

[LEGAL NOTICE NO. 17]

INCOME TAX ACT 2015

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## **Income Tax (Drug Rehabilitation Centre Incentives) Regulations 2025**

REGULATION

### PART 1—PRELIMINARY

1. Short title and commencement
2. Interpretation

### PART 2—DRUG REHABILITATION CENTRE

3. Application for provisional approval of project
4. Power to approve provisional application
5. Completion of project
6. Application for final approval of project
7. Final approval

### PART 3—DRUG REHABILITATION CENTRE INCENTIVES PACKAGE

8. Power to grant drug rehabilitation centre incentives package
9. Provisional approval
10. Effect of provisional approval
11. Completion of drug rehabilitation centre investment
12. Extension of time for completion
13. Final approval if drug rehabilitation centre investment completed
14. Effect of final approval
15. Exemption from tax
16. Depreciation
17. Carry forward losses
18. Annual accounts
19. Transferability of drug rehabilitation centre investment package
20. Revocation of drug rehabilitation centre incentives package
21. Specification of particular requirements

IN exercise of the powers conferred on me by section 25A of the Income Tax Act 2015, I hereby make these Regulations—

## PART 1—PRELIMINARY

### *Short title and commencement*

1.—(1) These Regulations may be cited as the Income Tax (Drug Rehabilitation Centre Incentives) Regulations 2025.

(2) These Regulations are deemed to have come into force on 1 August 2024.

### *Interpretation*

2. In these Regulations, unless the context otherwise requires—

“amenity” includes features and facilities that contribute to the well-being of an individual undergoing treatment in a drug rehabilitation centre;

“capital goods” means assets essential for the establishment, maintenance or operation of a drug rehabilitation centre and includes buildings and facilities, medical equipment, therapeutic tools and supplies, furnishings and fixtures but does not include motor vehicles;

“drug rehabilitation centre” means a building or premises where an individual would be provided a range of treatment and services including medical detoxification, counselling, therapy and support groups to help such individuals address the physical, psychological and social aspects of drug addiction but does not include a drug rehabilitation centre or other establishment or institution operated or maintained by the Government or a sick bay or first aid post maintained by a commercial or industrial undertaking for the benefit of its employees and their families;

“drug rehabilitation centre incentives package” means the various exemptions, concessions and allowances given to a drug rehabilitation centre investment;

“drug rehabilitation centre investment” means a project with capital investment (including the cost of support infrastructure, but excluding the cost of land) over \$250,000 where the project commences on or after 1 August 2024;

“Minister” means the Minister responsible for finance;

“person” has the same meaning given under the Income Tax Act 2015; and

“provisional approval” means the approval granted under regulation 4.

## PART 2—DRUG REHABILITATION CENTRE

### *Application for provisional approval of project*

3.—(1) A person wishing to establish a drug rehabilitation centre may apply in writing to the CEO for provisional approval of a project.

(2) An application made under subregulation (1) must set out and be supported by the following—

(a) the name and details of the person;

(b) a current statement of all assets and liabilities of the person;

- (c) the location and description of the site of the drug rehabilitation centre;
- (d) a detailed description of proposed amenities;
- (e) a sketch plan showing in sufficient detail, the site and layout of the drug rehabilitation centre;
- (f) the estimated cost of the project;
- (g) if the project is to be carried out in stages, a description and the estimated cost of each stage and details of any proposed timetable;
- (h) details of the proposed method of financing the project; and
- (i) any other information the CEO may require.

*Power to approve provisional application*

4.—(1) Upon receiving an application made under regulation 3, the Minister or CEO may—

- (a) reject the application;
- (b) approve the application, with or without any conditions; or
- (c) approve a part of the application, with or without any condition, and reject other parts of the application.

(2) The Minister or CEO, as applicable, must consider the following matters when determining an application under regulation 3—

- (a) the requirements for a drug rehabilitation centre in the area concerned;
- (b) whether the proposed drug rehabilitation centre is of a suitable size and standard for the area; and
- (c) whether adequate amenities would be provided by the project.

(3) An applicant whose application has been rejected, including a partially rejected application, may—

- (a) make a new application to the Minister or CEO;
- (b) amend and resubmit the original application to the Minister or CEO; or
- (c) appeal the decision of the CEO to the Minister.

