

CHAPTER 122

GOODS TAX

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CHAPTER 122

GOODS TAX

AN ACT TO IMPOSE A TAX ON THE WHOLESALE VALUE OF GOODS MANUFACTURED IN SOLOMON ISLANDS AND ON GOODS IMPORTED FROM OVERSEAS AND SOLD TO RETAILERS, FOR THE COLLECTION AND ENFORCEMENT OF SUCH DUTY, AND FOR MATTERS INCIDENTAL THERETO OR CONNECTED THEREWITH

9 of 1992
LN 2 of 1994
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[1st March 1993]

PART I

PRELIMINARY

1. This Act may be cited as the Goods Tax Act.

Short title

2. In this Act, unless the context otherwise requires-

Interpretation

"agent" includes every person who in Solomon Islands, for or on behalf of any person resident outside Solomon Islands (in this section called "the principal"), holds or has the management or control of the business of the principal, and every person declared by the Commissioner to be an agent or the sole agent for any person for the purposes of this Act;

"arrangement" means an arrangement, agreement or understanding-

(a) whether formal or informal;

(b) whether express or implied; or

(c) whether or not enforceable, or intended to be enforceable, by legal proceeding;

"assessment" means-

(a) the ascertainment of the value of goods and of the goods tax payable on that sale value; or

(b) the ascertainment of additional tax payable under this Act;

"certificate" means a certificate of registration issued under this Act;

"company" includes all bodies or associations corporate or unincorporate, but does not include partnership;

"Commissioner" means the Commissioner of Inland Revenue appointed under the Income Tax Act; Cap. 123

"Comptroller" means the Comptroller of Customs and Excise appointed under the Customs and Excise Act; Cap. 121

"customs duty" means duty of customs imposed under the Customs and Excise Act;

"goods" include commodities, but does not include-

(a) goods which have, either through a process of retailing or otherwise, gone into use or consumption in Solomon Islands; or

(b) goods which are sold as second-hand goods and are manufactured exclusively or principally from goods which-

(i) have, whether alone or as parts of other goods, gone into use or consumption in Solomon Islands;

(ii) in the opinion of the Commissioner, in their condition as parts of the goods so manufactured, retain their character as goods or parts of goods which have gone into use or consumption in Solomon Islands;

"import" means import into Solomon Islands;

"liquidator" means the person who, whether or not appointed as liquidator, is the person required by law to carry out the winding up of a company;

"manufacture" includes-

(a) production;

(b) the combination of parts or ingredients whereby an article or substance is formed that is commercially distinct from those parts or ingredients;

(c) any treatment applied to foodstuffs as a process in the preparation of the foodstuffs for human consumption;

....(d) the processing or treatment of exposed photographic or cinematographic film to produce a negative, transparency or film strip;

(e) the copying or reproduction of visual images or sounds, or visual images and sounds so as to embody the images or sounds, or images and sounds, as the case may be, (whether in the same material form or in a different material form) in goods (including goods and commodities of the kind referred to in paragraph (a) of the definition of "goods") but does not include-

a combination falling within paragraph (b) (other than a combination whereby a prescribed article or substance is formed) if, in the opinion of the Commissioner, the combination is of a kind that is customarily undertaken by persons who use the articles or substances formed by combinations of that kind for the purposes for which the articles or substances are intended to be ultimately used;

"manufacturer" means a person who engages, whether exclusively or not, in the manufacture of goods, and a person (not being an employee) who manufactures goods, whether or not the materials out of which the goods are manufactured are owned by him, but where one person manufactures goods for another, wholly or in part out of materials supplied by that other, and the goods are not for the use of, but are for sale by, that other, the person supplying the materials shall be deemed to be the manufacturer, and the person who so manufactures the goods shall be deemed not to be the manufacturer;

"material form", in relation to visual images or sounds of a computer program, includes any form (whether visible or not) of storage from which images or sounds, or images and sounds or the computer program, as the case may be, can be reproduced;

"owners"-

(a) in relation to any goods, includes any person (other than an officer of Customs and Excise) being or holding himself out to be the owner, importer, exporter, consignee, agent, or person possessed of, or beneficially interested in, or having any control of, or power of disposition over, the goods; and

(b) in relation to goods, being a ship or aircraft, includes every person acting as agent for the owner or to receive freight or other charges payable in respect of the ship or aircraft;

"person" includes a company;

"payment", in relation to an amount, includes the incurring of liability to pay, and the crediting of, the amount;

"registered person" means a manufacturer or wholesale merchant who is registered under this Act;

"resident" means-

(a) a natural person who is a resident of Solomon Islands;

(b) a natural person whose domicile is in Solomon Islands, except where the Commissioner is satisfied that the person's permanent place of abode is outside Solomon Islands; or

(c) a company that is incorporated in Solomon Islands, or, not being incorporated in Solomon Islands, carries on business or holds property in Solomon Islands;

"sale of goods by wholesale" includes-

(i) a sale of goods to a person who buys the goods for the purpose of resale; and

(ii) a sale of goods to a manufacturer (whether or not he is required to be registered in accordance with the provisions of this Act) to be used in, wrought into or attached to goods to be manufactured by him,

but notwithstanding anything contained in the foregoing provisions of this definition, does not include-

(a) the sale of goods by a retailer, whether or not at a discount from the retail selling price, for the accommodation of the purchaser owing to temporary shortage of stock of the purchaser such goods being of a kind usually manufactured by the purchaser or usually purchased by him from a manufacturer or wholesale merchant for sale;

(b) the sale of goods by a retailer on cash orders issued by firms or persons carrying on the business of issuing cash order authorising or requesting goods to be supplied to the holders of such cash orders;

(c) the sale whether for cash or on credit, and whether at a discount

from the retail selling price or not, of goods of a kind used in the construction and repair of and wrought into or attached to form part of buildings, unless such goods are sold to a person (not being a person who buys goods for supply to some other person);

- (d) the sale of school requisites or sporting equipment by a retailer to school authorities or school teachers for resale to students or the sale of sporting equipment by a retailer to sporting clubs for resale to members of those clubs,

and any sale or supply of goods as specified in paragraphs (b), (c) or (d) shall be deemed to be a sale of goods by retail.

