- employees.

ICT Infrastructure Investment Incentive

This incentive is specifically designed to assist companies engaged in the establishment, development or construction of ICT infrastructure to be used by an ICT business.

The income of an approved company engaged in the establishment, development or construction of ICT infrastructure approved and established on or after 01 August 2021 shall be exempt from tax as follows:

- capital investment from FJD2,000,000 to FJD5,000,000 for a period of 10 consecutive fiscal years;
- capital investment from FJD5,000,001 to FJD10,000,000 for a period of 15 consecutive fiscal years; and
- capital investment of more than FJD 10,000,001 for a period of 20 consecutive fiscal years.

Conditions

- The project commences on or after 1 August 2021 and is completed within 2 years from the date of provisional approval.
- Capital investment (excluding the cost of land) should exceed FJD2,000,000
- provisional approval must be obtained prior to the commencement of the construction of the project.

Published 09 December 2024

FIJI REVENUE AND CUSTOMS SERVICE

Information Communication Technology (ICT)Incentives

Duty Concessions

Approved companies under the ICT Infrastructure Investment Incentive are eligible for duty concession under concession code 303 on raw materials, capital equipment, plant, machinery, space parts and any other goods employed in the production of other goods but does not include furniture, or motor vehicles at the rate of free fiscal, free excise and the applicable VAT rate.

Other Incentives for the ICT/ BPO Industry

- Research and Development - A 250% tax deduction is applicable on any expenditure incurred by an eligible ICT company investing in Research and Development.
- ICT Accredited Training Institutions
  i. An Information Communications Technology training institution is allowed a deduction of 150% for the amount of expenses incurred.
  ii. The income of an any new operator setting up an
  iii. internationally accredited ICT training institution will be exempt from tax for a period of 13 years.

- BPO - refers to providing core business support operations such as contact centres, accounting, payment processing, human resources, regulatory compliance, and quality assurance and includes customer-related services such as tech support, sales, and marketing
- KPO- this denotes the provision of specific knowledge-based business task or function which require specialised skills and expertise such as engineering, financial consulting and auditing, legal work and data analytics.
- IT outsourcing- this pertains to providing third party IT related services such as infrastructure solutions, technical customer service support, and data analytics.
- GBS – relates to the provision of centralised functions such as Finance operations, Human Resource Management, including Payroll, Procurement, Engineering, Master data, Compliance, IT and Legal.

Published 09 December 2024