FIJI REVENUE AND CUSTOMS SERVICE

2026-2027 National Budget

Summary of Revenue Policies

2026-2027

NATIONAL BUDGET

SUMMARY OF REVENUE POLICIES

i. Income Tax Act (ITA)

<table>
<tr><th>Policy</th><th>Description</th></tr>
<tr><td>1. Tax deduction for establishment of new sporting facilities</td><td>➢ A business will be allowed a 150% tax deduction for the full amount of expenditure incurred within a tax year on the establishment of new sporting facilities.</td></tr>
<tr><td>2. Tax Incentive for establishment of Cement Factory</td><td>➢ A new incentive with tax holiday and import duty concessions will be available for companies to establish a new cement factory.
➢ A company that invests $20 million or more will qualify for a 13-year tax holiday.</td></tr>
<tr><td>3. Tax Incentive for establishment of Mahogany Mill</td><td>➢ A new incentive with tax holiday and import duty concession will be available for companies to establish a new mahogany mill.
➢ A company that invests $5 million or more will qualify for a 5-year tax holiday, with the option for renewal subject to review.</td></tr>
<tr><td>4. Tax Incentive for Joint ventures with i-Taukei shareholding</td><td>➢ A new incentive with tax holidays and import duty concessions will be available for companies with a minimum 30% i-Taukei shareholding, establishing eco-tourism, culture and arts business centres.
➢ The tax holidays tiers are as follows:
<table>
<tr><th>Investment Level</th><th>Tax Holiday</th></tr>
<tr><td>$5,000,000 to $10,000,000</td><td>7 years</td></tr>
<tr><td>$10,000,001 and above</td><td>13 years</td></tr>
</table></td></tr>
<tr><td>5. Tax Incentive for establishment of Animal Centres</td><td>➢ A new incentive with tax holidays and import duty concessions will be available for businesses setting up new animal centres.
➢ The tax holidays tiers are as follows:
<table>
<tr><th>Investment Level</th><th>Tax Holiday</th></tr>
<tr><td>$100,000 to $250,000</td><td>5 years</td></tr>
<tr><td>$250,001 to $1,000,000</td><td>7 years</td></tr>
<tr><td>$1,000,001 and above</td><td>13 years</td></tr>
</table></td></tr>
<tr><td>6. Donation towards Animal Centres</td><td>➢ A 200% tax deduction will be available for donations made to animal centres including veterinary, sanctuaries and other animal support facilities.</td></tr>
<tr><td>7. Tax deduction for sponsorship to Bula FC</td><td>➢ A 200% tax deduction will be available for cash sponsorship, not less than $100,000 made to Bula FC.</td></tr>
<tr><td>8. Tax deduction threshold for sponsorship to Fijian Drua</td><td>➢ The cash sponsorship threshold will be lowered from $250,000 to $100,000 while the 200% tax deduction will be maintained.</td></tr>
<tr><td>9. Tax deduction for the Electronic Fiscal Device (EFD) implementation</td><td>➢ A 150% tax deduction will be introduced to support the installation, implementation, and operation of EFDs.</td></tr>
<tr><td>10. Accelerated depreciation allowance for Fuel & Gas storage tanks</td><td>➢ A new accelerated depreciation allowance will be introduced for the construction of Fuel & Gas storage facilities.
➢ Depreciation can be claimed at the rate of 20% for a period of 5 years.</td></tr>
</table>

11. Tax Incentive for Access to Business Funding Platform Providers	➢ A 5-year tax holiday period will be introduced for licensed Peer-to-Peer Lending (P2PL) and Equity Crowdfunding (ECF) platform providers.
12. Tax Incentive for individuals - Access to Business Funding	➢ Investors in licensed P2PL platforms will be exempted from tax on interest income for investments up to $200,000 per year. ➢ Any excess investment above the threshold will be taxed under general rules.
13. Tax Incentive for institutional investors - Access to Business Funding	➢ Institutional investors in licensed P2PL platforms will be exempted from tax on interest income. ➢ The investment cap will be aligned to the Access to Business Funding Act.
14. Capital Gains Tax (CGT) exemption for Access to Business Funding	➢ The CGT exemption provision will be extended to include disposal of shares for listed companies that have undertaken transactions enabled by the Access to Business Funding Act.
15. Investment Allowance for establishment of training institutes	➢ A 150% investment allowance will be available for businesses that establish training centres, institutes or technical centres to upskill their workforce.
16. Employment Taxation Scheme (ETS)	➢ The 300% tax deduction available for wages or salaries paid for work placements, apprenticeship and part-time workers will be extended until 31 December 2027. ➢ The 400% tax deduction currently available for wages or salaries paid to persons with disabilities will also be extended until 31 December 2027.
17. Sub-Division of Land Incentive	➢ The Subdivision of Land Incentive will be extended until 31 July 2030.
18. Reorganization of Group Companies	➢ The reorganization provision is extended to allow for CEO's discretion in cases where companies wish to restructure but do not meet standard requirements.
19. Loss Carry Forward for Aviation sector	➢ The loss carry forward provision will be extended from 8 years to 15 years for companies in the aviation sector that offer international flights.
20. CGT returns for disposals not executed	➢ The CGT administration provisions will be strengthened to require taxpayers to notify the tax office if planned capital disposals are not executed for which a CGT certificate was issued.
21. Provisional Tax Monthly Summary	➢ Monthly provisional tax filing requirements will be extended to also include details for businesses holding a Certificate of Exemption (COE).
22. Inventory & Asset Write Off	➢ Inventory or asset write off exceeding $250,000 will now require prior approval from the CEO.
23. Fiji National Provident Fund (FNPF) - Additional Contribution Incentive	➢ The FNPF employer contribution exceeding the mandatory 8% and up to 10% will be eligible for a 150% tax deduction on the excess amount.

