FIJI REVENUE AND CUSTOMS SERVICE

STANDARD INTERPRETATION GUIDELINE 2026-08

TOURISM SERVICES TAX

This Standard Interpretation Guideline (SIG) sets out Fiji Revenue and Customs Service's (FRCS) policy and operational practice in relation to the implementation of the Tourism Services Tax.

The SIG is issued with the authority of the Chief Executive Officer (CEO) of FRCS.

All legislative references in this SIG are to the Tourism Services Tax Act 2026 (unless otherwise stated).

This SIG is in effect from 1 September 2026 (unless otherwise stated) and may need to be reviewed in the event of any relevant legislative amendments.

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PURPOSE

1. This Standard Interpretation Guideline (SIG) provides guidance on the application of the Tourism Services Tax ("TST") under the Tourism Services Tax Act 2026 (Act). The SIG applies to persons carrying on tourism service businesses, who are liable to account for TST and recipients of those services.

2. Pursuant to the Tourism Services Tax Act 2026 (Act No. 20 of 2026), TST is imposed at the rate of 5% on tourism services specified in the Schedule to the Act. The tax applies to tourism services rendered on or after 1 September 2026 by persons whose annual gross turnover from prescribed tourism services exceeds $2 million.

3. From 1 September 2026 to 31 August 2027, the tax collected under section 3(1) of the Act will be paid to the company that owns or operates Fiji Airways.

INTRODUCTION

4. The TST is a tax that applies to prescribed tourism services provided by TST registered businesses.

5. The introduction of TST was announced in the 2026–2027 National Budget Address delivered on 26 June 2026 and is explained in the Tourism Services Tax Bill No. 21 of 2026.

6. The tax applies from 1 September 2026 and is payable by the recipient of the tourism service but must be collected and remitted to FRCS by the TST registered accountable person in accordance with the Act.

7. A person is deemed to be registered for TST purpose where annual gross turnover from the prescribed services exceeds $2 million. This can be determined in the following ways:
   - existing tourism businesses whose gross turnover from relevant tourism services exceeded $2 million in the preceding tax year;
   - existing and new unregistered tourism service businesses must register for TST once their turnover exceeds FJD 2 million.

8. The accountable person must confirm their details in TPOS. New or newly qualifying operators must notify FRCS promptly.

9. The tax point is the date the service is rendered, therefore TST will apply to all services rendered during the period 1 September 2026 to 31 August 2027, regardless of when booking or payment is made.

10. FRCS will identify likely operators and provide the necessary education and awareness programs. A summary of possible scenarios is covered in the SIG and Appendix 2.

11. The examples contained in this SIG are provided for illustrative purposes only. They do not cover all possible factual circumstances and should not be relied upon as a substitute for the legislation. The relevant provisions of the Act must be considered and applied to the facts of each particular case. Accordingly, the correct tax treatment should be determined by reference

to the applicable legislative provisions and not solely by comparison with the examples contained in this SIG.

12. The relevant legislative provisions are reproduced in the Appendix for ease of reference.

LEGISLATIVE ANALYSIS

Imposition of TST

13. Section 3 (1) of the Act imposes TST at the rate of 5% on prescribed tourism services, where the service provider’s annual gross turnover from such services exceeds $2 million. A person whose annual gross turnover from tourism services does not exceed $2 million must register and account for TST once the gross turnover exceeds $2 million.

Turnover

14. The term "turnover" is also defined and means any sums or amounts received or receivable by or on behalf of the owner of a tourism service in respect of any sums or amounts included in a charge for a tourism service.

    This clarifies that for the purposes of the Act, the term turnover refers to amounts received in respect of charges for a tourism service.

Registration for TST Purposes

15. Section 6 of the Act requires the owner or person responsible for the daily management of a tourism service to register with CEO as the accountable person for that tourism service.

    - for existing tourism businesses - the person responsible for the daily management of the tourism service is deemed to be registered as the accountable person upon the commencement of the Act. Accordingly, they are not required to submit a separate registration in order to become an accountable person.

    - for new tourism service businesses, the owner or person responsible for the daily management of the tourism service must register with the CEO in accordance with section 6(1).

Determining gross turnover

16. Where a person carries on more than one tourism service business or provides more than one category of tourism services, the gross turnover from all relevant tourism services must be aggregated in determining whether the registration threshold of $2 million has been exceeded (see Example 1).
17. Only gross turnover derived from tourism services listed in the Schedule is taken into account when determining whether the $2 million registration threshold has been exceeded. Income from non-tourism activities is excluded from the calculation.

Prescribed Tourism Services subject to TST

18. The persons and tourism services subject to TST are specified in the Schedule to the Act and are summarised in the table below.

