FIJI REVENUE AND CUSTOMS SERVICE

Tourism Sector Incentives

HOTEL INVESTMENT INCENTIVE

Standard Allowance

This incentive is specifically designed to assist construction of new hotels, renovation and refurbishment of existing hotels or integrated tourism development.

Tax Benefit

Investment allowance of 25% of total capital expenditure is allowed as a deduction.

Conditions

- Approved hotels shall commence construction of the project within two years from the date the provisional approval was granted.
- Investment Allowance can only be written-off against the income of the hotel business or income from the hotel premises.
- There should not be any shift of tax revenue to other countries.

SHORT LIFE INVESTMENT PACKAGE (SLIP)

This incentive is designed to assist:

i. the construction of new hotels and integrated tourism development; and
ii. the company applying for a short life investment package is carrying out the short life investment project as its first business.
iii. the acquisition of existing hotels, along with an additional capital investment exceeding $50,000,000 for refurbishment, extension, and renovations (including support structure and consultant fees, but excluding land costs).
iv. provisional approval must be obtained prior to the commencement of the construction of the project.

Tax Benefit

» **The income of any approved new hotel will be exempted from tax as follows:**
- Capital investment from FJD250,000 to FJD1,000,000, for a period of 5 years; or
- Capital investment from FJD1,000,001 to FJD2,000,000, for a period of 7 years; or
- Capital investment from FJD2,000,000 to FJD40,000,000, for a period of 13 years; or
- Capital investment above FJD40,000,000, for a period of 20 years.

» **A maximum 20-year tax holiday is granted to companies that acquire existing hotels and undertake refurbishments, extensions, and renovations where provisional approval is granted on or after 1 August 2024.**

Customs Concessions

» **Approved companies under the SLIP incentive are eligible for duty concession under:**
- 3% fiscal duty under Code 235A of the Customs Tariff on building materials, furnishings and fittings, equipment including front office equipment, room amenities, kitchen and dining room equipment and utensils, specialised water sports equipment e.g. water bikes and other similar goods; and
- 0% fiscal duty under Code 244 of the Customs Tariff on all capital goods (including capital equipment, plant & machinery including building materials, furnishings and fittings, room amenities, kitchen and dining room equipment and utensils and specialised water sports equipment) not available in Fiji.

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Conditions

- The approved project shall be completed within 24 months from the date the provisional approval was granted.
- SLIP Incentives is also available for retirement resorts and hospital resorts, provided the length of stay is not more than 3 months.

Other Incentives for the Tourism Industry

» **Exempt Income – Backpacker Operators**
In accordance with Part 9, Income Tax (Exempt Income) Regulations 2016, locally owned backpacker operators are exempt from income tax provided their annual gross turnover is not exceeding FJD1,000,000.

» **Jet Skis**
In accordance with Code 270 to Part 3 of the Customs Tariff, approved companies registered to operate water sports related businesses and other tourism related activities are eligible for duty concession for jet skis at a rate of 5% Fiscal Duty, Free Import Excise and VAT applicable.

» **Existing Hotels and Resorts**
In accordance with Code 235 to Part 3 of the Customs Tariff, approved hotels and resorts are eligible for a 3% fiscal duty, on building materials, furnishings and fittings, equipment including front office equipment, room amenities, kitchen and dining room equipment/ utensils, specialised water sports equipment e.g. water bikes and other similar goods.

Legislative Provision

i. Income Tax (Hotel Investment Incentives) Regulations 2016.
ii. Income Tax (Exempt Income) Regulations 2016.
iii. Customs Tariff Act 1986, Part 3, Schedule

TOUR OPERATORS INCENTIVE

This incentive applies to approved non-accommodation related activities provided by a registered business. Eligible activities include (but are not limited to) beach clubs, diving, snorkelling, trekking, surfing, zip lining, river safaris, kayaking, tubing, water parks, and nature tours.

Tax Benefit

Businesses are entitled to a 25% tax deduction on new capital expenditure exceeding FJD 100,000, incurred in a tax year for providing tour activities in Fiji.

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