



SOLOMON ISLANDS GOVERNMENT
MINISTRY OF FINANCE AND TREASURY
MEDIA RELEASE

[Date to be released: 28/09/2018]

Goods Tax (Amendment) Act 2018 to apply from 1 October 2018

The Deputy Prime Minister and Minister of Finance and Treasury, Hon. Manasseh Damukana Sogavare, has gazetted the commencement date for the Goods Tax (Amendment) Act 2018 to commence on 1 October 2018.

The Goods Tax (Amendment) Act 2018, which was passed by Parliament last month, makes amendments to the Goods Tax Act to improve tax compliance by limiting the ability for those registered for goods tax from undervaluing goods at the wholesale level.

The new changes

From 1 October, taxpayers who are registered for goods tax purposes as wholesalers will be subjected to the changes that ensure goods tax will always be charged on sales value that are *at least* 130% per cent of the customs value of goods plus the amount of customs duty. This is the same sales value currently used for goods imported for home consumption by unregistered persons and registered persons who do not quote his or her certificates.

The minimum sales value will only apply to goods imported for home consumption and not to goods tax collected on locally manufactured goods.

The amendments retain the current collection regime, where the Commissioner Inland Revenue will still be responsible for the collection of goods tax related to those persons registered for goods tax purposes.

The Commissioner Inland Revenue has strongly advised those wholesalers registered for goods tax purposes to fully comply with the changes to the Act from 1 October.

Those impacted by the changes have been notified by Inland Revenue. More information in relation to the Goods Tax (Amendment) Act 2018 can be sourced from Inland Revenue. Please visit the IRD website – www.ird.gov.sb.