Tourism Business	Tourism Service
1) Licensed hotel This applies to any licenced establishment that provides ▪ accommodation; ▪ meals; ▪ any other services	Accommodation, refreshments, and other services provided to guests including room service, laundry service, telephone charges and any other service included in the guest's bill.
2) A vessel that is wholly or principally engaged in the carriage of tourists within Fiji.	Any services provided on a cruise vessel including accommodation, refreshments and other services charged to the passenger. For clarity, a tourist is any user of the tourism service.
3) A licensed bar or club located in any part of a hotel	Meals and beverages served in a licensed bar or club located within a hotel premises.
4) Inbound tour operators	Inbound tour services, including airport transfers, other transport arrangements, guided sightseeing tours or excursions, and other related tourism services provided to visitors.
5) Water sports providers	Water sports services including underwater activities, diving, snorkelling, surfing, river safaris and similar recreational water-based activities.
6) Provider of services similar to those listed above	Services that are substantially similar in nature to the tourism services described in Items 1 to 5 above.

19. Whether a service falls within the category of a tourism service is determined by its nature and substance rather than the description used by a business. Where a service is substantially similar to a tourism service listed in the Schedule, the service may be subject to TST. Each case must be considered on its own facts and circumstances.

Test for TST

20. For TST registration purposes, the following conditions must be satisfied:
    a) Tourism service requirement – the person must be conducting a business that involves the provision of one or more tourism services specified in the Schedule to the Act;
    b) Gross turnover threshold – the person's aggregate gross turnover from all prescribed tourism services must exceed $2million; and
    c) that service is rendered in Fiji between 1 September 2026 and 31 August 2027.

Illustrative Examples

Paragraph 1 - 5 of the Schedule (Prescribed Services subject to TST)

Example 1 – Tourism Business with Gross Turnover Exceeding $2 Million

XCo operates a licensed holiday resort and uses a calendar year-end for income tax purposes. Its gross turnover from all activities for the tax year ended 31 December 2025 was $2.9 million as follows:

- Commercial rental income – $300,000
- Supermarket - $200,000
- Resort accommodation – $1,800,000
- Income from the resort's restaurant, cafe, bar and club – $500,000
- Income from water sports activities – $100,000

Is XCo required to register and account for TST from 1 September 2026?

CEO's position:

To determine whether XCo is required to register for TST, the following tests must be considered:

Test 1 – Tourism service requirement

Is XCo conducting a business that involves the provision of one or more prescribed tourism services?

Yes - XCo provides several prescribed services that fall within Paragraphs 1, 3 and 5 of the Schedule.

Test 2 – Gross turnover threshold

Does XCo's aggregate gross turnover from relevant tourism services exceed $2 million in the preceding tax year?

Yes.

Tourism Service	Gross Turnover
Resort accommodation	$1,800,000
Bar and club income	$500,000
Water sports activities	$100,000
Total tourism services turnover	$2,400,000

The commercial rental and supermarket income ($500,000) is not derived from a prescribed tourism service, therefore is excluded from the calculation of gross tourism services turnover for TST registration purposes.

Accordingly, XCo's gross turnover from tourism services for the preceding tax year is $2,400,000, which exceeds the $2 million registration threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

As the conditions are met, XCo will be required to register for TST from 1 September 2026 and is required to charge, collect, and account for TST in accordance with the Act.

Example 2 – Tourism Business with Tourism Services Turnover of $2 Million or Less

YCo operates a licensed holiday resort and uses a substituted tax year ending 30 November. Its gross turnover for the tax year ended 30 November 2025 was as follows:

- Shops within the hotel premises selling Bula wear and handicrafts - $500,000
- Resort accommodation – $1,200,000
- Income from the resort's bar and club – $500,000
- Income from water sports activities – $100,000

Is YCo required to register and account for TST from 1 September 2026?

CEO's position:
To determine whether YCo is required to register for TST, the following tests must be considered:

Test 1 – Tourism service requirement

Is YCo conducting a business that involves the provision of one or more prescribed tourism services listed in the Schedule?

Yes. YCo provides several prescribed services that fall within Paragraphs 1, 3 and 5 of the Schedule.

Test 2 – Gross turnover threshold

Does YCo's aggregate gross turnover from prescribed tourism services exceed $2 million in the preceding tax year?

No.

Tourism Service	Gross Turnover
Resort accommodation	$1,200,000
Bar and club income	$500,000
Water sports activities	$100,000
Total tourism services turnover	$1,800,000

The income from commercial trading activities ($500,000) is not derived from a prescribed tourism service and is therefore excluded from the calculation of tourism services turnover for TST registration purposes.

Accordingly, YCo's aggregate gross turnover from prescribed tourism services for the preceding tax year is $1,800,000, which does not exceed the $2 million registration threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

Although YCo's total business turnover is $2,300,000, its gross turnover from relevant tourism services is only $1,800,000. As the gross turnover threshold is not exceeded, YCo is not required to register for TST from 1 September 2026.