24. Accelerated Depreciation Allowance for Electric Vehicle (EV) Charging Stations	➢ A 100% accelerated depreciation incentive will be available for businesses that set up EV charging stations.
25. Country-by-Country Reporting (CbCR)	➢ New provisions will require multinational enterprise (MNE) groups operating in Fiji with global revenue of EUR €750 million or more to file a country-by-country report. ➢ This report will set out the group's operations, profit allocation, economic activities, and taxes paid across jurisdictions.

ii. Tax Administration Act (TAA)

Policy	Description
1. Beneficial Ownership (BO) Framework	➢ A new Beneficial Ownership framework will be implemented to ensure that the ultimate natural persons who own or control legal entities (such as companies, trusts, and partnerships) are properly identified and held accountable.
2. Automatic Exchange of Information (AEOI)	➢ New provisions will be introduced to allow the annual automatic exchange of financial data account between tax jurisdictions for the purposes of AEOI.
3. VAT Refunds for diplomatic mission and international organisation	➢ The VAT refund claim period for diplomatic missions and international organisation will be aligned with the general 3-year rule.
4. Tax charge on a property	➢ A new provision will be introduced to allow, where there is a charge by FRCS, the sale of a taxpayer's property with the taxpayer's consent, without the need to obtain a court order.
5. Debt write off threshold	➢ The debt-write-off amount that can be approved by the CEO of FRCS will be increased from $100,000 to $500,000.
6. Maintaining accounts & records for tax purpose	➢ The accounts & records provision will be amended to ensure that taxpayers maintain records in a manner that enables the CEO to readily ascertain tax liability. ➢ This ensures that disorganized, incomplete, or unsequenced records will no longer suffice, even if documents technically exist.
7. Power to Enter & Search	➢ The power to enter and search provisions will be amended to ensure that any evidence (document, record or data storage device) collected during tax crime investigations is admissible in court.
8. Protection of Tax Officers	➢ A new provision will be introduced to protect tax officers when taxpayers behave violently or act in a non-cooperative manner during the course of tax administration.
9. Tax Agent Fees	➢ A new provision will be introduced to expressly authorize the collection, administration, and utilization of Tax Agents License Fees through FRCS accounts and financial systems.

iii. Value Added Tax (VAT) Act

Policy	Description
1. Time of Supply rules	➢ A new provision will be introduced under the special time of supply rules for the tourism industry. ➢ VAT on supplies will be accounted for at the time of checkout or at the end of the stay.
2. Import VAT on Electric Motor Vehicles	➢ Import VAT will apply to electric motor vehicles at the time of importation.
3. Drug Rehabilitation Incentive	➢ Import VAT will be exempted on the importation of capital goods for the establishment of drug rehabilitation centres.

iv. Customs Act

Policy	Description
1. Examination of goods subject to customs control	➢ The examination of goods provision will be extended to include: 1. Chemical analysis or any other testing; 2. Valuation of goods
2. Customs Offence	➢ The customs offence provision will be extended to include, failure to produce documents required under any customs law.
3. Recovery of Duties	➢ The duty recovery period will be extended from 1 year to 5 years in line with the customs audit period.
4. Power to question persons	➢ A new provision will be introduced to empower customs officers to question traders associated with any uncustomed imported, exported and excise goods.
5. Licensing of Cargo Agents	➢ The licensing provision will be extended to include cargo agents.
6. Licensing of Yacht Agents	➢ The licensing provision will be extended to include yacht agents.

v. Customs Regulations

Policy	Description
1. Licensing fee of Yacht Agents	➢ The licensing fee for yacht agents will be $5,000 for a 3-year period.

vi. Excise Act

Policy	Description
1. Duty Rate - Liqueur	➢ A new domestic excise duty rate for “liqueur” will be introduced and will be aligned with the “spirit” duty rate based on the alcohol strength.

