BILL NO. 16 OF 2026

A BILL

FOR AN ACT TO AMEND THE VALUE ADDED TAX ACT 1991

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

1.—(1) This Act may be cited as the Value Added Tax (Budget Amendment) Act 2026.

(2) This Act comes into force on 1 August 2026, except section 2*(c)* which comes into force on 26 June 2026.

(3) In this Act, the Value Added Tax Act 1991 is referred to as the "Principal Act".

Section 14 amended

2. Section 14(4A) of the Principal Act is amended by—

(a) in paragraph *(a)* after "301 (approved companies or entities)", inserting ", 313 (Drug Rehabilitation Centre Incentives)";

(b) in paragraph *(c)*, deleting ";" and substituting "."; and

(c) deleting paragraph *(d)*.

Section 18 amended

3. Section 18(2) of the Principal Act is amended by—

(a) in paragraph *(g)*, deleting "." and substituting "; and"; and

(b) after paragraph *(g)*, inserting the following new paragraph—

"*(h)* where the supply is for hotel and accommodation services, at the time of checkout or at the end of the stay.".

Office of the Attorney-General
Suvavou House
Suva

June 2026

VALUE ADDED TAX (BUDGET AMENDMENT) BILL 2026

EXPLANATORY NOTE

(This note is not part of the Bill and is intended only to indicate its general effect)

1.0 BACKGROUND

1.1 The Value Added Tax Act 1991 (**'Act'**) commenced on 1 July 1992 and is the primary legislation dealing with value added tax.

1.2 The Value Added Tax (Budget Amendment) Bill 2026 (**'Bill'**) seeks to amend the Act to include the Value Added Tax (**'VAT'**) free concession code for the Drug Rehabilitation Centre Incentives, to apply import VAT on electric vehicles, and to amend the time of supply rules to cater for the business needs of the tourism industry.

2.0 CLAUSES

2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2026, except clause 2*(c)* which comes into force on 26 June 2026.

2.2 Clause 2 of the Bill amends section 14(4A)*(a)* of the Act to insert concession code 313 for the Drug Rehabilitation Centre Incentives. This is to allow the exemption of VAT on the importation of capital goods for the establishment of Drug Rehabilitation Centres. Furthermore, section 14 of the Act is amended in subsection (4A) by deleting paragraph *(d)* to reflect the imposition of import tax on electric vehicles.

2.3 Clause 3 of the Bill amends section 18 of the Act to introduce industry specific time of supply rules for hotel and accommodation services, allowing VAT to be accounted for at the time services are performed (checkout or end of stay), which is intended to simplify administration.

3.0 MINISTERIAL RESPONSIBILITY

3.1 The Act comes under the responsibility of the Minister responsible for finance.

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