Example 3 – Sea Cruise Service Provider

ZCo operates a sea cruise business and uses a substituted tax year ending 31 October. Its gross turnover for the tax year ended 31 October 2025 was $4,000,000.

Is ZCo required to register and account for TST from 1 September 2026?

CEO's position:

To determine whether ZCo is required to register for TST, the following tests must be considered.

Test 1 – Tourism service requirement

Is ZCo conducting a business that involves the provision of one or more prescribed tourism services listed in the Schedule?

Yes. ZCo provides services through a vessel wholly or principally engaged in the carriage of tourists within Fiji, which is a tourism service specified in Paragraph 2 of the Schedule.

Test 2 – Gross turnover threshold

Does ZCo's aggregate gross turnover from tourism services exceed $2 million in the preceding tax year?

Yes.

Tourism Service	Gross Turnover
Sea cruise services	$4,000,000
Total tourism services turnover	$4,000,000

ZCo's aggregate gross turnover from tourism services for the preceding tax year is $4,000,000, which exceeds the $2 million registration threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

As both conditions are satisfied, ZCo is deemed to be registered for TST purposes from 1 September 2026 and must charge, collect and account for TST in accordance with the Act.

Example 4 – Inter-Island Ferry Service Provider

XCo operates an inter-island ferry service and uses a substituted tax year ending 30 September. Its gross turnover for the tax year ended 30 September 2025 was $4,000,000.

Is XCo required to register and account for TST from 1 September 2026?

CEO's position:

To determine whether XCo is required to register for TST, the following tests must be considered.

Test 1 – Tourism service requirement

Is XCo conducting a business that involves the provision of one or more prescribed tourism services listed in the Schedule?

No. Although XCo operates a vessel, its business consists of providing inter-island ferry transport services. XCo's ferry service is not wholly or principally engaged in the carriage of tourists and therefore does not constitute a tourism service for TST purposes.

Test 2 – Gross turnover threshold

Does XCo's aggregate gross turnover from tourism services exceed $2 million in the preceding tax year?

Not applicable as XCo does not provide a prescribed tourism service.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

Although XCo's total business turnover exceeds $2 million, the prescribed tourism service requirement is not satisfied, therefore it is not required to register for TST.

Example 5 Night Club Located Within a Hotel Premise

Scenario 1

Y is an individual who owns and operates a licenced night club and bar within XCo's hotel premises. Y's gross turnover for the tax year ended 31 December 2025 was $2,300,000.

Is Y required to register and account for TST from 1 September 2026?

CEO's position:

To determine whether Y is required to register for TST, the following tests must be considered.

Test 1 – Tourism service requirement

Is Y conducting a business that involves the provision of one or more prescribed tourism services listed in the Schedule?

Yes. Y operates a licensed bar and club located within hotel premises which is a service that falls within Paragraph 3 of the Schedule.

Test 2 – Gross turnover threshold

Does Y's aggregate gross turnover from tourism services exceed $2 million in the preceding tax year?

Yes. Y's gross turnover from the licensed bar and club business is $2,300,000, which exceeds the $2 million threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

As the conditions are satisfied, Y is deemed to be registered for TST purposes with effect from 1 September 2026 and must charge, collect and account for TST in accordance with the Act.

Scenario 2

Assume instead that Y's gross turnover for the tax year ended 31 December 2025 was $1,800,000.

Is Y required to register and account for TST from 1 September 2026?

CEO's position:

Test 1 – Tourism service requirement

Is Y conducting a business that involves the provision of one or more prescribed tourism services listed in the Schedule?

Yes. Y operates a licensed bar and club located within hotel premises, which is a service that falls within Paragraph 3 of the Schedule.

Test 2 – Gross turnover threshold

Does Y's aggregate gross turnover from tourism services exceed $2 million in the preceding tax year?

No**.** Y's gross turnover from tourism services is $1,800,000, which does not exceed the $2 million threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

Although Y provides a tourism service listed in the Schedule, the gross turnover threshold for TST registration purposes is not exceeded. Accordingly, Y is not required to register for TST from 1 September 2026.

Note: This example demonstrates that the $2 million threshold is applied separately to each person conducting a tourism service business. Accordingly, the turnover of the hotel owner is not aggregated with the turnover of an independently owned and operated bar or club located within the hotel premises.

Example 6 – Inbound services

YCo carries on an inbound tour services business and uses a substituted tax year ending 30 June. Its gross turnover for the tax year ended 30 June 2025 was $3,000,000.

Is YCo required to register and account for TST from 1 September 2026?

CEO's position:

To determine whether YCo is required to register for TST, the following tests must be considered.

Test 1 – Tourism service requirement

Is YCo conducting a business that involves the provision of one or more prescribed tourism services listed in the Schedule?

