

# Newsletter

## Stamp Duty Gazette Notice August 2020 Update

Ernst & Young wishes to bring to your attention Stamp Duty amendments effective 1<sup>st</sup> August 2020.

A. Repeal of the Principal Act:

i) Background

The Stamp Duties Act 1920 ('Act') was promulgated in 1920 as Ordinance No. 9 of 1920. The Act imposes a duty on documents and instruments listed in the Schedule to the Act, including mortgages, bills of exchange, leases, registration of vehicles, policies of insurance, security agreements, etc.

Effective 1<sup>st</sup> August 2020, the Principal Act is repealed.

ii) Other transitional savings

Notwithstanding the repeal of the Stamp Duties Act 1920:

- (a) Any instrument that was subject to stamp duty under the Stamp Duties Act 1920 and which is executed or takes effect before 1 August 2020 remains subject to stamp duty in accordance with such Act;
- (b) The Chief Executive Officer of the Fiji Revenue and Customs Service continues to exercise the powers and responsibilities of the Commissioner of Stamp Duties provided under the Stamp Duties Act 1920 for the purposes the Stamp Duties (Repeal)– of 2020 of duly stamping any instrument subject to stamp duty under the Stamp Duties Act 1920 before 1 August 2020 or for the recovery of any unpaid stamp duty; and
- (c) Government may, without further appropriation, pay out of the Consolidated Fund any money payable to any person under the provisions of the Stamp Duties Act 1920.
- (d) Any licence granted under section 12 of the Stamp Duties Act is cancelled. These are licenses to sell stamps.

Let us know should you wish to seek clarifications on the issues highlighted.

Our advice is based on the current taxation legislation and our understanding of FRCS's current interpretation of the law. We note however that, it is our experience that the FRCS can be inconsistent in their interpretation of the tax law and we cannot guarantee that the advice will not be challenged. Nor is it possible to guarantee the outcome of such a challenge if it occurs. Should you have any contact from the FRCS in respect of this advice, we recommend that you contact us for advice on how to proceed.

It is also important that you ask us to review any advice already given if a transaction is delayed, or is to be repeated, or if an apparently similar transaction is to be undertaken. Our original advice may no longer be applicable or appropriate in such circumstances.



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