# 2025-2026 NATIONAL BUDGET SUMMARY OF REVENUE POLICIES



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# (i) Income Tax Act (ITA)

Policy		Description	
1. Fringe Benefits Tax (FBT) – Value per Quarter for Electric		The FBT value per qu summarized below:	arter for electric vehicles will be reduced as
	Vehicles	Threshold (engine capacity)	New Rates
		Less than \$50,000	\$1,000
		\$50,000 to < \$75,000	\$1,500
		\$75,000 to < \$100,000	\$2,000
		Above \$100,000	\$2,500 plus 2% of the access of the cost above \$100,000
		> This will be effective from	-
2.	Dividend definition		nd' will be amended to ensure that the Capital lied to any gain realized from share buyback or
3.	CGT exemption – First Residential Property	The CGT exemption will be extended to include the disposal of a first residential property that is co-owned with non-family members.	
4.	E-wallets	Unexplained and unidentified deposits during the year in taxpayers e-wallets account will be included in the computation of gross income if it can be traced to the taxpayer.	
5.	Non-Resident Withholding Tax (NRWT) - Insurance Premiums	The NRWT on insurance premiums will be increased from 3% to 3.75% to reflect the increase in the corporate income tax rate that was announced in the 2023-2024 National Budget.	
6.	Donations towards Start Ups	A 150% tax deduction will be available for donations made by a business towards Accredited Start-Up Support Programs such as accredited start- up incubators, accelerators, and entrepreneurship development programs.	
7.	Donations towards Public Health	A 100% tax deduction will be allowed for donations made by a business to health centers, nursing stations, aged care facilities, orphanages and drug rehabilitation centers.	
8.	Local Artists – Allowable Deduction	<ul> <li>The tax deduction for employment of local artists will be expanded to include all businesses that hire artists on a full-time basis.</li> <li>The allowable tax deduction rate will be reduced from 300% to 150%.</li> </ul>	
9.	Renewable Energy projects	The tax holiday in relation to the Renewable Energy and Power Cogeneration projects will be increased from 5 years to 10 years.	
10.	. Carbon Trading	The income of businesses engaged in carbon trading will be exempted from income tax.	
11.	. Tax Incentive for Tour Operators	investments made by bu Tour activity means any by a registered busines trekking, surfing, zip linir nature tours.	5% investment allowance will be available to new sinesses involved in providing a tour activity in Fiji. approved non-accommodation activity provided as and includes beach clubs, diving, snorkeling, ng, river safaris, kayaking, tubing, water parks, and ld to qualify for the investment allowance is

#### (i) Income Tax Act (ITA)

Policy	Description
12. Tax Free Region (TFR) Incentive	The TFR will be extended to the Wainadoi region for businesses who invest in activities such as waste management, recycling and renewable energy.
13. Employment Taxation Scheme (ETS)	<ul> <li>The 300% tax deduction available for wages or salaries paid for work placements, apprenticeship and part-time workers will be extended until 31 December 2026.</li> <li>The 400% tax deduction currently available for wages or salaries paid to persons with disabilities will be extended until 31 December 2026.</li> </ul>
14. Sub-Division of Land Incentive	The Sub-Division of Land Incentive will be extended until 31 July 2027.
15. Mutual Administrative Assistance in Tax Matters (MAAC)	To establish the legal foundation for Fiji's participation in the Multilateral Convention on MAAC, legislative amendments will be made in the Income Tax Act.

# (ii) Tax Administration Act (TAA)

Policy	Description
1. E-Wallets	<ul> <li>Businesses will be required to maintain a separate e-wallet account for business transactions. A penalty provision of a fine not exceeding \$25,000 or to an imprisonment term not exceeding 10 years or to both is included for non-compliance.</li> <li>Providing a Taxpayer Identification Number (TIN) will be a mandatory requirement when registering for a Mobile Wallet account. The deadline to incorporate the TIN requirement is 31 December 2025.</li> </ul>
2. Annual Mandatory Asset Declaration for Sole Traders	<ul> <li>A Mandatory Asset Declaration requirement will be introduced for sole proprietors to enhance financial transparency and support tax compliance.</li> <li>This will be effective from 01 January 2026 as part of the Tax Return for Tax Year 2025.</li> </ul>
3. VAT Monitoring System (VMS) Threshold	<ul> <li>Businesses with a turnover of \$50,000 or more will be required to register for VMS.</li> <li>This will be effective from 01 January 2026.</li> </ul>
4. Amendment of Tax Assessments	The \$1.25m turnover threshold that limits amendment of tax assessments within 3 years, will be removed to align with the general audit rules.
5. Power to issue Penalties	The \$1.5m turnover threshold that limits FRCS from instituting penalties will be removed.
6. Continuing Professional Development (CPD) hours	<ul> <li>Tax agents applying for renewal of their registration must complete a minimum of 10 hours of Continuing Professional Development (CPD) as a pre-requisite for approval.</li> <li>This policy will be effective from 01 January 2026.</li> </ul>
7. Mutual Administrative Assistance in Tax Matters (MAAC)	New provisions will be created to assist FRCS in obtaining the required information from taxpayers or third parties for the purpose of MAAC.

