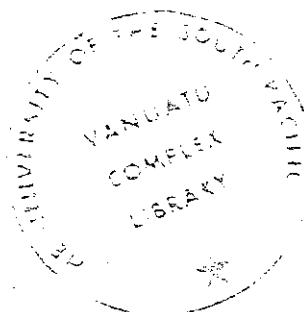


I assent.

K. K. T. MARA
President

Ninth March 1997

[L.S.]

AN ACT

TO AMEND THE INCOME TAX ACT, 1974

[1 January, 1997]

ENACTED by the Parliament of Fiji—

Short title and commencement

- 1.—(1) This Act may be cited as the Income Tax (Amendment) Act, 1997.
- (2) This Act shall be deemed to have come into force on the 1st day of January 1997.

Interpretation

2. The Income Tax Act is, in this Act, referred to as "the Act".

Section "8" amended

3. Section "8" of the Act is amended in subsection "(1)" by deleting the figure "30" in line four and substituting the figure "15".

Section "9" amended

4. Section "9" of the Act is amended by deleting subsection "(1A)" and substituting the following new subsection:

"(1A) For the purposes of subsection (1), the prescribed rate is 10 percent".

Section "10" amended

5. Section "10" of the Act is amended in subsection "(3)"—

(a) by deleting the full stop at the end of paragraph "(d)" and substituting a semi-colon;

(b) by adding immediately after paragraph "(d)" the following new paragraphs:—

"(e) a dividend paid to or credited in favour of a resident individual from the Unit Trust of Fiji;

(f) the nominal value of any bonus shares awarded to a shareholder to the extent to which such shares have been paid up by means of profit arising from the reconstruction or reorganisation of the company's equity structure undertaken solely for the purpose of listing on the Suva Stock Exchange provided that—

(i) the said company is listed on the Suva Stock Exchange within 12 months of any such reconstruction or reorganisation or such longer period as the Commissioner may determine, and

(ii) the said company remains listed on the Suva Stock Exchange for a period of not less than three years".

Section "10A" amended

6. Section "10A" of the Act is amended in subsection "(1)" by deleting the figure "25" in line two and substituting the figure "15".

Section "17" amended

7. Section "17" of the Act is amended—

(a) by deleting the full stop at the end of paragraph "(55)" and substituting a semi-colon;

(b) by adding immediately after paragraph "(55)" the following new paragraphs—

"(56) any dividend paid to or credited in favour of a resident individual from the Unit Trust of Fiji;

"(57) the nominal value of any bonus shares which is exempt from dividend tax pursuant to the provisions of paragraph (f) of subsection (3) of section 10".

Section "21" amended

8. Section "21" of the Act is amended in subsection "(1)"—

(a) by deleting the proviso to paragraph "(n)" and substituting the following new proviso—

"Provided that relief shall only be granted in terms of this paragraph in respect of donations which do not exceed, in aggregate, four thousand dollars by an individual and ten thousand dollars by a company;"

(b) by deleting the full stop at the end of subparagraph "(ii)" of paragraph "(q)" and substituting a semi-colon;

(c) by adding immediately after paragraph "(q)" the following new paragraph—

"Employment taxation scheme

(r) (i) one and one-half times the amount of any wages or salaries paid between 1 January 1997 and 31 December 1998 by any person carrying on a trade or business in Fiji, to a qualifying employee:

Provided that—

(aa) any person wishing to claim this deduction shall first register with the Commissioner by providing such information as he may require;

(bb) the wages or salaries paid to the employee in respect of whom the deduction is claimed must be not less than 72 cents per hour;

(cc) the deduction under this paragraph shall not be available unless the Commissioner is satisfied such person has not terminated the employment of any employee in order to take advantage of this deduction:

(ii) For the purposes of this paragraph "qualifying employee" means an additional employee who commences employment in Fiji after 31 December 1996 and who has not previously been in full-time paid employment of any person".

Passed by the House of Representatives this twentieth day of February, in the year of our Lord one thousand, nine hundred and ninety-seven.

Passed by the Senate this twenty seventh day of February, in the year of our Lord one thousand, nine hundred and ninety-seven.