



Flash report

1 September 2017

Issue 20

This flash report highlights the provisions of the new Environment and Climate Adaptation Levy (Plastic Bags) Regulations 2017 and the amendments to the Income Tax (Tax Free Regions Incentives) Regulations 2016. The Regulations were gazetted on 31 July and 1 August 2017 and came into effect from 1 August 2017.

Contents

Environment and Climate Adaptation Levy (Plastic Bags) Regulations 2017

Income Tax (Tax Free Regions Incentives) Regulations 2016

Environment and Climate Adaptation Levy (Plastic Bags) Regulations 2017 (New Regulation)

- The Regulations provide the following definitions in relation to the subsequent provisions:
 - ◇ *“accountable person” means the owner, manager, sole precedent partner and otherwise the person who is responsible for the daily management of a business;*
 - ◇ *“business” means any business that utilises a register;*
 - ◇ *“cashier” means a person who, as part of his or her employment with a business, operates a register for the business; and*
 - ◇ *“register” means a point of sale invoicing device into which a cashier enters data for a transaction.*
- The Environment and Climate Adaptation Levy (ECAL) on plastic bags must be collected by the cashier at the time it is provided by the business to the consumer
- The accountable person must ensure that the ECAL is collected and paid to the CEO before or on the last day of the month following the month in which the ECAL is collected
- The accountable person is required to submit with the payment for that month, a report setting out the:
 - ◇ number of plastic bags stocked by the business at the beginning of that month;
 - ◇ number of plastic bags provided to consumers in that month;
 - ◇ number of plastic bags remaining in the stock of the business at the end of that month; and
 - ◇ amount of ECAL levy collected in that month.

- Notwithstanding the provisions, the CEO may require the ECAL to be paid within a period which may be less than a month, and such payment will be due no later than 14 days from the date of the CEO's request. The report must be submitted together with the payment
- To create awareness, businesses are required to display a clearly legible notice in a conspicuous space, informing consumers of the ECAL applicable on plastic bags

Income Tax (Tax Free Region Incentives) Regulations 2016

The Regulations are amended as follows:

Regulation 7 - Grant of Tax Free Region provisional licence and criteria for grant of provisional licence

- Following the amendment, the subregulation (1) reads "*The Minister shall, when considering an application, take into account that the company is a newly incorporated entity engaged in a new business in a Tax Free Region with the following level of investment—...*" ("*Fiji*" is deleted)
- The level of investment is the range of capital investment thresholds starting at a minimum of \$250,000 to above \$2,000,000
- A new subregulation (1A) is inserted as follows:

"For the purposes of subregulation (1), any business of a company is a "new business" provided that the company is a newly incorporated entity, notwithstanding that a related body corporate as defined under the Companies Act 2015 of the company engages in the same or similar type of business."

Regulation 13 - Duty and tax exemptions for licensed activities in Tax Free Region

- The approval of provisional licence by the Minister for the Tax Free Regions of Rotuma, Kadavu, Levuka, Lomaiviti, Lau, Korovou to Tavua, and the airport side of the Rewa Bridge excluding the town boundary of Nausori, up to the Ba side of Matawalu River, is extended to 31 December 2028 (previously 31 December 2018)
- The period of exemption from tax of any such licenced activities approved by the Minister in the Tax Free Regions ranges from 5 consecutive years up to 13 consecutive years and continues to be based on the level of capital investment from a minimum of \$250,000 to above \$2,000,000

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IMPORTANT

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