(4) The decision of the Minister on an appeal made under subregulation (3) is final.

(5) A provisional approval must be obtained before the commencement of the project in order to be eligible for a drug rehabilitation centre incentives package.

*Completion of project*

5. A person who has been granted provisional approval must complete the drug rehabilitation centre within 24 months from the date on which the provisional approval is granted.

*Application for final approval of project*

6.—(1) Subject to other provisions of this regulation, where a person has been granted provisional approval and has completed a drug rehabilitation centre, the person may apply to the Minister for final approval.

(2) An application under subregulation (1) must be made in writing and supported by the following—

- (a) fully audited final accounts showing the total cost of the drug rehabilitation centre;
- (b) a completion certificate from the local authority; and
- (c) a final plan showing the site, layout and surrounding areas of the drug rehabilitation centre.

(3) Subject to regulation 8, the Minister must not grant a final approval if the owner of the drug rehabilitation centre has failed to complete the project or has failed to comply with any condition on which a provisional approval is granted.

*Final approval*

7. An application for final approval must not be granted unless—

- (a) the Minister is satisfied that a person has in all respects completed the requirements of a project, including any condition on which a provisional approval was granted; and
- (b) the project is fully completed.

**PART 3—DRUG REHABILITATION CENTRE INCENTIVES PACKAGE**

*Power to grant drug rehabilitation centre incentives package*

8. The Minister may grant or refuse to grant a drug rehabilitation centre incentives package to a person who has completed a drug rehabilitation centre investment and has complied with this Part.

*Provisional approval*

9.—(1) The Minister may, after consulting the Minister responsible for health and medical services—

- (a) reject the application for provisional approval for a drug rehabilitation centre investment; or
- (b) grant provisional approval, with or without any condition.

(2) The Minister must not grant provisional approval under subregulation (1) unless the Minister is satisfied that—

- (a) the application is for the drug rehabilitation centre investment;
- (b) the drug rehabilitation centre investment will be carried out by a person for the purposes of the operation of a drug rehabilitation centre by the person;
- (c) the person intends to complete and is capable of completing the drug rehabilitation centre investment; and
- (d) the drug rehabilitation centre investment will benefit the economic, health and social development of Fiji.

(3) When considering an application for a drug rehabilitation centre investment under subregulation (1), the Minister must take into account the following matters—

- (a) the assets and liabilities of the person;

- (b) the nature and extent of the drug rehabilitation centre investment;
- (c) the requirements for the drug rehabilitation centre in the area concerned;
- (d) whether the drug rehabilitation centre investment will adequately contribute to the requirements of the area concerned;
- (e) whether the proposed drug rehabilitation centre is a suitable size and standard for the area concerned;
- (f) whether adequate amenities would be provided as part of the proposed drug rehabilitation centre; and
- (g) any other matter as the Minister may consider relevant to the desirability or otherwise of the drug rehabilitation centre investment for Fiji and the capability of the person to complete it.

(4) The decision of the Minister under this regulation is final.

(5) Notwithstanding subregulation (4), a person whose application has been rejected, including a partially rejected application, may make a new application or amend and resubmit the original application.

*Effect of provisional approval*

10. When a provisional approval is granted, all capital goods imported within the period specified in the definition of “drug rehabilitation centre investment” under regulation 2, by or on behalf of a person and used in the establishment of a drug rehabilitation centre investment, are exempt from all duties including Value Added Tax payable in respect of the importation.

*Completion of drug rehabilitation centre investment*

11.—(1) If a person has been granted provisional approval, the person must complete the project within 24 months from the date the provisional approval was granted.

(2) Subject to this regulation, where a person has been granted provisional approval and has completed the project, the person may apply to the Minister for final approval.

(3) An application under subregulation (2) must be made in writing and supported by the following—

- (a) fully audited final accounts showing the total cost of the project;
- (b) a completion certificate from the local authority; and
- (c) a final plan showing the site, layout and surrounding areas of the drug rehabilitation centre.

(4) Upon receiving an application under subregulation (1), the Minister may, after consulting with the Minister responsible for health and medical services—

- (a) reject the application; or
- (b) grant final approval to the application, with or without any condition.

