



Your Guidance to Compliance

KEEP GOOD RECORDS | STAY COMPLIANT | BUILD A BRIGHTER FIJI

1 Overview

Topic: Record Keeping for Tax Purposes

Taxpayers in Fiji often overlook the fundamental importance of record-keeping for both their personal finances and businesses.



2 What are the issues?



When FRCS undertakes tax compliance verifications and audits, we encounter:

- **Business Expenses:** Businesses frequently fail to provide receipts, invoices, or clear records to justify the expenses listed in their Profit and Loss Statements and those claimed in VAT returns.
- **Business Revenue:** Businesses fail to keep proper records of their sales, such as issuing receipts, maintaining sales ledgers, or reconciling cash and bank deposits.

These gaps make it difficult for FRCS to confirm whether claims and declarations are valid. Good record-keeping directly affects your ability to prove your tax declarations during reviews.

3 What is FRCS doing about it?



Strengthen Compliance and Enforcement:

- **Disallow Unsubstantiated Claims:** FRCS will disallow any VAT credits or expense deductions that cannot be substantiated with proper documentation, such as valid invoices, receipts, or records.
- **Apply Penalties:** Enforce penalties as per Section 46 of the Tax Administration Act 2009 for inadequate record-keeping or false declarations. Depending on whether the failure was reckless or knowing, penalties can range from **15% to 200%** of the tax payable/tax shortfall.

4 What should you do?



- **Act with honesty and integrity:** Ensure all tax declarations are truthful, accurate, and made in good faith. Misrepresentation or reckless claims can lead to serious penalties.
- **Maintain proper records:** Keep invoices, receipts, records and supporting documents as per Section 34 of the Tax Administration Act 2009. Ensure these records are kept in a manner that enables FRCS to readily ascertain tax liability.

5 Our Contact:



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If you have any doubts or questions regarding record keeping, don't hesitate to contact the tax office directly for clarification. It's always better to be proactive and ensure compliance than to risk penalties or legal action.