For the purpose of this definition "retailer" means a person whose sale of goods (not including sales to which paragraphs (b), (c) or (d) applies) are, in the opinion of the Commissioner, made principally by retail and "sale of goods by a retailer" means a sale of goods from stock in a retail store or a retail section of a store;

"scheme" means-

(a) an arrangement, understanding, promise or undertaking, whether formal or informal, whether express or implied and whether or not enforceable, or intended to be enforceable, by legal proceedings; or

(b) a scheme, plan, proposal, action, course of action or course of conduct, whether unilateral or otherwise;

and for the purposes of this Act a scheme shall be taken to be entered into or carried out for a particular purpose of the person who has, or one or more of the persons who have, entered into or carried out the scheme or a part of the scheme did so for that purpose or for purposes including that purpose;

"tax" includes further tax and additional tax under Part VIII and Part X;

"taxpayer" means a person chargeable with goods tax under this Act;

"trustees", in addition to every person appointed or constituted trustee by act of parties, by order or declaration of a court, or by operation of law, includes-

(a) an executor or administrator, guardian, committee, receiver or liquidator; and

(b) every person having or taking upon himself the administration or control of goods affected by any express or implied trust, or acting in any fiduciary capacity, or having the possession, control or management of the goods of a

person under any legal or other disability;

"unregistered person" means a person who is not registered under this Act;

"wholesale merchant" means a person who engages, whether exclusively or not, in the sale of goods by wholesale, and includes-

(a) a trustee in whom the ownership of the business of any wholesale merchant or manufacturer becomes vested, or who becomes entitled to the possession, management or control of that business or of the goods of that business, and who sells those goods, whether in the course of carrying on or in the course of winding up or realising that business;

(b) a person who, notwithstanding that the person manufactures goods for another person, is, pursuant to the definition of "manufacturer" deemed not to be the manufacturer of the goods; and

(c) a person who applies any process or treatment to goods which are-

- (i) to be used in, wrought into or attached to goods to be manufactured by a manufacturer;
- (ii) supplied to the person by the manufacturer of those goods for the purpose of having them brought into the form or condition in which they are to be marketed or used or further processed or treated by the manufacturer; or
- (iii) to be exported from Solomon Islands and which are to be used in, wrought into or attached to goods to be manufactured outside Solomon Islands; or
- (iv) a person who sells goods under an indirect marketing arrangement;

(d) any person who imports and sells such imported goods by retail and wholesale concurrently, either from the same place of business or in separate locations, whom the Commissioner, after taking into consideration the nature in which the business is conducted, deems such person to be a wholesale merchant for the purposes of effective administration of this Act.

3.-(1) Subject to subsection (2) a person shall, for the purposes of this Act (except Part III), be taken to quote his certificate when he quotes his certificate in the manner referred to in section 7(1).

Quotation of certificate

(2) Where a person purports to quote a certificate to another person, and the other person has reasonable grounds to believe that-

(a) the first-mentioned person-

- (i) is not a registered person; or
- (ii) is quoting the certificate otherwise than in accordance with section 7(1); or
- (iii) is prohibited, by virtue of a notice issued under section 11(1), from quoting the certificate; or

(b) the quotation-

- (i) is false or misleading in a material particular; or
- (ii) omits any matter or thing without which the quotation is misleading in a material particular; or

(c) the Commissioner has published or provided information relating to the certificate under section 12(7),

the first-mentioned person shall, for the purposes of this Act (except Part III), be deemed not to have quoted his certificate.

(3) For the purposes of this Act, a person shall be deemed to have sold goods, if, in the performance of any contract (not being a contract for the sale of goods) under which he has received, or is entitled to receive, valuable consideration, he supplied goods, the property in which (whether as goods or in some other form) passes, under the terms of the contract, to some other person.

(4) A reference in this Act to a person selling goods under an indirect marketing arrangement is a reference to a person (in this subsection referred to as the "vendor"), who is not the manufacturer or wholesaler of the goods, selling goods by retail-

(a) under an arrangement that provides, directly or indirectly, for the sale of goods (whether ascertained or not) by the vendor through another person acting for and on behalf of the vendor, whether in the name of the vendor or in any other names, but not being an employee of the vendor; or

(b) from premises that-

- (i) are used principally for the sale of goods by retail by any other person

or persons; and

(ii) are held out to be premises of, or used by, the other person or persons.

(5) Any person who, at any time, ceases to be a manufacturer or wholesale merchant shall be deemed to continue to be a manufacturer or a wholesale merchant (as the case may be) until he has-

(a) sold;

(b) treated as stock for sale by retail;

(c) applied to his own use; or

(d) leased,

the goods held in stock by him at that time or until the Commissioner is satisfied that none of those goods will become the subject of any transaction, act or operation specified in this subsection.

(6) Notwithstanding anything to the contrary in this Act, for the purpose of paragraph (d) of the definition of "wholesale merchant" in section 2, any person who imports and sells such imported goods by retail and wholesale concurrently, either from the same place of business or in separate locations, shall be deemed to be a wholesale merchant for the purposes of this Act.

PART II

ADMINISTRATION

4.-(1) The tax shall be under the care and management of the Commissioner who may do all such acts as may be deemed necessary and expedient for raising, collecting, receiving and accounting for the tax.

Commissioner and other officers

(2) The Commissioner may, subject to such limitations as he may think fit, authorise any officer to exercise any of the powers conferred by the Act, upon the Commissioner other than the powers conferred by section 68.

(3) The Commissioner may specify the form of any notice, return, or other document required for the purpose of this Act, and where any form has been so specified then such notice, return, other form or return shall be in the form so specified.

(4) Notices given by the Commissioner under this Act may be signed by any officer authorised by him in that behalf, and any notice purporting to be signed by order of the Commissioner shall, unless the contrary is proved, be presumed to have been signed by an officer so authorised;

(5) Every form, notice, or other document issued, served, or given by the Commissioner under this Act shall be sufficiently authenticated, if the name or title of the Commissioner, or of the officer authorised in that behalf, is printed, stamped or written thereon.

5.-(1) Every person executing any power or duty conferred or imposed on an officer under this Act or the regulations shall, before entering upon his duties or exercising any power under this Act, make before a Commissioner of Oaths or a Magistrate, a declaration in the form prescribed.

Secrecy by officer,
declarations etc

(2) Subject to the provisions of this section any officer who acts in the execution of any duty under this Act or the regulations shall regard and deal with all documents and information as confidential and shall not divulge any information relating to the affairs of a person except in the performance of any duty under this Act.

(3) Any person who has been an officer or has performed any duty under this Act, and who communicates any information acquired by him in the performance of any duty under this Act or the regulations to any person, other than a person to whom he is authorised by the Commissioner, shall be guilty of an offence and on conviction therefor shall be liable to a fine of two thousand dollars or imprisonment for a term of one year, or to both such fine and imprisonment.