Yes. YCo provides inbound tour services, which is a service that falls within Paragraph 4 of the Schedule.

Test 2 – Gross turnover threshold

Does YCo's aggregate gross turnover from tourism services exceed $2 million in the preceding tax year?

Yes. YCo's gross turnover from inbound tour services for the preceding tax year was $3,000,000, which exceeds the $2 million threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

As all the conditions are satisfied, YCo is deemed to be registered for TST purposes with effect from 1 September 2026 and must charge, collect and account for TST in accordance with the Act.

Example 7 – Water Sports Services Provider

XY Partnership carries on a business providing water sports services and is required to use the calendar year for tax reporting purposes. Its gross turnover for the tax year ended 31 December 2025 was $3,000,000.

Is XY Partnership required to register and account for TST from 1 September 2026?

CEO's position:
To determine whether XY Partnership is required to register for TST, the following tests must be considered.

Test 1 – Tourism service requirement

Is XY Partnership conducting a business that involves the provision of one or more prescribed tourism services listed in the Schedule?

Yes. The services provided by XY Partnership constitute water sports services and falls within Paragraph 5 of the Schedule.

Test 2 – Gross turnover threshold

Does XY Partnership's aggregate gross turnover from tourism services exceed $2 million in the preceding tax year?

Yes. XY Partnership's gross turnover from water sports services for the tax year ended 31 December 2025 was $3,000,000, which exceeds the $2 million threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

As all the conditions are satisfied, XY Partnership is deemed to be registered for TST purposes with effect from 1 September 2026 and must charge, collect and account for TST in accordance with the Act.

Note: The legal form of the business is not relevant in determining whether the registration threshold is met. The Act applies to a "person", which includes an individual, company, partnership or trust.

Paragraph 6 of the Schedule (Similar Services)

21. Paragraph 6 of the Schedule applies to services that are substantially similar in nature to the tourism services specifically listed in Paragraphs 1 to 5 of the Schedule. Its purpose is to ensure that the TST applies consistently to comparable tourism and hospitality activities, notwithstanding differences in business models or descriptions used by service providers.

22. In determining whether a service falls within Paragraph 6, FRCS will consider the nature and substance of the service, including whether it is substantially comparable to any of the following categories of tourism services listed in the Schedule:
    - accommodation and hospitality services;
    - cruise and tourist vessel services;
    - licensed hotel bar and club services;
    - inbound tour services; or
    - water sports and recreational tourism services.

23. A service may fall within Paragraph 6 where, having regard to its overall characteristics, it is substantially similar to a tourism service listed in the Schedule. Conversely, where a service is not comparable in nature to any of the listed tourism services, it will generally fall outside the scope of the Schedule.

24. The determination of whether a service is substantially similar to a listed tourism service is a question of fact and degree. The description adopted by the service provider is not conclusive. FRCS will consider the actual nature of the activities undertaken and the manner in which the service is provided.

25. Paragraph 6 may apply to providers of short-term visitor accommodation, including apartments, villas, holiday homes, cottages and similar accommodation establishments, where the services are substantially similar to accommodation services ordinarily provided by a hotel or other tourism accommodation provider.

Example 8 – Short-Term Accommodation in a Licensed Bread and Breakfast Establishment

X operates a short-term accommodation business and is licensed under the Tourism Act 2026. The accommodation is provided to paying guests in a manner similar to a hotel or resort.

X's gross turnover for the preceding tax year was $2,100,000.

Is X required to register and account for TST from 1 September 2026?

CEO's position:
To determine whether X is required to register for TST, the following tests must be considered.

Test 1 – Tourism service requirement

Is X providing a tourism service listed in, or similar to a service listed in, the Schedule?

Yes. Although X is not operating a licensed hotel, the business provides short-term accommodation to guests and is substantially similar in nature to the accommodation services described in Paragraph 1 of the Schedule. Accordingly, the service falls within Paragraph 6 of the Schedule as a service similar to a listed tourism service.

Test 2 – Gross turnover threshold

Does X's aggregate gross turnover from tourism services exceed $2 million in the preceding tax year?

Yes. X's gross turnover from the accommodation business is $2,100,000, which exceeds the $2 million threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

As all the conditions are satisfied, X is deemed to be registered for TST purposes with effect from 1 September 2026 and must charge, collect and account for TST in accordance with the Act.

Example 9 – Unlicensed Short-Term Accommodation Provider

X provides short-term accommodation to guests and has gross turnover of $2,100,000 in the preceding tax year. X does not provide meals or refreshments. However, guests are permitted to use cooking facilities within the accommodation.
X is not licensed under the Tourism Act 2026.

Is X providing a tourism service for TST purposes?

CEO's position:

To determine whether X is providing a tourism service for TST purposes, the following tests must be considered.

