



**REPUBLIC OF NAURU**

## **Business Tax Bill 2016**

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**No. 31 of 2016**

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2014**

REPUBLIC OF NAURU  
**Business Tax Bill 2016**

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Act No. 31 of 2016

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**A Bill for an Act to provide for the taxation of business income, and for related purposes**

*Certified:*

Enacted by the Parliament of Nauru as follows:

**PART I – PRELIMINARY MATTERS**

**1 Short title**

This Act may be cited as the *Business Tax Act 2016*.

**2 Commencement and application**

- (1) This Act commences on the date that notice of the Act is published in the Gazette.
- (2) Subject to subsections (3) and (4), this Act applies from 1 July 2016.
- (3) Section 35 applies from the date specified by the Secretary in a notice in the Gazette.
- (4) Clause 3 of Schedule 3 applies from 1 October 2014.

**3 Definitions**

In this Act:

*‘acquisition’*, in relation to a business asset, has the meaning in 27;

*‘amount’* includes an amount-in-kind;

*‘associate’* has the meaning in section 4;

*‘business’* means any activity, whether continuous or short term, conducted for the purposes of economic gain, other than an employment,

and includes any trade, manufacture, profession, or other commercial activity;

***‘business asset’*** means an asset, whether revenue or capital in nature, used in the conduct of a business wholly or partly to derive gross revenue, including inventory, a depreciable asset, a business intangible, or goodwill;

***‘business intangible’*** means:

- (a) a copyright, patent, design or model, plan, secret formula or process, trademark, or other like property or right that has a limited useful life and is used wholly or partly to derive gross revenue;
- (b) a customer list, distribution channel, or unique name, symbol or picture, or other marketing intangible that has a limited useful life and is used wholly or partly to derive gross revenue;
- (c) contractual rights (including arising as a result of a prepayment of expenses) with a benefit for a limited period, but which exceeds one year, used wholly or partly to derive gross revenue;
- (d) an expenditure used wholly or partly to derive gross revenue that provides an advantage or benefit for a period of more than one year, other than expenditure incurred to acquire any tangible personal or real property; or
- (e) preliminary expenditure;

***‘business profits tax’*** means business profits tax imposed under section 11;

***‘business profits tax threshold’*** means the monetary amount specified in the Second Schedule;

***‘company’*** means:

- (a) a corporation incorporated under the Corporations Act 1972;
- (b) a foreign corporation within the meaning of the Corporations Act 1972;
- (c) a statutory corporation created under Nauru law or the law of a foreign country;

***‘consideration’***, in relation to a business asset, has the meaning in section 31;

***‘cost’***, in relation to a business asset, has the meaning in section 29;