(4) Notwithstanding anything contained in any other provision of this section, the Commissioner may communicate-

(a) to the court in connection with proceedings under an Act of which the Commissioner has general administration; or

(b) to the Comptroller on any matter that comes to the knowledge of the Commissioner in the performance of the Commissioner's official duty.

(5) An officer shall not be required to produce in any court any return, assessment or notice of assessment, or to divulge or communicate to any court any matter or thing coming under his notice in the performance of his duties under this Act except as may be necessary for the purpose of carrying into effect the provisions of this Act.

(6) In this section, "officer" means a person-

(a) who is appointed as agent or employed by the Solomon Islands Government; or

(b) to whom powers or functions have been delegated by the Commissioner,

and who, by reason of the appointment or employment or in the course of the employment, or by reason of, or in the course of the exercise of powers or the performance of functions under, the delegation, as the case may be, may acquire or has acquired information with respect to the affairs of any other person disclosed or obtained under or for the purposes of this Act.

(7) For the purposes of this section, a person who, although not appointed or employed by the Solomon Islands Government, performs services for the Government shall be taken to be employed by the Government.

PART III

REGISTRATION AND CERTIFICATES

6.-(1) Subject to the provisions of this section, a person who is a manufacturer or a wholesale merchant is required to be registered.

Manufacturers and
wholesale merchants to
be registered

(2) A person who is required to be registered shall apply to the Commissioner for registration in the form provided by the Commissioner and shall-

(a) furnish such particulars as the form requires;

(b) furnish such further particulars (if any) as the Commissioner requires; and

(c) lodge the application within the time prescribed.

(3) Subject to subsections (4) and (5), where the Commissioner is satisfied that a person who has made an application in accordance with subsection (2) is a manufacturer or a wholesale merchant, the Commissioner shall register the person.

(4) Where a person makes an application for registration and-

(a) the application-

(i) is false or misleading in a material particular; or

(ii) omits any matter or thing without which the application is misleading in a material particular; or

(b) the person, being required to give security under subsection (12), refuses or fails to do so,

the Commissioner may, in his discretion, by notice in writing served on the person, as prescribed, refuse to register the person, but the person does not thereby cease to be required to be registered.

(5) Subject to subsections (6) and (7), where a person is a manufacturer or a wholesale merchant and engages only in transactions, acts or operations in respect of which goods tax is not payable by the person-

(a) the Commissioner may, in his discretion, dispense with, or revoke, the registration of the person; and

(b) if the Commissioner does so at a particular time, the person is, as from that time, not required to be registered.

(6) Where-

(a) the Commissioner, in pursuance of subsection (5), has dispensed with, or revoked, the registration of a person; and

(b) at a particular time, the person commences, or would, if required to be registered, be taken for the purposes of this Act to commence, to engage in transactions, acts or operations in respect of which goods tax is payable by the person,

the person is, as from that time, required to be registered.

(7) Without limiting the generality of subsection (6), where-

(a) the Commissioner, in pursuance of subsection (5), has dispensed with, or revoked, the registration of a person; and

(b) the person is a wholesale merchant by virtue of subparagraphs (b), (c) or (d), of the definition of wholesale merchant in section 2,

the Commissioner may, at any time while the person continues to be a wholesale

merchant by virtue of any provision referred to in paragraph (b) of this subsection, by notice in writing served on the person as prescribed, require the person to register within a specified period, and the person is, as from the time of service of the notice, required to be registered.

(8) Subject to the provisions of this section, where, on a particular day, a person is required to be registered, such person shall lodge an application in the manner prescribed for registration under subsection (2)-

(a) where subsection (1) applies, within 28 days after that day;

(b) where subsection (6) applies, within 14 days after that day;

(c) where subsection (7) applies, within the period specified in the notice served on the person under that subsection; or

(d) where section 12(3) applies, within 14 days after the service on the person of a notice under section 12(4).

(9) On the registration of a person, the Commissioner shall issue to the person a certificate, and, subject to this Act, the certificate remains in force until-

(a) in the case of a natural person, the death or bankruptcy of the person;

(b) in the case of a person other than a natural person, dissolution of the person;

(c) revocation of the person's registration; or

(d) cancellation of the certificate.

(10) Certificates shall be issued by the Commissioner or by a person thereto authorised in writing by the Commissioner.

(11) Certificates under this Part shall be subject to the following conditions-

(a) that the person to whom the certificate is issued shall-

(i) keep proper books or accounts for the purposes of this Act;

(ii) render true statements of all sales made by him as and when required by the Commissioner; and

(iii) duly pay all tax required by or under this Act to be paid by him; and

(b) such other conditions as are prescribed.

(12) Where, in the opinion of the Commissioner, it is necessary for the protection of the revenue to do so, the Commissioner may, by notice in writing served on the person as prescribed, require a registered person, or person required to be registered, to give security for compliance by that person with the conditions of any certificate issued, or to be issued, to that person under this Act, and that person shall, within twenty eight days after the service of the notice, give security to the satisfaction of the Commissioner, in such amount, not exceeding twenty-five thousand dollars, as the Commissioner considers reasonable, for compliance with the conditions of the certificate.

(13) Every security given by a person under subsection (12) shall remain in force until-

(a) fresh security satisfactory to the Commissioner is furnished in lieu thereof by the person;

(b) the expiration of the prescribed period after the Commissioner has received from any party to the security, other than the taxpayer, a request, in writing, to be discharged from his obligations under the security; or

(c) the Commissioner, by notice in writing, relieves the parties to the security from their obligations under the security:

Provided that nothing in this subsection shall relieve any party to a security from his obligations under the security in respect of any period prior to the date of the termination of the security.

(14) Securities given for the purposes of this Act shall not be subject to stamp duty under the Stamp Duties Act.

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(15) Upon the receipt by the Commissioner from any party to a security, other than the taxpayer, of a request to be discharged from his obligations under the security, or upon the termination of any security, or if, at anytime, the Commissioner is not satisfied that the security given by any person is sufficient, the Commissioner may, by notice in writing, require the person who has given the security to furnish fresh security or additional security within such time as is specified in the notice, and the person shall give security accordingly.

(16) The provisions of this section relating to securities shall not apply to any person

other than a person who is engaged in-

(a) the manufacture or sale of goods upon the sale value of which goods tax is payable by him under this Act; or

(b) other transactions, acts or operations in connection with which goods tax is payable by him.

7.-(1) A registered person shall, subject to section 11(6), quote his certificate in such manner and under such circumstances as are prescribed.

Registered person to quote certificate

(2) A registered person shall not quote his certificate except as prescribed.