Test 1 – Tourism service requirement

Is the service substantially similar to a tourism service listed in the Schedule?

Yes. Although X is not a licensed hotel, the business involves the provision of short-term accommodation to guests. The service is substantially similar in nature to accommodation services provided by hotels, resorts, lodges, apartments or self-contained holiday cottages.

Accordingly, the service falls within Paragraph 6 of the Schedule, which applies to services that are similar to those specifically listed in the Schedule.

Test 2 – Gross turnover threshold

Does X's gross turnover from the accommodation business exceed $2 million in the preceding tax year?

Yes. X's gross turnover from the accommodation business is $2,100,000, which exceeds the $2 million threshold.

Test 3 – TST period

Will the services be provided in the TST period?

Yes

Conclusion

As all the conditions are satisfied, X is deemed to be registered for TST purposes with effect from 1 September 2026 and must charge, collect and account for TST in accordance with the Act.

Example 10 – Long-Term Accommodation in hotels

XCo is registered for TST purposes. XCo provides accommodation for its hotel manager (Y) in one of the hotel rooms as he needs to be available 24 hours.

Is XCo providing a tourism service to Y for TST purposes?

CEO's position:

No. To determine whether TST applies, the accountable person must consider if the service provided to Y falls within the services listed in the Schedule.

In this scenario, XCo is providing residential accommodation to Y, therefore the tourism service requirement is not satisfied and TST does not apply.

Administrative Rules

Accounting for TST

26. The TST collection and remittance mechanism is set out in sections 3(2) and 3(3) of the Act.

27. These provisions state that TST is applicable to the recipient of the tourism service. However, the accountable person is responsible for collecting the tax from the customer and remitting it to FRCS. Accordingly, any unpaid TST will be recovered by FRCS from the accountable person.

28. Depending on the circumstances, the accountable person may include the:
    - owner;
    - manager;
    - sole precedent partner; or
    - any other person responsible for the daily management and operation of the tourism service.

29. An accountable person must collect TST from customers, show the tax separately on the tax invoice, or receipt and pay the tax to FRCS in accordance with the Act.

30. Although the TST is payable by the recipient of the tourism service, the accountable person remains responsible for ensuring that the correct amount of TST is collected, reported and remitted to FRCS. Failure to collect TST from a customer does not relieve the accountable person from liability for the tax.

31. TST is charged at 5% of the price of the tourism service and must be shown separately from VAT. Under section 3(4) of the Act, TST is not subject to VAT and VAT is not subject to TST and must be separately displayed on the tax invoice, or receipt issued to the customer.

Example 11 – Tax Invoice – VAT and TST Calculation

Assumptions
- Prescribed Tourism Service charge (room service): $100.00
- VAT: 12.5%
- TST: 5%

Item	**Service Charge**	**VAT (12.5%)**	**TST (5%)**	**Total Tax**	**Total Amount Payable**
Room Service	$100.00	$12.50	$5.00	$17.50	$117.50

CEO's Position:

TST is calculated directly on the service charge of $100.00.
- VAT = $100 × 12.5% = $12.50
- TST = $100 × 5% = $5.00
- Total amount payable = $100 + $12.50 + $5.00 = $117.50

As TST is not subject to VAT, VAT must not be calculated on an amount that includes TST. Similarly, TST must not be calculated on an amount that includes VAT. Both taxes are calculated separately on the underlying service charge.

Note: The TST amount must be clearly and separately disclosed on the tax invoice, invoice or receipt provided to the customer.

Example 12 - TST on Various Services

XCo operates a licensed resort and is registered for TST purposes.
Y stays at the resort for 2 nights and incurs the following charges:

Item	Cost
Accommodation ($1,000 × 2 nights)	$2,000.00
Room service	$100.00
Club drinks	$30.00
Phone calls	$5.00
Total Charges	$2,135.00

What is the amount of TST on these services?

CEO's position:

All of the above charges form part of the tourism services provided by the resort and are subject to TST.

Item	Cost	VAT (12.5%)	TST (5%)	Total Tax	Total Price
Accommodation	$2,000.00	$250.00	$100.00	$350.00	$2,350.00
Room service	$100.00	$12.50	$5.00	$17.50	$117.50
Club drinks	$30.00	$3.75	$1.50	$5.25	$35.25
Phone calls	$5.00	$0.63	$0.25	$0.88	$5.88
Total	$2,135.00	$266.88	$106.75	$373.63	$2,508.63

Key Compliance Points

- Separate calculation – TST and VAT are each calculated on the underlying service charge.
- No tax-on-tax – TST is not subject to VAT and VAT is not calculated on the TST amount. Section 3(4) expressly provides that TST is not subject to VAT.
- Separate disclosure – TST must be clearly and separately shown on the tax invoice or receipt.

