

3-year levy explained

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A phone user making an outgoing call. FRCA said all telecommunication service providers would charge the user of the telecommunication service and would remit the tax to FRCA on or before the 15th of the following month. Picture: ROPATE VALEMEI

TIMES: What is telecommunication levy?

TIKOLEVU: The telecommunication levy is imposed at a rate of 1 per cent on all voice calls and was introduced on January 1, 2012. The telecommunication levy is charged to the user of the telecommunication service. The telecommunication levy does not apply to internet services and other fixed charges. The telecommunication levy is imposed on the VAT exclusive amount of the charge.

TIMES: How does it work?

TIKOLEVU: The person liable for the levy shall be the user of telecommunication service to whom the charges are incurred. Therefore all telecommunication service providers that conduct such services including the provisions for voice calls are required to register with FRCA. The telecommunication service provider would charge the user of the telecommunication service and would remit the tax to FRCA on or before the 15th of the following month.

TIMES: What does 'voice calls' mean?

TIKOLEVU: This would include all modes of voice calls transmitted whether inbound or outbound and where a charge is made.

TIMES: Are recharge cards cost inclusive of telecommunication levy?

TIKOLEVU: Yes, recharge card prices are inclusive of telecommunication levy.

TIMES: What about recharge cards for internet texting only?

TIKOLEVU: For ease of administration both from the telecommunication provider and FRCA, all recharged cards are subject to telecommunication levy.

TIMES: Are internet services subject to telecommunication levy?

TIKOLEVU: No, internet and any other services that are not termed voice call would not be subject to telecommunication levy

TIMES: How about rental and fixed charges example line lease?

TIKOLEVU: No, telecommunication levy will not apply. The telecommunication levy does not apply to any fixed charges.