8. Any person carrying on business as a manufacturer or as a wholesale merchant who is required by or under section 6 to be registered and who refuses or fails, within or at the time specified by or under that section to be registered, or refuses or fails within the time so specified to apply for a fresh certificate, or, in either case, to give security to the satisfaction of the Commissioner if so required by the Commissioner, is, in respect of each day on which he refuses or fails to be so registered, to apply for a fresh certificate or to give security to the satisfaction of the Commissioner (including the day of a conviction of an offence against this section or any subsequent day), guilty of an offence punishable on conviction by a fine not exceeding two hundred and fifty dollars.

Failure to register or give security

9. Any manufacturer or wholesale merchant to whom a certificate has been issued under this Part who contravenes any condition of the certificate shall be guilty of an offence and on conviction therefor liable to a fine of two thousand dollars.

Non-observance of conditions

10. Any person who, in relation to any transaction, act or operation in respect of goods, falsely represents that he is registered person or falsely quotes a certificate, shall be guilty of an offence and on conviction therefor liable to a fine of two thousand dollars.

Wrongful quotation of certificate

11.-(1) Where for the purpose of defeating the provisions of this Act, a registered person-

Prohibition of quotation of certificate, grounds for issue of prohibition notice

(a) quotes any certificate; or

(b) directly or indirectly, aids, abets, counsels or procures another person to

quote any certificate,

otherwise than in accordance with section 7(1), the Commissioner may, by notice in writing served on the registered person as prescribed, prohibit the person from quoting a certificate during the period specified in the notice.

(2) The service on a person of a notice under subsection (1) does not prevent the service at any time of a further notice or further notices on that person under that subsection.

(3) A registered person shall, within seven days after service on him of a notice under subsection (1), surrender his certificate to the Commissioner, and on refusal to do so, shall be guilty of an offence, and on conviction liable to a fine of five hundred dollars.

(4) The Commissioner shall cancel a certificate surrendered under subsection (3).

(5) A person served with a notice or notices under subsection (1) may apply, in a form approved by the Commissioner, for the issue of a fresh certificate, and the Commissioner shall, if satisfied that the person-

(a) has not ceased to be required to be registered; and

(b) is no longer prohibited from quoting a certificate; issue a certificate accordingly.

(6) A person who contravenes a prohibition contained in a notice served under subsection (1) shall be guilty of an offence and on conviction therefor liable to a fine of two thousand dollars.

(7) Where-

(a) a registered person quotes his certificate in relation to a transaction, act or operation in respect of goods;

(b) after the person quotes his certificate and before the transaction, act or operation is completed, the person receives a notice under subsection (1); and

(c) the person does not forthwith notify the other party or parties to the transaction, act or operation that he has received the notice,

the person is guilty of an offence punishable, on conviction, by a fine not exceeding two thousand dollars.

(8) Where a person (in this subsection referred to as the "convicted person") is convicted before a court of-

(a) quoting a certificate in relation to a transaction, act or operation in respect of goods in contravention of a prohibition contained in a notice served under subsection (1);

(b) an offence against subsection (7) in relation to a transaction, act or operation in respect of goods,

the court may, in addition to imposing a penalty on the convicted person, order the convicted person to pay to the Commissioner an amount not exceeding double the amount of-

(i) if goods tax payable in respect of the transaction, act or operation, that tax; or

(ii) if no goods tax was so payable, the tax that would have been payable if a certificate had not been quoted in respect of the transaction, act or operation.

(9) A person whose certificate is surrendered and cancelled under this section continues to be bound by the conditions subject to which the certificate was issued.

12.-(1) A registered person shall, within seven days after he becomes a person who is neither a manufacturer nor a wholesale merchant, lodge with the Commissioner a notice in writing stating that fact, and on failing to do so, commits an offence against this Act and on conviction therefor, is liable to a fine of five hundred dollars.

Revocation of registration

(2) Where at any time it comes to the knowledge of the Commissioner that a registered person is neither a manufacturer nor a wholesale merchant, the Commissioner shall revoke the person's registration.

(3) Where a person is a registered person and-

(a) at the time when the person's application for registration was made, the application-

(i) was false or misleading in a material particular; or

(ii) omitted any matter or thing without which the application was misleading in a material particular; or

(b) the person, being required to give security under subsections (12) or (15) of section 6 refuses or fails to do so,

the Commissioner may, in the his discretion, revoke the person's registration, but the person does not thereby cease to be required to be registered.

(4) Where the Commissioner, under section 6(9)(c) or subsections (2) or (3) of this section, revokes a person's registration-

(a) the Commissioner-

(i) shall serve on the person, as prescribed, notice in writing of the revocation; and

(ii) shall be taken, for the purposes of this Act, to revoke the registration at the time when the notice is served on the person; and

(b) the person shall, within seven days after that time, surrender his certificate to the Commissioner.

(5) The Commissioner shall cancel a certificate surrendered under subsection (4).

(6) A person who contravenes subsection (4)(b) is guilty of an offence punishable on conviction by a fine not exceeding five hundred dollars.

(7) The Commissioner may publish by notice in writing in the Gazette, or provide to any registered person, information as to-

(a) certificates relating to registration that have been revoked under sections 6 and 12; and

(b) certificates in respect which notices under section 11 are in force.

PART IV

LIABILITY TO TAX

A-CHARGE OF TAX

13. Subject to, and in accordance with, the provisions of this Act, tax shall be levied and paid upon-

Goods tax to be charged
on sale value

(a) the sale value of goods manufactured in Solomon Islands by a taxpayer and sold by him or treated by him as stock for sale by retail or applied to his own use;

(b) the sale value of goods manufactured in Solomon Islands and sold by a taxpayer who purchased them from the manufacturer;

(c) the sale value of goods manufactured in Solomon Islands and sold by a taxpayer, not being either the manufacturer of the goods or a purchaser of those goods from the manufacturer;

(d) the sale value of goods which have been manufactured in Solomon Islands and sold to a taxpayer who has applied those goods to his own use;

(e) the sale value of imported goods entered for home consumption by a taxpayer;

(f) the sale value of goods imported into Solomon Islands by a taxpayer and sold by him or applied by him to his own use;

(g) the sale value of goods imported into Solomon Islands and sold by a taxpayer not being the importer of the goods;

(h) the sale value of goods which have been imported into Solomon Islands and sold to a taxpayer who has applied those goods to his own use; and

(i) the sale value of goods in Solomon Islands, leased by a taxpayer to a lessee.

14.-(1) The reference in section 13(a) to goods manufactured in Solomon Islands by a taxpayer and applied to his own use shall be read as a reference to goods manufactured in Solomon Islands by a manufacturer in the course of carrying on a business and applied to his own use, whether for the purposes of that business or for any other purpose and whether or not the goods are of a class manufactured by the manufacturer for sale.

