



Annexes

Annex 1: Additional Resources and Contacts

Sustainable businesses

- The Pacific Green Business Centre – <http://greenbusiness.solutions/>

Developing a business idea

- Young Entrepreneurship Scheme – <http://yes.gov.fj/>
- National Centre for Small and Micro Enterprises – <http://www.ncsmed.org.fj/>
- The Social Lean Canvas – <https://socialleancanvas.com/>
- The International Labour Organization has various courses to support new and existing entrepreneurs. Their “Generate your business idea” manual is available at https://www.ilo.org/wcmsp5/groups/public/-ed_emp/---emp_ent/---ifp_seed/documents/instructionalmaterial/wcms_436192.pdf

Setting up a business

- Registrar of Companies’ company registration process – <http://www.investmentfiji.org.fj/resources/uploads/embeds/file/Registrar%20of%20Companies.pdf>

Empathy maps

- Demian Farnworth, “Empathy Maps: A Complete Guide to Crawling Inside Your Customer’s Head,” *Copyblogger*, <https://www.copyblogger.com/empathy-maps/>
- Fizzle, “Tactics to Understand Your Ideal Client, Reader or Market,” <https://fizzle.co/sparkline/tactics-understand-ideal-client-reader-market-fs050>

Branding and marketing

- For more by Seth Godin, his website is bursting with resources – <https://www.sethgodin.com/>. See also his Top 100 articles – <https://seths.blog/top-100/>
- For more by Marie Forleo, including MarieTV – <https://www.marieforleo.com/marietv/>
- On do-it-yourself photography see:
 - Shirley Chan, “How to get professional product photography on a small business budget,” *99designs*, <https://99designs.com/blog/tips/product-photography-small-budget-tips/>
 - Mark Macdonald, “How to Capture High Quality Product Photos With Your Smartphone,” *Shopify Blogs*, <https://www.shopify.com/blog/15163633-how-to-capture-high-quality-product-photos-with-your-smartphone>
 - Jeff Delacruz, “The Ultimate DIY Guide to Beautiful Product Photography,” *Shopify Blogs*, <https://www.shopify.com/blog/12206313-the-ultimate-diy-guide-to-beautiful-product-photography>
- For examples of brand guidelines see:
 - GlobalGiving, “Brand Guide,” <https://www.globalgiving.org/aboutus/news-media/brand-assets/>
 - Karla Cook, “21 Brand Style Guide Examples for Visual Inspiration,” *Hubspot*, <https://blog.hubspot.com/marketing/examples-brand-style-guides>

Business advisory services

- Fiji Institute of Accountants – <http://www.fia.org.fj/>
- Pacific Trade Invest – <https://pacifictradeinvest.com/>

Employer and industry associations

- Fiji Commerce and Employers' Federation (FCEF) – <https://www.fcef.com.fj/>
- Fiji Chamber of Commerce and Industry – <https://www.fjichamber.com/>
- Fiji Hotel and Tourism Association – <https://fhta.com.fj/>
- Fiji Crop and Livestock Council – <https://www.fclc.org.fj/>
- Pacific Island Farmers Organisation Network (PIFON) – <http://pacificfarmers.com/>
- Pacific Organic and Ethical Trade Community (POETCOM) – <http://www.organicpasifika.com/poetcom/>

Sector-specific resources

Tourism

- Ministry of Industry, Trade and Tourism – <http://mitt.gov.fj/>
- Tourism Fiji – <https://www.fiji.travel/>
- Fiji Hotel and Tourism Association – <https://fhta.com.fj/>
- Fiji's tourism sector profile by Investment Fiji – <http://www.investmentfiji.org.fj/pages.cfm/for-investors/sector-industry-profiles/tourism.html>
- *Destination: Mutual Benefit – A Guide to Inclusive Business in Tourism* <https://www.giz.de/de/downloads/giz2014-en-guide-inclusive-business-tourism.pdf>

Energy

- Department of Energy – <http://www.fdoe.gov.fj/>
- Fiji's energy sector profile by Investment Fiji – <http://www.investmentfiji.org.fj/pages.cfm/for-investors/sector-industry-profiles/energy.html> and <https://fjiihighcom.com/images/2018/pdf/Investment-Fiji-Sector-Profile-Energy.pdf>
- Pacific Centre for Renewable Energy and Energy Efficiency – <https://www.pcreee.org/>

Agriculture

- Ministry of Agriculture – <http://www.agriculture.gov.fj/>
- Fiji Crop and Livestock Council – <https://www.fclc.org.fj/>
- Fiji's agriculture sector profile by Investment Fiji – <http://www.investmentfiji.org.fj/pages.cfm/for-investors/sector-industry-profiles/agriculture.html>
- Pacific Organic and Ethical Trade Community – <http://www.organicpasifika.com/poetcom/>
- Pacific Island Farmers Organisation Network – <http://pacificfarmers.com/>
- Pacific Organic Standard – https://lrd.spc.int/organic-pasifika-publications/cat_view/364-pacific-organic/369-pacific-organic-standard

Annex 2: Tax and Reporting Requirements

This Annex was kindly provided by KPMG to assist new businesses understand the current tax and reporting obligations in Fiji. The information is current as of November 2018. As regulations can change, all businesses are advised to consult with the Fiji Revenue and Customs Service (FRCS)⁷⁰ for the latest information.

