

**ACT NO. 3 OF 2020**

I assent.

J. K. KONROTE  
President

[27 March 2020]

**AN ACT****TO AMEND THE INCOME TAX ACT 2015**

ENACTED by the Parliament of the Republic of Fiji—

*Short title and commencement*

**1.**—(1) This Act may be cited as the Income Tax (COVID-19 Response) (Amendment) Act 2020.

(2) This Act comes into force on 1 April 2020.

(3) In this Act, the Income Tax Act 2015 is referred to as the “Principal Act”.

*Section 17 amended*

**2.** Section 17 of the Principal Act is amended after subsection (1A) by inserting the following new subsection—

“(1B) Notwithstanding subsection (1)(f), any commercial debt between associates that is—

(a) incurred on or before 26 March 2020; and

(b) forgiven on and from 1 April 2020 to 31 December 2020,

is not included in the business income of a person conducting a business.”.

*Section 25 amended*

3. Section 25(8) of the Principal Act is amended in the table by deleting the eleventh row and inserting the following new rows—

Tax Year 2020	60%
Tax Year 2021	60%
Tax Year 2022	60%

*Section 62 amended*

4. Section 62 of the Principal Act is amended after subsection (3) by inserting the following new subsection—

“(3A) Subsection (1) does not apply if a foreign-controlled resident company, other than a financial institution, has incurred a debt on and from 1 April 2020 to 31 December 2020 resulting in a debt-to-equity ratio in excess of 2 to 1 at any time during the foreign-controlled resident company’s tax year.”.

*Section 110A inserted*

5. The Principal Act is amended after section 110 by inserting the following new section—

*“Advance payments of tax during coronavirus disease (COVID-19) pandemic*

110A.—(1) A person liable for Income Tax for a tax year is liable to make advance payments of Income Tax—

- (a) in the case of a company, on the last day of the sixth, seventh, eighth, ninth, tenth, eleventh and twelfth months of the tax year and the first and second months of the following tax year; or
- (b) in the case of any other person, on 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October, 30 November and 31 December,

provided that the tax year is—

- (i) in the case of a company—
  - (A) the 2019 tax year ending on any date from 30 April 2020 to 30 June 2020; or
  - (B) the 2020 tax year ending on any date from 31 July 2020 to 31 December 2020; or
- (ii) in the case of any other person, the 2020 tax year.

(2) If the total advance payments of Income Tax payable by a person, other than a company, for a tax year is less than \$120, the advance tax payable by the person for the year is payable in one instalment on 30 September.