Goods manufactured in
Solomon Islands

(2) Where-

(a) goods have been manufactured in Solomon Islands by a person for another person (in this subsection referred to as the "customer"); and

(b) the goods were manufactured in whole or in part out of materials supplied by the customer,

the manufacturer of the goods shall, for the purposes of this Act, be deemed to have sold the goods to the customer at the time when the goods were delivered to the customer, or were delivered under an agreement with the customer to some other person, and the customer shall, for the purposes of this Act, be deemed to be the purchaser of the goods.

(3) For the purposes of this section, where a person has procured the manufacture of goods for a person (in this subsection referred to as the "customer") by another person (in this subsection referred to as the "third person") in whole or in part out of materials supplied by the customer, the person who so procured the manufacture of the goods shall be deemed to have been the manufacturer of the goods and the third person shall be deemed not to have been the manufacturer of the goods.

(4) For the purposes of this section, goods manufactured for a person (in this subsection referred to as the "customer") shall be taken to be manufactured in whole or in part out of materials supplied by the customer if the goods are manufactured in whole or in part out of materials-

(a) which are supplied by the customer or by another person at the request of, or under an agreement with, the customer; or

(b) which the customer has purchased, or agreed to purchase, from the manufacturer.

B-SALE VALUE OF MANUFACTURED GOODS

15.-(1) For the purposes of section 13(a), the sale value of goods-

Meaning of sale value of goods

(a) where goods (other than goods treated by a manufacturer as stock for sale by retail) have been sold by the manufacturer to an unregistered person or to a registered person who has not quoted his certificate in respect of the sale, the value of the goods, for the purposes of this Act, is-

(i) if the goods were sold by wholesale, the amount for which the goods were sold;

(ii) if the goods were sold by retail, the amount for which the goods could reasonably be expected to have been sold by wholesale;

(b) where the goods are treated by a manufacturer as stock for sale by retail, the sale value of the goods shall be the amount for which those goods could

reasonably be expected to be sold by the manufacturer by wholesale;

(c) where the goods are applied by a manufacturer to his own use, the sale value of the goods shall be the amount for which those goods could reasonably be expected to be sold by the manufacturer by wholesale.

(2) For the purposes of this section, the sale value of goods shall not be increased by any amount payable in respect of goods tax but, when the goods are sold in bond, the sale value shall be increased by the amount of any duty of excise to which the goods would be subject if entered for home consumption at the time at which they are sold.

(3) Notwithstanding anything contained in this section, in the case of any goods manufactured to the order of individual customers, the sale value shall be an amount ascertained in such manner as is prescribed, but not exceeding the amount for which the goods are sold.

16. For the purposes of sections 13(b) and (c), the sale value of goods shall, where the goods are sold by the purchaser from the manufacturer, be the amount for which those goods are sold by a registered person, or a person required to be registered, who purchased the goods from the manufacturer thereof, to an unregistered person or to a registered person who has not quoted his certificate in respect of that purchase:

Sale value of goods sold
by purchaser from
manufacturer

Provided that where the goods are sold by retail by a registered person who has quoted his certificate when purchasing the goods, the sale value of the goods shall be the amount which would be the fair market value of those goods if sold by wholesale, but if the Commissioner is of opinion that the amount set forth in any return by the registered person as the sale value of any such goods is less than the amount which would be their fair market value if sold by wholesale, the Commissioner may alter the amount set forth in the return to the amount which, in his opinion, would be the fair market value of the goods if sold by wholesale, and the amount as so altered shall be the sale value of the goods for the purposes of this Act.

17.-(1) For the purposes of section 13(d) the sale value of goods, where the goods have been purchased by a registered person who has quoted his certificate in respect of the goods, and has applied those goods to his own use, shall be the amount for which the goods were so purchased.

Sale value of goods
purchased by a
registered person, who
quoted his certificate but
applied goods to own use

(2) For the purposes of this subsection-

(a) goods manufactured for a person (in this subsection referred to as the "customer") shall be taken to have been manufactured in whole or in part out of materials supplied by the customer if the goods were manufactured in whole or

in part out of materials-

(i) which were supplied by the customer or by another person at the request of, or under an agreement with, the customer; or

(ii) which the customer purchased or agreed to purchase, from the manufacturer; and

(b) the materials which were so supplied or purchased and were used in the manufacture of the goods shall be taken to have been the materials used in the manufacture of the goods.

18. In determining the sale value of the goods manufactured and sold in the manner referred to under sections 15, 16 and 17 where the goods have been manufactured from materials supplied or sold by the purchaser to the manufacturer, the Commissioner shall, where he considers necessary, determine the sale value thereof, after considering, and taking into account, factors which in the opinion of the Commissioner are relevant for the purpose of arriving at a fair sale value.

Commissioner to determine fair value in special cases

19. For the purposes of this Act, goods have been entered for home consumption whether or not such goods are accepted and signed for by the proper officer by an entry, and whether or not, a specification or shipping bill, and a declaration are signed by the importer on the prescribed form in the prescribed manner, together with payments to the proper officer by the importer of all rents and charges due under the Customs and Excise Act.

Definition of entry for home consumption
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20.-(1) For the purposes of section 19, goods shall be deemed to be entered for home consumption where, and at a particular time-

Goods deemed entered for home consumption

(a) imported goods are delivered to a person-

(i) in pursuance of an order of a court made in an action for condemnation or recovery of the goods or in an action for a declaration that the goods are not forfeited under the Customs and Excise Act; or

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(ii) being goods that have been seized under that Act;

(b) imported goods are delivered pursuant to sections 76 and 77 of that Act whether or not such goods are entered after the declaration made under section 77 of that Act; and

(c) the goods in respect of which the Comptroller waives the requirement to produce documents, as provided for under section 80 of that Act, are entered and delivered to the importer.

(2) For the purposes of this section, goods deposited in a Queens warehouse, pursuant to section 83 of the Customs and Excise Act, shall be deemed to be entered and delivered when the goods are sold by auction, pursuant to section 84 of that Act and reference to the application of the proceeds under Section 84(3) of that Act shall be read as if goods tax were included, and required to be recovered.

C-SALE VALUE OF IMPORTED GOODS

21.-(1) For the purposes of section 13(e), the sale value of imported goods that are entered for home consumption by-

Sale value of goods entered for home consumption

(a) an unregistered person; or

(b) a registered person who does not quote his certificate in respect of the entry,

shall be an amount equal to 130 *per centum* of the sum of-

(i) the customs value of the goods as determined in accordance with the Customs and Excise Act and the Schedules thereto; and

(ii) the amount of customs duty (if any) that is, or may become, payable in respect of the goods.

