

WITHHOLDING TAX & VAT REVERSE CHARGES FOR REMITTANCE OF FUNDS/ EXPENSES

Type of Remittances	Withholding tax	VAT Reverse Charge	Comments
a) Professional Services			
- Accounting fees - Solicitors fees - Engineers fees - Architerial fees - Advertising fees - Marketing fees - EDP fees - Other Similar Professional fees	15%	12.5%	Generally there would be nil withholding tax where payments are made to a country which has a Double Taxation Avoidance Agreement (DTAA) with Fiji. This interpretation is currently being changed by FIRCA given if the source of the service is Fiji and the payer is a Fiji entity or tax payer. USP should then issue a tax certificate to vendor so they can claim tax credit in their country if DTAA exists.
b) Technical Services			
Know How' includes supply of scientific, technical, industrial or commercial knowledge.	15%	12.5%	15% Withholding Tax & VAT Reverse charges applicable regardless of the country to which payments are made.
c) Royalty			
- Use of copy rights - Patents - Designs - Models - Plans - Secret formula or processes - Trade marks or other like property - Industrial - Agriculture - Video tapes for radio broadcasting or TV	15%	-	
d) Head Office Charges			
- Management Fees	15%	-	No VAT Reverse charges in view that this type of charges and services are not covered under Section 14of Section Schedule of VAT Decree.
- Human Resources Charges - training	15%	12.5%	
e) EDP Charges			
- Computer / EDP Support and Annual Fees	15%	12.5%	
- Annual Software licence	15%	12.5%	
f) Miscellaneous - (Reimbursement of expenses and cost incurred)			
- Travelling - Entertainment - Telephone - Stationaries - Postage - Staff relocation, etc	-	-	No VAT in view that these are not covered under paragraph 14 to the Second Schedule.
g) Others			
- Reimbursement of air fares	-	-	No VAT in view tht international air fare is zero-rated
- Other insurance premiums	-	12.5%	
- Life insurance premiums	-	-	No VAT Reverse charges being exempt supplies Subject to 10% Non-resident withholding tax. However, no VAT Reverse charges being exempt supplies
- Interest and other finance charges	10%	-	
f.) USP Externally Donor Funds	-	-	Not applicable if USP is not the recipient of the service