

## INTERIM GOVERNMENT OF THE REPUBLIC OF THE FIJI ISLANDS

INCOME TAX ACT (AMENDMENT) (NO. 2) PROMULGATION 2009  
(PROMULGATION NO. 14 OF 2009)

IN EXERCISE of the powers conferred upon the Interim Government, and upon the exercise of my own deliberate judgment as President of the Republic of the Fiji Islands as to what is best and good for the people of Fiji, and by the executive authority of the State in accordance with section 85 of the Constitution and such other powers as may appertain, and with the advice of Cabinet, I, Josefa Iloiloivatu Uluivuda, make this Promulgation—

## TO AMEND THE INCOME TAX ACT (CAP. 201)

*Short title and commencement*

1.—(1) This Act may be cited as the Income Tax (Amendment) (No. 2) Promulgation 2009 and comes into force on 1 March 2009.

*Section 17 (63) amended*

2. Section 17(63) of the Income Tax Act (“the Act”) is repealed and replaced—

“(63) the income of an Information Communication Technology business—

- (i) operating on or before 1 January 2007 in the declared Kalabu Tax Free Zone, from 1 January 2007 to 31 December 2016; or
- (ii) granted a licence after 1 January 2009, for a period of 13 years from the date of issue of the licence provided that the business employs 50 employees or more for 6 months within the income year and 60 per cent or more of the total value of its services in that income year is exported.

For the purposes of subparagraph (ii)—

- (a) any such business may apply for and, if granted a licence, pay a licence fee of one thousand dollars (\$1,000) per annum to the Commissioner for the period of the licence; and
- (b) the income of any business granted a licence in terms of sub-paragraph (ii) who commences business before 31 December 2009 shall, for the income tax exempt period provided for under this sub-section, be deemed for the purposes of section 7C(4) or section 8(2)(a) of the Act to have been charged to tax.

For the purposes of this sub-section, “Information Communication Technology business” means a taxpayer engaged in software development, call centres or internet service provision, but does not include an internet café or any retail or wholesale of information technology products or the repair, sale or service of any such products.”

GIVEN UNDER MY HAND this 18th day of March 2009.

J. I. ULUIVUDA  
President of the Republic of Fiji Islands

## EXPLANATORY NOTE

*[This Note is not part of the Promulgation and is only intended to explain its general effect and implications.]*

**1.0 BACKGROUND**

1.1 By the Income Tax (Budget Amendment) Promulgation 2007 and other legislation, extended tax incentives have been given to Information Communication Technology (ICT) operators wishing to set up in business in Fiji. However some clarification to the incentives is required. The replacement wording of s.17 (63) gives effect to these clarifications.

**2.0 CLAUSES**

Clause 1 Confers a short title, sets 1 March 2009 as the date the Promulgation is deemed to come into force and defines the Income Tax Act as the principal legislation.

Clause 2 Amends s.17 (63) of the Income Tax Act to give effect to the matters referred to in paragraph 1.1 above.

**3.0 RESPONSIBILITY**

3.1 The Promulgation comes under the responsibility of the Minister for Finance and National Planning.