## (i) Value Added Tax (VAT) Act

Policy	Description	
1. VAT Rate	> The VAT rate will be reduced to 12.5% effective from 01 August 2025.	
2. Definition of 'produce'	> The definition of "produce" will be amended to exclude middleman selling produce supplies.	
3. E-Wallets	E-wallet and associated services will be exempted from VAT.	
4. VAT Refund Incentive	<ul> <li>VAT refunds will be made available on capital investment for residential solar projects by individuals. Capital investment excludes the installation of solar heaters or a standalone solar lighting system.</li> <li>VAT refunds will be made available on capital investment for reconstruction of houses damaged by termite infestation.</li> </ul>	
5. VAT on Mechanical Harvesters	VAT will be zero rated for the supply of mechanical harvester services by Cooperatives.	

#### (ii) Customs Act

Ро	Policy		scription
1.	Passenger Name Record (PNR) data	>	To enhance border security and regulatory compliance, new provisions will be implemented to enable the collection of Passenger Name Record (PNR) data from aircraft and ship operators.
2.	Licensing of Bonded Warehouse	8	To strengthen compliance, the bonded warehouse licensing provision will be amended to provide additional discretionary powers to the Comptroller.
3.	Demerit Point System (DPS)	۶	To promote accountability, compliance and efficiency of licensed customs operators, Customs Demerit Point System will be introduced.
4.	Customs Entry for goods not liable for Export Duty	>	A new provision will be introduced whereby provisional customs entry will be required for goods not liable for export duty.
5.	Modification of Goods Vehicle to Passenger Vehicles	>	A new provision will be introduced to collect additional duties if the modification results in a change in tariff classification for both new and used goods vehicle.
6.	Storage of Customs Entry related records	A A	The storage period for ASYCUDA records will be amended from 5 years to 7 years. The storage period for customs entry related records for traders will be amended from 5 years to 7 years in line with the audit period.
7.	Re-lodgment of rejected drawback claims	>	A 30-day timeframe will be implemented for re-lodgment of declined duty drawback claims.
8.	Customs Officers Powers	>	The customs officers powers will be aligned to international best practices during the detainment and search processes.
9.	Automatic Identification System (AIS)	>	To strengthen maritime compliance, maritime vessels will be required to keep the AIS activated when in Fiji waters.

# (iii) Customs Regulations

Policy		Description			
1.	Rent charge for goods deposited in Customs Warehouse	Rent charge for goods deposited in the Customs Warehouse will be increased from \$2 per ton or cubic meter to \$5 per ton or cubic meter.			
2.	License fee for bonded warehouse operators	<ul> <li>Implementing a stan warehouse size, for a</li> </ul>		15,000, regardless of the	
3.	Regularize the Operations Fee Structure	The operational fee structure for freight stations and other customs areas approved by the comptroller will be legislated as below:			
		Operational Fee	Current (VEP)	New (VEP)	
		<b>Consol Freight Station</b>	\$13,500	\$14,500	
		Air Freight Station	\$9,500	\$10,500	
		Duty Free Shop - Nadi	\$9,500	\$10,500	
		Duty Free Shop - Nausori	\$1,350	\$2,350	
4.	Sufferance Fee Structure	The sufferance fee structure of \$9,000 for a three-year term period will be amended to \$3,000 per year.			
5.	Outdoor Fee Structure for Aircrafts	> The outdoor fee structure for Aircrafts will be amended as below:			
		Type of Fee	Current (VEP)	New (VEP)	
		<b>Commercial Aircrafts</b>	\$460	\$1,200	
		Private Aircrafts	\$1,650	\$2,500	
6.	Late payment penalty for Overdue Overtime Fees		Ity of \$15.00 per day with the payment of overtime	ill be applied to customs e fees to FRCS.	

#### (iv) Excise Act

Policy		Description		
1.	Definition of Manufacturer	>	The definition of 'manufacture' will be strengthened by including the use of non - excisable goods in the process of manufacturing an excisable product.	
2.	Definition of Raw Material	>	A new definition of 'raw materials' will be introduced for administration purposes.	
3.	Production of Ready to Drink (RTD) alcoholic beverages	>	The Excise Act will be amended to capture other raw materials used in the production of RTD alcoholic beverages in addition to apples and pears.	
4.	Post Entry Modification Fee	>	A \$15 post modification fee will be introduced under the Excise Act. This will align the Excise Act with the Customs Act which stipulates similar provisions of post entry modification.	
5.	Demerit Point System (DPS)	>	To promote accountability, compliance and efficiency of licensed excise operators, the Customs Demerit Point System will be introduced.	