Summary

Y (the customer) pays: TST: $106.75 and VAT: $266.88
XCo collects the taxes on behalf of the Government and:

- retains the service revenue of $2,135.00; and
- remits $106.75 TST to FRCS (and separately accounts for VAT under the VAT Act).

Other Administrative Rules

32. For administrative purposes, accountable persons must ensure that their registration details recorded in TPOS are accurate and up to date.

33. The following information must be provided to FRCS in respect of the tourism service:
    - name and address of the accountable person;
    - names and addresses of any partners and associates in the business and, in the case of a partnership, identification of the precedent partner;
    - names and addresses of directors and authorised officers, in the case of a company;

- trade or business name where the business is conducted under a name or style other than the person's own name; and
- the place and address from which the tourism service is carried on.

34. In the case of a partnership, registration by the precedent partner is to satisfy the registration requirement for the partnership. In the case of a body of persons, registration by the manager is required to satisfy the registration requirement for that body of persons.

35. An accountable person must notify FRCS in writing if:
    - there is a change in the accountable person;
    - there is a change in the business name or trading name;
    - there is a change in the business address or operating location;
    - the business ceases to meet the TST registration requirements; or
    - any information previously provided to FRCS is no longer correct.

Returns and Payments

36. The accountable person must submit a TST return and pay any TST collected for a month on or before the last day of the month following the month in which the tax was collected.

Example 13 – Due Dates for Filing and Payment

TST Collected During	Due Date for filing TST Return	Due Date for TST Payment
September 2026	31 October 2026	31 October 2026
October 2026	30 November 2026	30 November 2026
December 2026	31 January 2027	31 January 2027

37. Where a registered tourism business continues to operate during a reporting period but no TST is collected, the accountable person must submit a nil return for that period.

38. Failure to submit a return as required, or the submission of an incorrect return, is an offence. Upon conviction, the accountable person is liable to—
    - a fine not exceeding $25,000;
    - imprisonment for a term not exceeding 10 years; or
    - both a fine and a term of imprisonment.

Fiji Airways Funding Arrangement

39. TST collected during the period 1 September 2026 to 31 August 2027 will be paid to the company that owns or operates Fiji Airways.

Rules for Pre-Bookings (Bookings and payments berfore1 September 2026)

40. The service-rendering date is the tax point. Booking, invoicing and payment dates are evidence and accounting records but do not independently create or remove liability.

Booking/payment	Service rendered	Treatment
Before 1 September 2026	Before 1 September 2026	No TST
Before 1 September 2026	During prescribed period	TST applies

Booking/payment	Service rendered	Treatment
During prescribed period	During prescribed period	TST applies
During prescribed period	After 31 August 2027	No TST
After 31 August 2027	After 31 August 2027	No TST

Rules for Agents, principals, packages and cascading

Disclosed agent

41. The principal accounts for TST on the underlying qualifying service. Amounts collected solely for the principal are not turnover of the agent. The agent separately considers its commission or fee. There is no TST on agent's commission where the agent is not providing tourism service directly.

Principal or package supplier

42. A person generally acts as principal where it contracts in its own name, controls price, assumes delivery responsibility or bears material commercial risk. It accounts for TST on qualifying package components.

TST Onward Supply Declaration (between two TST registered persons)

43. A qualifying service acquired solely for resale will be supported by the prescribed TST Onward Supply Declaration format issued by FRCS. The final package supplier accounts for TST on the qualifying customer price. Both parties retain the certificate, contract and invoices. The mechanism does not combine or exempt genuinely separate services.

    Who are the parties?

Party	Role	Example
Underlying supplier	Provides the underlying tourism service	Transport company, hotel, cruise operator or activity provider
Onward supplier	Purchases the service solely for inclusion in its own final consumer supply	Hotel, inbound tour operator, destination-management company or package operator
Final consumer	Purchases or consumes the final package	Tourist or customer—not a party to the declaration

Tax avoidance

44. The CEO may disregard, vary or reconstruct an arrangement where the CEO is satisfied that the arrangement was entered into or carried out for the purpose of avoiding, reducing or postponing liability for TST. The principles in section 102 of the Income Tax Act 2015 will be used to counter tax avoidance arrangements for the purposes of the TST Act.

45. Where the CEO determines that a person has entered into an arrangement that has the effect of:
    - avoiding or reducing TST liability;
    - shifting turnover between persons or businesses;
    - fragmenting business activities to remain below the $2 million threshold; or

- otherwise defeating the intention or operation of the Act,

the CEO may make such adjustments as are necessary to counteract any tax advantage obtained and may issue amended assessments accordingly.