(5) Subject to regulations 13 and 14, no approval must be granted under this regulation if the Minister is satisfied that the person has failed to complete the drug rehabilitation centre investment or has failed to comply with any condition on which provisional approval is granted.

(6) If an application for final approval is rejected, the duties exempted under this Part immediately become due and payable by the person.

(7) The Minister must notify the following persons in writing of the decision to reject or approve an application made under this regulation—

- (a) the applicant;
- (b) the Minister responsible for health and medical services; and
- (c) the CEO.

*Extension of time for completion*

12.—(1) If a person who has been granted conditional approval is unable to complete its drug rehabilitation centre investment due to unforeseen circumstances or some other act beyond the control of the person, the person may apply in writing to the Minister to extend the time by which the drug rehabilitation centre investment must be completed.

(2) If the Minister extends the time under subregulation (1), the person may continue to enjoy the duty free concession provided for under regulation 10 during the extended period.

*Final approval if drug rehabilitation centre investment completed*

13. An application for final approval must not be granted unless—

- (a) the Minister, after consulting the Minister responsible for health and medical services, is satisfied that the person has in all respects completed the requirements of a drug rehabilitation centre investment; and
- (b) the drug rehabilitation centre investment is fully completed.

*Effect of final approval*

14.—(1) The final approval entitles a person to the benefits of a drug rehabilitation centre investment package, in relation to the building of a new drug rehabilitation centre, on the first day of operation of the drug rehabilitation centre.

(2) A person is not entitled to claim the benefits of a drug rehabilitation centre investment package in any year unless the person has been granted final approval.

*Exemption from tax*

15.—(1) If final approval is granted under this Part to a person, the income of the person is exempt from tax on profits derived from the operation of a drug rehabilitation centre if the capital investment in the drug rehabilitation centre is—

- (a) in the case of capital investment from \$250,000 to \$1,000,000, for a period of 5 consecutive years;
- (b) in the case of capital investment from \$1,000,001 to \$2,000,000, for a period of 7 consecutive years; and
- (c) in the case of capital investment of more than \$2,000,000, for a period of 13 consecutive years.

(2) A person is allowed a deduction for 100% of the amount of a cash donation made in a tax year to a drug rehabilitation centre.

*Depreciation*

16.—(1) During the period from the date appointed by the Minister under regulation 15 to the end of the accounting period in which the last day of the tax-free period falls, such depreciation must be written off the assets of a person in calculating its profits or gains as would have been available to it under these Regulations if the person was not in receipt of the concession provided by this Part, and the written down values of such depreciable assets at the end of the accounting period in which the last day of the tax-free period falls must be calculated accordingly.

(2) For the purpose of subregulation (1), the person is not obliged to claim initial allowances but such election must in that event continue for the whole of the tax free period.

*Carry forward losses*

17. Subject to these Regulations, any loss incurred by a person in the operation of a drug rehabilitation centre may be carried forward and set off against the total income of the drug rehabilitation centre or the total income from that drug rehabilitation centre premises for the next 8 years in succession.

*Annual accounts*

18. Within 6 months after the end of each financial year a person who is entitled to the benefits of a drug rehabilitation centre investment package must submit to the Minister fully audited accounts, including other information that the Minister may require.

*Transferability of drug rehabilitation centre investment package*

19. If a drug rehabilitation centre in respect of which a drug rehabilitation centre investment package has been granted is sold or to be sold, the purchaser or prospective purchaser may apply in writing to the Minister for the transfer to it of any remaining benefits of the drug rehabilitation centre investment package.

*Revocation of drug rehabilitation centre incentives package*

20. The Minister may revoke any Part 2 or Part 3 investment if a person—

- (a) has breached any condition of a provisional approval or final approval;
- (b) has failed to comply with any of the requirements of these Regulations; or
- (c) has been convicted of an offence under any written law relating to taxation, customs or excise.

*Specification of particular requirements*

21. The Minister may prescribe particular requirements under these Regulations applicable to any area of Fiji.

Made this 31st day of March 2025.

B. C. PRASAD  
Deputy Prime Minister and  
Minister for Finance