(2) Where, under the Customs and Excise Act, an entry is given in respect of goods the customs value of which is required to be ascertained for the purposes of subsection (1), then, pending the ascertainment of that value for the purposes of that Act, the amount set out in that entry as the customs value shall be taken to be the customs value for the purposes of that subsection.

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22.-(1) The Comptroller, may for the better administration of sections 21, 23, 24 and this section, make rules and set conditions, and such rules or conditions may stipulate that-

Comptroller may make rules and set conditions

(a) goods of a specified class;

(b) goods imported by persons of a specified class;

(c) goods of a specified class imported by persons of a specified class; or

(d) goods imported for a specified purpose,

may, in accordance with this section, be brought into Solomon Islands on a temporary basis without payment of goods tax.

(2) The Comptroller may accept security given by a person for the payment of, or an undertaking by a person to pay, any goods tax that may become payable on goods to which the security or undertaking relates, being goods in relation to which the conditions set by the Comptroller under subsection (1) apply, that may be imported after a particular date or during a particular period and, where the Comptroller accepts such security or undertaking, the Comptroller may grant to a person who imports goods to which the security or undertaking relates permission to take delivery of those goods without payment of goods tax.

(3) The conditions or rules which the Comptroller may make, referred to in this section may prohibit a person to whom goods are delivered under this section from dealing with the goods in a manner, or in a manner other than a manner specified in the rules, or from so dealing with the goods except with the consent of the Comptroller.

(4) Goods tax is not payable in respect of goods delivered under this section unless-

(a) the goods have been dealt with in contravention of any conditions set by the Comptroller; or

(b) the goods are not exported within such period, not exceeding twelve months, after the date on which the goods were imported as is notified to the person who imported the goods by the Comptroller when he grants permission to take delivery of the goods, or within such further period as the Comptroller may allow, on the application of the person who imported the goods and of the person who gave the security or undertaking with respect to the goods.

(5) The reference to security in subsection (4), shall be required from a person who imports goods which are included in a prescribed class of goods or imports goods intended for a prescribed purpose and intends to export those goods, before the Comptroller may grant to such person who enters the goods for home consumption permission to take delivery of those goods upon giving such security or an undertaking, to the satisfaction of the Comptroller, for payment of the goods tax in respect of those goods:

Provided that the rules may provide that-

- (a) goods of a specified class;
- (b) goods imported by a specified class;
- (c) goods of a specified class imported by a person of a specified class; or
- (d) goods imported for a specified purpose,

may, in accordance with this section, be brought into Solomon Islands on a temporary basis without payment of tax:

Provided further that the next succeeding subsections shall also apply to the goods brought in, on a temporary basis, in accordance with the rules referred to in the preceding proviso to this subsection.

(6) Where security under this section is given by way of a payment of money or a deposit of an instrument transferable by delivery, the money shall not be repaid or the instrument shall not be returned, unless no goods tax is, or may become, payable in respect of any goods to which the security relates that have been imported.

(7) Where goods have been dealt with in contravention of conditions set by the Comptroller under this section or goods are not exported from Solomon Islands within the period notified under paragraph (b) of subsection (4) or within such further period as is allowed under that paragraph, security in respect of the goods may be enforced according to its tenor or, where an undertaking to pay the amount of the goods tax on the goods has been given, that amount may be recovered at any time in a court of competent jurisdiction by proceedings in the name of the Comptroller.

(8) The provisions of the Customs and Excise Act (including regulations made under that Act) relating to securities apply in relation to a security under this section as if that security were a customs security required to be given under that Act.

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23. Where-

Entries

(a) goods are entered for home consumption by a person as described in section 21(1); and

(b) the entry is of a kind referred to in section 19,

the person shall, at the time of the entry, lodge with the Comptroller, at the place at which the person is required under the Customs and Excise Act to give an entry under

that Act, an entry for the purposes of this Act in a form approved by the Commissioner containing such information as the form required and such other information as is required.

24. Any person who is required by or under section 23 to lodge any entry and who refuses or fails to lodge that entry is guilty of an offence punishable on conviction by a fine not exceeding one thousand dollars.

Failure to lodge entry or
furnish information

25.-(1) For the purpose of section 13(f) and (g), the sale value of goods shall be the amount for which those goods are sold by a registered person, or a person required to be registered, who imported those goods, to an unregistered person or to a registered person who has not quoted his certificate in respect of the purchase of those goods:

Sale value of imported
goods sold by importer to
registered person or
registered person who
has not quoted his
certificate

Provided that where goods are sold by retail by a registered person who has quoted his certificate when importing the goods, the sale value of the goods shall be the amount which would be the fair market value of those goods if sold by him by wholesale, but if the Commissioner is of opinion that the amount set forth in any return by the registered person as the sale value of any such goods is less than the amount which would be their fair market value if sold by wholesale, the Commissioner may alter the amount set forth in the return to the amount which, in his opinion, would be the fair market value of the goods if sold by wholesale, and the amount as so altered shall be the sale value of the goods for the purposes of this Act.

(2) For the purposes of this Act, the sale value of goods imported by a registered person who quoted his certificate in respect of the entry of those goods for home consumption, and who applies those goods to his own use, shall be the amount which would have been the sale value of those goods for the purposes of section 21.

(3) For the purposes of this section, the sale value of goods shall not be increased by any amount payable in respect of goods tax, but, when the goods are sold either in bond or while otherwise subject to the control of the Customs, the sale value shall be increased by the amount of any duty of customs to which the goods would be subject if entered for home consumption at the time at which they are sold.

26. For the purpose of section 13(h), the sale value of goods which have been imported into Solomon Islands and sold to a taxpayer who has applied those goods to his own use, shall be the amount for which the goods were so purchased.

Sale value of goods
applied to own use by
registered person

27.-(1) For the purpose of section 13(i), the sale value of goods which were leased by a registered person, or a person required to be registered, to an unregistered person, or to a registered person who has not quoted his certificate in respect of that lease, shall, subject to this section, be such amount as, in the opinion of the

Sale value of leased
goods

Commissioner, having regard to the terms of the lease and the market value (if any) of the goods the subject of the lease, is fair and reasonable.