Example 15 – Artificial Separation of Tourism Activities

XCo operates a resort, a water sports business and a hotel bar. Prior to the introduction of TST, the business restructures its operations so that: • the resort is operated by XCo; • the water sports activities are transferred to YCo; and • the hotel bar is transferred to ZCo. Each entity has annual gross turnover below $2 million. However, the businesses continue to operate from the same premises under common ownership and management. Can the CEO apply the tax avoidance provisions? **CEO's position:** Yes. The restructuring appears to have been undertaken to divide tourism services among separate entities so that each entity remains below the $2 million registration threshold. Where the CEO is satisfied that the arrangement has the purpose or effect of avoiding TST, the CEO may apply section 102 of the Income Tax Act 2015, disregard the arrangement and determine the entities liability as if the arrangement had not been entered into. **Conclusion** The CEO may aggregate the tourism service activities and issue assessments to counteract any TST advantage obtained through the arrangement.

Record keeping

46. An accountable person must retain all records relating to TST for a period of 7 years after the end of the relevant reporting period, in accordance with the record-keeping requirements under the Tax Administration Act 2009. For example, records relating to the reporting period ended 30 September 2026 must be retained until 30 September 2033.

47. Accountable persons must ensure that all records are complete, accurate and readily accessible for inspection by FRCS. Records must be maintained in a manner that enables FRCS to verify the correct amount of TST collected, reported and paid. Failure to maintain adequate records may result in penalties under the tax laws.

48. The records required to be maintained for TST purposes include, but are not limited to:
    - tax invoices and receipts;
    - booking records and reservation details;
    - sales and turnover records;

- accounting records and financial statements;
- bank statements and payment records;
- TST returns and supporting schedules; and
- any other records relevant to the determination of TST liability.

49. Where records are maintained electronically, the accountable person must ensure that the records are capable of being produced in a legible form upon request by FRCS.

50. A separate implementation guide on TST for the industry is attached as Appendix 2.

51. For further information or clarification regarding the application of the Tourism Services Tax Act 2026, taxpayers may contact the Fiji Revenue and Customs Service through the Taxpayer Service Channel or by email at **tipu@frcs.org.fj**

APPENDIX

Appendix 1 – Tourism Services Tax Act

FOR AN ACT TO IMPOSE TAX ON TOURISM SERVICES AND FOR RELATED MATTERS
ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

1.—(1) This Act may be cited as the Tourism Services Tax Act 2026.
(2) This Act comes into force on 1 September 2026.

Interpretation

2. In this Act, unless the context otherwise requires—
"accountable person" means the owner, manager, sole precedent partner and otherwise the person who is responsible for the daily management of the tourism service and is responsible for the collection of tax under section 3(1);
"CEO" means the Chief Executive Officer of the Fiji Revenue and Customs Service appointed under section 27 of the Fiji Revenue and Customs Service Act 1998;
"Minister" means the Minister responsible for finance;
"person" means an individual, company, partnership or trust;
"precedent partner", in relation to a partnership, means the partner who, of the partners resident in Fiji—
(a) is first named in the agreement of partnership;
(b) if there is no agreement, is named singly or with precedence over the partners in the usual name of the partnership; or
(c) is the precedent active partner if the partner named with precedence is not an active partner,
and includes, where no partner is resident in Fiji, the attorney, agent, manager or factor of the partnership resident in Fiji;
"Service" means the Fiji Revenue and Customs Service;
"tourism service" means a service listed in the Schedule;
"Tourism Services Tax" means the tax imposed under section 3(1); and
"turnover" means any sums or amounts received or receivable by or on behalf of the owner of a tourism service in respect of any sums or amounts included in a charge for a tourism service.

Levy and payment of Tourism Services Tax

3.—(1) Subject to this Act, a tax at the rate of 5% must be levied on the annual gross turnover of a person conducting a business that involves the provision of a tourism service, where the annual gross turnover is over $2 million.
(2) The Tourism Services Tax is payable by the person to whom the tourism service is provided.
(3) Notwithstanding subsection (2), the Tourism Services Tax is payable and recoverable from the accountable person under section 4.
(4) The Tourism Services Tax levied under subsection (1) must—
(a) not be subject to the value added tax charged or levied under the Value Added Tax Act 1991; and
(b) be clearly and separately shown on a tax invoice, invoice or receipt issued for the payment of any tourism service charge.

Tourism Services Tax to be paid and returns made to Service

4.—(1) The accountable person must—

(a) before or on the last day of each month following the month in which the tax was collected, pay the CEO any outstanding Tourism Services Tax; and
(b) provide a return setting out the total amount of the turnover for that month.

(2) An accountable person who—
(a) fails to provide a return required under subsection (1)*(b)*; or
(b) provides a return which is false or incorrect in any material particular,
commits an offence and is liable on conviction to a fine not exceeding $25,000 or to imprisonment for a term not exceeding 10 years, or both.

Tourism Services Tax directed to Fiji Airways

5. From 1 September 2026 to 31 August 2027, the tax collected under section 3(1) must be paid to the company that owns or operates Fiji Airways.