vii. Customs Tariff Act

Policy	Description
1. Fuel Duty Relief for Mining, Manufacturing & Hotel Operators	➢ Exemption of fuel duty will be extended to the following sectors based on the following conditions: 1. Hotels – Eligible only if not connected to the EFL grid. 2. Mining operations – Limited strictly for power generation. 3. Manufacturing companies – Applicable only to approved manufacturers that use diesel for power generation, specifically for boilers. ➢ The fuel concession will not extend for vehicle use. ➢ The concession will be subject to application and approval. ➢ The exemption is valid until 31 October 2026
2. Import Excise Duty on Motor Vehicles	➢ Import excise duty on new passenger vehicles will be increased from 5% to 10% and on used vehicles from 5% to 15%.
3. Duty on Passenger Vans	➢ The fiscal duty on the importation of new 10-to-15-seater passenger vans will be reduced from 5% to 0%.
4. Concession Code 228 - Bonafied Tourist (Ships & Aircraft)	➢ Concession Code 228 goods eligible for concessions will be updated to include private jets, sailing yachts and motor vessels. ➢ Additionally, the condition will be amended to specifically apply to sailing yachts and motor vessels, which are designed and equipped for pleasure cruising.
5. Concession Code 273 - Companies or Entities	➢ Concession Code 273 conditions will be amended to include specialized equipment for water treatment, desalination and sewage treatment.
6. Concession Code 284 - Companies or Entities engaged in approved government projects	➢ Concession Code 284 will be extended to include "any other goods" as per the host country agreement.
7. Concession Code 110 - Goods imported for disabled persons	➢ Concession Code 110 will be expanded to include vehicle modification accessories such as ramps, lifts, lowered floors, and wheelchair anchoring systems.
8. Concession code 308 – Drug Rehabilitation Incentive	➢ A new customs concession code will be introduced for the Drug Rehabilitation Incentive. ➢ The concession waives duty and import VAT on the importation of raw materials, capital equipment, plant and machinery.
9. Duty on Surveillance Cameras	➢ The fiscal duty on the importation of surveillance cameras will be reduced from 5% to 0%.
10. Duty on Plastic Items	➢ The fiscal duty on the importation of plastic tableware & kitchenware items will be reduced from 32% to 15%.
11. Duty on Flavored Milk	➢ The fiscal duty on the importation of flavored milk will be reduced from 32% to 15%.
12. Duty on Aluminium Structures	➢ The fiscal duty on the importation of aluminium structures such as doors and windows will be reduced from 32% to 15%.

13. Duty on PVC Boards	➢ The fiscal duty on the importation of PVC boards will be reduced from 32% to 15%.
14. Duty on Plant-based protein food preparations	➢ The fiscal duty on the importation of plant-based protein food preparations will be reduced to 0%
15. Price actually paid or payable - Interpretation	➢ The interpretation of "price actually paid or payable" will be amended to capture payments made in forms, other than money in line with the WTO standards.

viii. Fiji Revenue Customs Service (FRCS) Act

Policy	Description
1. Secrecy	➢ The secrecy provision will be amended to allow revenue officers to release information to representatives of taxpayers.
2. Publication of Tax Agents name	➢ A new provision will be introduced to allow the publication of tax agents names whose licenses have been suspended and/or cancelled.

ix. Tourism Services Tax Act

Policy	Description
1. Tourism Services Tax (TST)	➢ A new TST will be introduced at the rate of 5%. ➢ It will apply to tourism operators above the $2 million threshold and will be effective from 01 September 2026.

x. Customs (Prohibited Imports and Exports) Regulations (CPIER)

Policy	Description
1. Import Threshold for antique, high-end and luxury vehicles	➢ The current $500,000 threshold for the importation of antique, vintage, high-end, luxury vehicles will be reduced to $250,000.
2. Goods which maybe imported only on conditions	➢ In line with Section 55(4) of the Telecommunications Act provisions, goods requiring permits from TAF will be considered under Schedule 5 of CPIER.

xi. Superyacht Charter Act

Policy	Description
3. Interpretation - Superyacht agent	➢ The definition of a superyacht agent will be extended to include a yacht agent licensed under Section 148 of the Customs Act.

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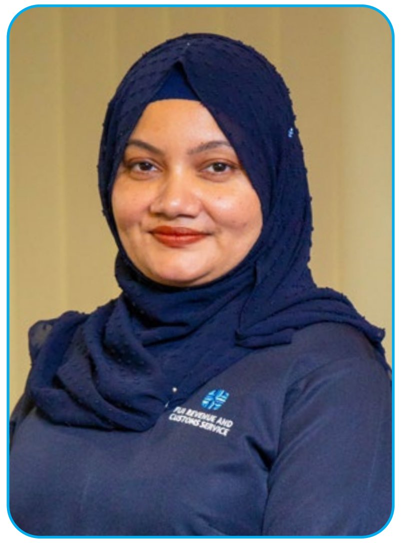

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Notes

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