(2) Where the sale value of goods has been ascertained in accordance with the provisions of subsection (1) and the taxpayer has subsequently written off as a bad debt the whole or any part of the amount for which the goods were leased, the Commissioner may, on proof to his satisfaction that the whole amount or any part thereof is a bad debt, reduce the sale value of the goods to such amount as, in his opinion, having regard to the amount so written off as a bad debt, is fair and reasonable:

Provided that if the amount so written off as a bad debt is at any time wholly or partly recovered by the taxpayer, the Commissioner may increase the amount of the sale value of the goods accordingly.

(3) Where goods are leased under a hire purchase agreement by a registered person, or a person required to be registered, to an unregistered person, or to a person who has not quoted his certificate in respect of that lease, the sale value of those goods shall, for the purposes of this Act, be the amount which, at the time the lease is effected, is the fair wholesale value of the goods, but if the Commissioner is of opinion that the amount set forth in any return by the registered person, or person required to be registered, as the sale value of any such goods, is less than the amount which is fair wholesale value of the goods, the Commissioner may alter the amount set forth in the return to the amount which, in his opinion, is the fair wholesale value of the goods, and the amount as so altered shall be the sale value of the goods for the purposes of this Act.

(4) Where the Commissioner, at any time, forms the opinion that goods have been leased by a taxpayer to a lessee for the purpose of relieving the taxpayer from liability to pay tax under this Act relating to the imposition of goods tax, the sale value of the goods so leased shall-

(a) where a sale value of those goods has not been determined under subsection (1), be the amount which, in the opinion of the Commissioner, is the fair wholesale value of the goods; and

(b) where a sale value of those goods has been so determined, be increased to the amount which, in the opinion of the Commissioner, is the fair wholesale value of the goods:

Provided that where the Commissioner subsequently becomes satisfied that the goods were not leased by the taxpayer for the purpose specified in this subsection, the sale value of the goods under this subsection shall be altered to an amount determined in accordance with subsection (1).

28.-(1) Without prejudicing any specific provisions under this Act, as to the power of Commissioner may alter

the Commissioner to alter sale value of goods dealt with in any manner under this Act, the Commissioner shall, where no specific provisions apply, have the power to determine and where necessary alter the sale value of the goods, and the value so deemed to be altered shall be the sale value of those goods for the purposes of this Act.

sale value

(2) Notwithstanding anything contained in this Act, the Commissioner may enter into an agreement with any taxpayer as to the manner of ascertaining the sale value or sale value of goods, which during the period of agreement become the subject of any transaction, act or operation effected or done by the taxpayer in respect of which tax is payable under this Act and the sale value or sale values ascertained in the manner specified in the agreement shall, for the purposes of this Act, be the sale value or sale values of those goods in respect of those transactions, acts or operations. The agreement may be in respect of any or all of those goods and in respect of any or all of the transactions, acts or operations effected or done by the taxpayer in relation thereto.

PART V

LIABILITY FOR TAX

29.-Subject to, and in accordance with the provisions of this Act, the goods tax levied and paid upon the sale value of goods ascertained under Part IV shall be paid by the person, liable to pay the tax under this part.

Goods tax to be paid by person liable to pay the tax

30. In the case of sale value of goods ascertained under section 15, goods tax shall be paid by the manufacturer of goods manufactured in Solomon Islands and-

Person liable to pay tax on sale value of goods manufactured in Solomon Islands by taxpayer and applied to own use or treated the goods as stock

(a) sold by the manufacturer to an unregistered person or to a registered person who has not quoted his certificate in respect of the sale;

(b) treated by the manufacturer as stock for sale by retail; or

(c) applied by the manufacturer to his own use.

31. In the case of value of goods ascertained under section 16-

Person liable to pay tax on sale value of goods sold by purchaser from manufacturer

(a) where a person (being a registered person or a person required to be registered) who has purchased goods manufactured in Solomon Islands from the manufacturer of the goods sells the goods to an unregistered person or to a person who has not quoted his certificate in respect of that purchase, goods tax shall be paid by the first-mentioned person;

(b) where goods manufactured in Solomon Islands are sold to a person (being an unregistered person or a registered person who has not quoted his certificate in respect of the purchase of the goods) by a registered person, or by a person required to be registered, who was not the manufacturer of the goods and did not purchase the goods from the manufacturer of the goods, goods tax shall be paid by the vendor of the goods.

32. In the case of sale value of goods ascertained under section 17, where a registered person who quoted his certificate in respect of goods purchased by him has applied those goods to his own use, goods tax shall be paid by that registered person.

Person liable to tax on sale value of goods purchased by registered person and applied goods to own use

33. In the case of sale value of goods ascertained under section 21, goods tax shall be paid-

Person liable to pay tax on sale value of goods entered for home consumption

(a) where goods are taken to be entered for home consumption by virtue of section 19, by the person who so enters the goods; or

(b) where the goods are taken to be entered for home consumption by virtue of section 20, by the person who is, by virtue of that section, taken to have so entered the goods.

34.-(1) In the case of sale value of goods ascertained under section 25-

Person liable to pay tax on sale value of goods imported by importer to registered person or registered person who has not quoted his certificate

(a) where goods imported into Solomon Islands by a registered person, or by a person required to be registered, are sold by the importer of the goods to an unregistered person or to a registered person who has not quoted his certificate in respect of the purchase of the goods, goods tax shall be paid by the importer of the goods;

(b) where goods imported into Solomon Islands by a registered person who quoted his certificate in respect of the entry of the goods for home consumption are applied by the importer to his own use, goods tax shall be paid by the importer

of the goods.

(2) Where goods imported into Solomon Islands are sold by a person other than the importer of the goods (being a person who is a registered person or a person required to be registered) to an unregistered person or to a registered person who has not quoted his certificate in respect of the purchase of the goods, goods tax shall be paid by the vendor of the goods.

35. In the case of sale value of goods as ascertained under section 26, where goods imported into Solomon Islands are purchased by a registered person who has quoted his certificate in respect of the goods and are applied by the purchaser to his own use, goods tax shall be paid by the purchaser of the goods.

Person liable to pay tax on sale value of goods applied to own use by registered person

36. In the case of sale value of goods ascertained under section 27, goods tax shall be paid by the lessor of goods on the sale value, the sale value as specified in that section.

Person liable to pay tax on sale value of leased goods

PART VI EXEMPTIONS

37.-(1) Notwithstanding anything in Parts IV and V, goods tax shall not be payable under this Act by the person, or on the sale value of goods, specified in the First Schedule.