Accountable person to register with the Service

6.—(1) Subject to subsection (2), the owner or the person who is responsible for the daily management of a tourism service must, within 30 days before the commencement of the business, register with the CEO the following—
(a) name and address of the accountable person for the tourism service;
(b) names and addresses of any partners and associates in that business, indicating the precedent partner;
(c) names and addresses of the directors and authorised officers of the company, in the case of a company;
(d) trade or business name where the business is carried on under a name or style other than under his or her name; and
(e) place and address where the person intends to carry out the tourism service.
(2) At the commencement of this Act, the person who is responsible for the daily management of a tourism service is deemed to be registered under this section as an accountable person.
(3) It is deemed to be sufficient compliance with subsection (1) if, in the case of a partnership, the precedent partner, and in the case of a body of persons, the manager, effect the registration of that partnership or body of persons.

Avoidance of Tourism Services Tax

7. If there are reasonable grounds for the CEO to believe that any dealings have the direct or indirect effect of—
(a) altering the incidence of any Tourism Services Tax that is payable or suffered by, or which would otherwise have been payable or suffered by any person;
(b) relieving any person from any liability that has arisen or which would otherwise have arisen to pay Tourism Services Tax or file a Tourism Services Tax return;
(c) evading or avoiding any liability which is imposed or would otherwise have been imposed on any person under this Act; or
(d) hindering or preventing the operation of this Act in any respect,
the CEO may, without prejudice to such validity as it may have in any other respect or for any other purpose, disregard or vary the dealings and make such assessments as CEO considers just and proper in the circumstances.

Application of the Income Tax Act 2015

8. Section 102 of the Income Tax Act 2015 applies for the purpose of this Act.

Regulations

9. The Minister may make regulations prescribing matters that are required or permitted by this Act to be prescribed or are necessary or convenient to be prescribed for carrying out or giving effect to this Act and generally for achieving the purposes of this Act.

SCHEDULE
(Section2)

———

TOURISM SERVICES

1. Provision of accommodation, refreshments and any other services by a licensed hotel.

2. Any services provided in a vessel that is wholly or principally engaged in the carriage of tourists within Fiji.

3. Provision of meals and beverages in a licensed bar or club located in any part of a hotel.

4. Provision of inbound tour services.

5. Provision of all water sports including under water activities, surfing and river safari.

6. Provision of similar services listed in all the above.

Passed by the Parliament of the Republic of Fiji this 17th day of July 2026.

Appendix 2 – Additional examples

No.	Scenario	Facts	FRCS treatment
1	Pre-period booking; in-period stay	Booked and paid July 2026; stay October 2026.	TST applies because the accommodation is rendered during the period.
2	In-period booking; later conference	Booked and paid July 2027; conference held in 2029.	No TST because the service is rendered after 31 August 2027.
3	Stay crossing commencement	Stay 30 August 2026 - 3 September 2026.	Only room nights from 1 September are taxable.
4	Stay crossing end	Stay 30 August 2027 -3 September 2027.	Only room nights up to and including 31 August are taxable.
5	Changed outside period	December 2026 booking moved to October 2027.	Refund or credit TST previously collected.
6	Changed into period	October 2027 booking moved to June 2027.	TST becomes payable.
7	Below threshold	Water-sport operator turnover FJD $1.8m.	No TST although the service qualifies.
8	Mixed business	Total turnover FJD $2.3m; qualifying tours FJD $700,000.	No TST as the prescribed tourism services threshold is not met although the service qualifies.
9	Disclosed agent	Tour desk collects FJD $500 for cruise provider and retains FJD $50 commission.	Provider accounts on cruise; desk excludes principal collection and separately tests commission.

No.	Scenario	Facts	FRCS treatment
10	Separate services	Customer separately buys hotel, transfer and cruise from qualifying operators.	Each separate service may attract TST.
11	Scheduled ferry	Tourists use scheduled general passenger/freight ferry.	Outside scope if general public transport is predominant.
12	Independent supermarket	Supermarket leases hotel space and exceeds threshold.	Retail sales are not tourism services merely because of location.
13	Short-term villa accommodation	Licensed visitor villa turnover FJD $2.1m.	TST applies if accommodation is substantially similar to hotel accommodation.
14	Artificial separation	Commonly controlled resort, bar and water sports are split solely to remain below threshold.	CEO may disregard or vary the arrangement and aggregate turnover.
15	Fixed-price wholesale contract	2027 stay was contracted at a fixed gross price before commencement.	TST applies by service date;
16	Package crossing period	Package includes 31 August 2027 and 1 September 2027 accommodation plus later tour.	Apportion; only components rendered by 31 August 2027 are taxable.
17	Business to Business transaction (B2B)	Package from 1 September 2026 – 31 August 2027	TST should not apply on B2B transaction in a packaged deal. TST applies on the final bill to the customer.