1 Fiji Revenue and Customs Services registration for tax purposes

A taxpayer is required to register with FRCS for a Tax Identification Number for tax purposes (<https://www.frcs.org.fj/>).

2 Annual returns filing and corporate tax rate

All Fiji taxpayers, including businesses, are required to lodge annual income tax returns together with financial statements within three months of the end of the agreed taxation year with FRCS (known as a balance date).

A deferred lodgement date is when the tax returns are lodged through a Tax Agent Lodgement Programme.

The corporate income tax rate in Fiji is 20% and tax losses are available to carry forward for four years.

Fiji taxpayers are required to make advance payments of income tax based on the preceding year's assessed tax liability and are payable in three instalments. An advance (tax) late payment penalty at the rate of 25% of the shortfall applies at each respective due date.

For more information, refer to <https://www.frcs.org.fj/our-services/taxation/business/advance-tax/>.

3 Individual income tax (PAYE, SRT, and ECAL)

Personal income tax applies to income that exceeds the tax-exempt threshold of \$30,000 for resident individuals. Non-residents are taxed at a flat income tax rate of 20%.

The Social Responsibility Tax (SRT) and Environment and Climate Adaptation Levy (ECAL) apply to personal income exceeding \$270,000 (excluding certain one-off payments or receipts) of resident and non-resident individuals. It is calculated at progressive rates on chargeable income exceeding \$270,000.

For more information, refer to:

- <https://www.frcs.org.fj/our-services/taxation/individuals/personal-income-tax/>
- <https://www.frcs.org.fj/our-services/taxation/individuals/social-responsibility-tax-srt/>

These taxes (PAYE, SRT, and ECAL) should be deducted from regular salary and other payments, and must be remitted to FRCS by the end of the month following the month in which the deduction was made. For example, September deductions should be remitted to FRCS by the end of October. An electronic report (known as an Electronic Monthly Schedule) must be sent by email to FRCS. Only FRCS accredited payroll software should be used for the processing of employee payroll. FRCS can provide advice on what to do if you don't have accredited payroll software.

For more information, refer to <https://www.frcs.org.fj/our-services/taxation/payee-as-final-tax/>.

⁷⁰ Fiji Revenue and Customs Service, <https://www.frcs.org.fj/>.

4 Value-added tax (VAT)

Value-added tax (VAT) is an indirect tax on the sale of final goods and services. The current VAT rate in Fiji is 9%.

A taxpayer that conducts a “taxable activity” in Fiji and exceeds the registration threshold is required to register for VAT. For the supply of services, the mandatory registration threshold is set at \$100,000 of gross annual turnover.

A person registered for VAT must charge VAT at the rate of 9% on all taxable supplies of goods and services made, except where the supplies made are exempt or zero rated.

For more information, refer to <https://www.fracs.org.fj/our-services/taxation/business/value-added-tax-vat/>.

5 Service Turnover Tax (STT) and Environment and Climate Adaptation Levy (ECAL)

STT and ECAL are charged at the rate of 6% and 10%, respectively, on all prescribed tourism-related services where turnover is greater than \$1.25 million.

ECAL is also chargeable on luxury vehicles of over 3,000 cubic centimetres, and on plastic bags at 20 cents per bag.

For more information, refer to:

- <https://www.fracs.org.fj/our-services/taxation/business/service-turnover-tax-stt/>
- <https://www.fracs.org.fj/our-services/taxation/business/environmental-levy/>

6 Fringe Benefit Tax (FBT)

This only applies if staff or management receive non-cash benefits from the business (e.g., use of a company car, house, flight tickets).

FBT is payable by the employer where staff and executive management are provided with non-cash benefits. Any cash allowances/benefits are subject to PAYE, SRT, and ECAL (and not FBT). The FBT rate of 20% applies on the grossed up value of taxable benefits.

For more information, refer to <https://www.fracs.org.fj/our-services/taxation/business/fringe-benefit-tax-fbt/>.