## (v) Excise Regulations

Policy	Description		
1. Extra Attendance Fees> The extra attendance fees will be ali as below:		e fees will be aligne:	d to the Customs Regulation
	Type of Fee	Current (VIP)	New (VIP)
	Overtime Attendance	\$25	\$50
	Special Overtime Attendance	\$35	\$60

#### (vi) Customs Tariff Act

Po	Policy Description	
1.	Duty on Chicken portions & Offals	<ul> <li>The fiscal duty on the importation of chicken portions such as drumsticks, wings and thighs will be reduced from 32% to 15%.</li> <li>The fiscal duty on the importation of edible chicken offals such as liver and giblet will be reduced from 32% to 15%.</li> </ul>
2.	Duty on Frozen Fish	The fiscal duty on the importation of all frozen fish will be reduced from 15% to 0%.
3.	Duty on Salmon	The fiscal duty on the importation of salmon whether live, fresh, chilled, salted or dried will be reduced from 15% to 0%.
4.	Duty on Tomato Sauce	<ul> <li>The fiscal duty on the importation of tomato sauce will be reduced from 32% to 15%.</li> <li>Additionally, a 5% import excise duty will be introduced.</li> </ul>
5.	Duty on Cruise Ships, Excursion Boats & Similar vessels	The fiscal duty on the importation of cruise ships, excursion boats and similar vessels will be reduced from 5% to 0%.
6.	Duty on Golf Cars and similar utility vehicles	<ul> <li>The fiscal duty on the importation of golf cars and similar utility vehicles will be reduced from 32% to 5%.</li> <li>The fiscal duty on the importation of electric golf cars will be reduced from 5% to 0%.</li> <li>The fiscal duty on the importation of solar powered utility vehicles will be reduced from 5% to 0%.</li> </ul>
7.	Duty on Juice not containing any added sugar	The import excise duty on the importation of juice not containing any added sugar will be reduced from 15% to 0%
8.	Duty on Snacks obtained through swelling and roasting.	The import excise duty on the importation of snacks obtained through swelling and roasting will be increased from 0% to 15%.
9.	Duty on Castor Sugar	The fiscal duty on the importation of castor sugar will be reduced from 32% to 5%.
10.	Duty on Gold/ Silver Ores and Concentrates	The export of gold/silver ores and concentrates will now attract a 3% export duty.

# Part 2

11. Duty on Alcoholic Flavors and Concentrates	Importation of alcoholic flavors and concentrates of heading 3302 will now attract a tiered duty rate based on the strength of alcohol.
12. Concession Code 301 – Termidor Chemicals	To assist the government's termite infestation rehabilitation efforts, the import of termidor chemicals currently cleared under concession code 301 will be VAT zero-rated.
13. Concession code 218 -Passenger allowance	Concession code 218 will be extended to include AEO members.
14. Concession code 212 – Personal Imports	<ul> <li>Concession code 212 has been amended as follows:</li> <li>i. Online Purchases of up to \$1,000 per consignment will be subject to free fiscal duty, free import excise, and 12.5% VAT.</li> <li>ii. Personal Import (gifts, donations, etc.) of up to \$500 will be subject to free fiscal duty, free import excise and free VAT. Consignments exceeding \$500 will be subject to the standard duty and VAT rates.</li> </ul>
15. Concession code 124 (vii) – Disposable Gas Lighter Blanks	Concession code 124 which allows for duty free importation of disposable gas lighter blanks will no longer be available.
16. Concession code 236B – Assembly Mixing and Blending	Concession code 236B will be expanded to provide duty concessions on machines, equipment and other accessories.
17. Concession code 122 – International Trade Agreements	Concession code 122 will be expanded to include goods traded under international trade agreements such as the Interim Economic Partnership Agreement (IEPA) ensuring alignment with Fiji's trade obligations and facilitating preferential market access.
18. Used Vehicle definition	"Used Vehicle" will be defined as any vehicle that has been registered at any time, for any purpose, including one that has been used for the purpose of demonstration in connection with the sale of a similar vehicle at any time before being offered or displayed for sale.

## (vii) Fiji Revenue Customs Service (FRCS) Act

Policy	Description
1. Mutual Administrative	A new provision will be made to allow the disclosure of information
Assistance in Tax	under Section 52(4A) and 52C of the Act to comply with the MAAC
Matters (MAAC)	articles.

#### (viii) Water Resource Tax Act

Policy	Description
1. Penalty for unauthorized water extraction and bottling	A penalty provision of a fine not exceeding \$25,000 or to an imprisonment term not exceeding 10 years or to both will be introduced for water extraction and bottling businesses that operate without prior approval from relevant authorities

#### (ix) Customs (Prohibited Imports and Exports) Regulations (CPIER)

Policy		Description	
	Ease of import restrictions on antique, vintage, high-end and luxury vehicles	AA	To facilitate the importation of antique, vintage, high-end and luxury vehicles, the Euro IV requirements will be eased. Additionally, the value of the vehicle must exceed \$500,000 which will attract the normal duty rates.
	Modification Of Goods Vehicle (New/Used)	>	A new provision will be introduced to require a prior approval from the Comptroller before the modification of goods vehicles within a period of five years after importation.

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