7 Contractors Provisional Tax (CPT)

This is relevant for any business using the services of a contractor.

Fiji taxpayers are required to deduct CPT at the rate of 5% from any payments for commission and contract of services (but not a contract of employment), unless the total amount paid to a contractor is less than \$1,000 per annum.

For more information, refer to <https://www.fracs.org.fj/our-services/taxation/business/provisional-tax/>.

8 Withholding Tax (WHT)

This applies if you are making cross-border purchases for services.

Any cross-border transaction for services in excess of \$20,000 requires a tax clearance certificate. Where a transaction is less than \$20,000, a tax clearance certificate is not required, however, this does not negate any withholding tax (WHT) or reverse charge VAT (RC VAT) payment, if applicable, which is required to be remitted to FRCS following which FRCS stamps the invoice as “remittance approved”.

FRCS applies Section 10 of the Income Tax Act (2015) to assess non-resident miscellaneous WHT at the rate of 15% for offshore services. Any WHT assessed is payable at the earlier of the crediting of the liability or payment.

For more information, refer to <https://www.fracs.org.fj/our-services/taxation/business/withholding-tax/>.

9 Capital Gain Tax (CGT)

This applies if you are selling assets that have increased in value since you bought them.

CGT applies at the rate of 10% on capital gains, other than an exempt capital gain, on the disposal of a capital asset. Depreciable assets are not capital assets for the purpose of CGT, therefore any gains on the disposal of depreciable assets are subject to income tax.

For more information, refer to <https://www.frcc.org.fj/our-services/taxation/business/capital-gains-tax-cgt/>.

10 Stamp duty

Stamp duty is a tax levied on legal documents (that would have historically required a stamp). This typically includes transactions related to land and property, and asset transfers (e.g., shares or motor vehicles).

Fiji has a stamp duty regime. The stamp duty is levied as a percentage, or based on the market or transaction value of the instrument.

For more information, refer to <https://www.frcc.org.fj/our-services/taxation/business/stamp-duties/>.

11 Fiji National Provident Fund (FNPF) contributions

FNPF contributions are levied at a compulsory rate of 18%, of which 8% can be recouped from employees (i.e., a direct deduction from salary of 8% and a contribution of 10% by the employer).

FNPF contributions are not mandatory for expatriate employees.

For more information, refer to <https://myfnpf.com.fj/index.php/become-an-employer>.

12 Fiji National University Levy (FNU Levy)

The employer is required to register with the Fiji National University for mandatory training levy that is calculated at 1% of total gross emoluments (including both expatriate and local employees) and payable half-yearly as follows:

- From January to June, is payable by 30 September of the same year
- From July to December, is payable by 31 March of the following year

For more information refer to http://www.fnu.ac.fj/ntpc/images/Forms/Levy_Order_Brochure_-_FNU.PDF.

13 Registrar of Companies (ROC)

Prior to signing the financial statements of a company, the directors are to resolve various matters. These include recommendations that are to be made to the shareholders during the Annual General Meeting (AGM) of the company. Recommendations may include directors to be elected to the board, dividends to be declared and nominating auditors.

Notices for meetings are to be given to shareholders at least 21 days before the meeting. Shorter notices are permitted if:

- for an AGM, if all shareholders entitled to attend and vote agree before or at the AGM; and
- for any other meeting, if at least 95% of the shareholders entitled to attend and vote agree before or at the meeting

Proxies of shareholders are to be notified to the company 48 hours before the meeting.

All notices, consents, proxy forms, and minutes are to be retained in the minute book of the company.

A company (except for a one-member company) is required to hold an AGM within 18 months after its registration. Following its first AGM, a company is required to hold an AGM once every calendar year and within six months after the end of its financial year.



A company is required to pay **Annual Prescribed Registration Fees (APRF)** within 28 days after the anniversary of the day on which it is registered (a fixed penalty applies when the fees are not paid). The APRF is based on the type of company and the gross turnover.

The directors of a company are required to pass a Solvency Resolution within two months after the end of each financial year. A Solvency Resolution as defined in the Companies Act (2015) is: *“a resolution by the Directors of a Company as to whether or not, in their opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.”*

If the directors pass a resolution that the company is insolvent, the company must notify the Registrar within seven days after the resolution is passed in the prescribed form.

Proforma financial statements must be prepared for each financial year by:

- All medium companies with consolidated revenue of more than to \$5 million but less than or equal to \$20 million
- Small companies with consolidated revenue of less than or equal to \$5 million, and controlled by a person resident outside of Fiji or a corporation incorporated outside of Fiji

A company must submit the proforma financial statements, using the prescribed form, within four months after the end of the financial year. Fixed penalty applies where this is not done.