Goods tax not payable by certain persons, and on sale value of goods, specified in First Schedule

(2) The Minister may provide by order-

(a) that any person shall be exempt from the provisions of this Act to the extent specified in such order;

(b) that any goods or class of goods shall be exempt from tax to the extent specified in such order;

(c) that the exemptions granted under subsection (1) in respect of any person or goods shall cease to have effect either generally or to such extent as may be specified in such order,

and thereupon, in respect of such person, goods, or class of goods so specified in any such order, this Act shall have effect as if such person, goods, or class of goods were or were not, as the case may be, specified in the First Schedule.

PART VII RETURNS

38. Every person who during any month makes any sales specified in this Act shall, within thirty days after the close of that month, furnish to the Commissioner a return of those sales in a form approved by the Commissioner containing such information as the form requires and such other information as required:

Returns to be lodged within thirty days in a prescribed form

Provided that this Part shall not apply to any person dealing with goods in the manner specified in section 20 and to which the provisions of sections 21, 22, 23 and 24 apply, which the Comptroller is required to administer.

39. In addition to any return that may have been required under section 38, the Commissioner may, by notice in writing, call upon any person to furnish to him, within the time specified in the notice, such return, or such further or fuller return, as the Commissioner requires, whether in that person's own behalf or as an agent or a trustee.

Further returns

40. The Commissioner may, by notice in writing require any person, whether a taxpayer or not-

Commissioner may require information or attendance

(a) to produce for examination by the Commissioner, at such time and place as may be specified in such notice, any accounts, books of accounts, documents, or other papers whatsoever which the Commissioner may consider necessary for such purposes;

(b) not to destroy, damage or deface, on or after service of such notice, any of the accounts, books of accounts, documents, and other papers whatsoever so specified, without permission of the Commissioner in writing;

(c) to produce forthwith for retention by the Commissioner for such period as may be reasonable after examination any accounts, books of accounts, documents, or other papers whatsoever which the Commissioner may specify in such notice;

(d) to attend and give evidence before him or before any other officer authorised by him in that behalf for the purpose of inquiring into or ascertaining his or any other persons liability under any of the provisions of this Act.

Power to obtain
information and evidence

41.-(1) The Commissioner or any other officer authorised in that behalf by him shall at all reasonable times have full and free access to any land, building, or place and to any books, documents, or papers whatsoever whether in custody or under control of a public officer, or a body corporate, or any other person whatsoever, for the purpose of inquiring into or ascertaining the taxpayer's liability under any of the provisions of this Act, and may, without fee or reward, make extracts from or copies of any such book, documents or papers whatsoever.

(2) The Commissioner or any other authorised officer may for the purposes of any investigation under this section, require the taxpayer or his agent to give him all reasonable assistance in the investigation and to answer all proper questions relating to any such investigation, either orally or, if the Commissioner or officer requires in writing, require the taxpayer or in the case of a company, any officer of the company to attend at the premises with him.

PART VIII

COLLECTION AND RECOVERY OF TAX

Time within which
payment is to be made

42. Subject to sections 48 and 49, a person liable under this Act to pay goods tax upon the sale value of any goods during a month shall, within thirty days after the close of that month, pay goods tax upon the sale value of the goods:

Provided that in the case of a sale on credit, goods tax upon the sale value of the goods is due and payable within sixty days after the close of the month in which the credit sale was made.

Further tax

43.-(1) Where the Commissioner finds in any case that tax or further tax is payable by a person, the Commissioner may make an assessment in relation to the person.

(2) Where, the sale value of goods has been altered under section 28 and other specific provisions of this Act, the Commissioner shall make an assessment in relation to those goods.

(3) Where-

(a) a person makes default in furnishing a return;

(b) the Commissioner is not satisfied with a return furnished by a person; or

(c) the Commissioner has reason to believe or suspect that a person (although not having furnished a return) is liable to pay goods tax,

the Commissioner may determine the amount to be the amount upon which in the opinion of the Commissioner, goods tax should be paid and may make an assessment in relation to the person.

(4) As soon as conveniently may be after an assessment has been made, the Commissioner shall cause notice in writing of the assessment to be served on the person liable to pay the tax or further tax.

(5) The omission to give any such notice shall not invalidate the assessment made by the Commissioner.

44.-(1) A taxpayer may request the Commissioner, in accordance with this section, to make an assessment in respect of a specified act done, or a specified transaction or operation effected, by the taxpayer.

Request for special
assessment

(2) A request under subsection (1) shall be in writing and shall be lodged with the Commissioner not later than thirty days after the close of the month within which the act was done or the transaction or operation was effected or within such further time as the Commissioner allows.

(3) The Commissioner shall comply with each request made under subsection (1).

(4) As soon as practicable after the assessment is made, the Commissioner shall cause notice in writing of the assessment to be served on the taxpayer who made the request under subsection (1).

45. Except as otherwise provided, where an assessment has been amended, the amended assessment is an assessment for all the purposes of this Act.

Amended assessment

46. Where, by reason of an amendment of an assessment, person's liability to tax is reduced, the amount by which the tax is so reduced shall be taken, for the purposes of section 50, never to have been payable.

Tax reduced on amended
assessment

47.-(1) Subject to section 46, where the Commissioner finds in any case that tax has been overpaid by a person, the Commissioner shall-

Refund on application of
overpaid tax, effect of
failing to quote certificate,
sale to Government,
Provincial Government
etc.

(a) refund the amount of any tax overpaid; or

(b) apply the amount of any tax overpaid against any liability of the person to the Solomon Islands Government, being liability arising under, or by virtue of, an Act of which the Commissioner has the general administration, and refund any part of the amount that is not so applied.

(2) Subsection (1) does not apply in relation to any tax paid by a person unless the Commissioner is satisfied that the tax has not been passed on by the person to another person, or, if passed on to another person has been refunded to the other person.

(3) Where a registered person has sold goods upon the sale value of which he has paid tax, and has subsequently written off as bad debt the whole or any part of the amount for which the goods were sold, the Commissioner may-

(a) on proof to his satisfaction that the whole amount is a bad debt, refund to the registered person the amount of the tax paid on the sale value of the goods;

(b) on proof to his satisfaction that a part of the amount is bad, refund to the registered person so much of the tax as bears to the total amount of tax the same proportion as the amount so proved to be bad debt bears to the total amount for which the goods were sold:

Provided that if any amount in respect of which tax has been so refunded is at any time wholly or partly recovered by the taxpayer, he shall, within thirty days after the close of the month in which the amount is so recovered, repay to the Commissioner so much of the tax refunded as bears to the total amount of that tax the proportion which the amount so recovered bears to the amount in respect of which tax was so refunded.

(4) Where the Commissioner is satisfied that-

(a) tax has been paid in respect of the sale of goods to a registered person who was required to quote his certificate in respect of the purchase of those goods but who refused or failed to do so;

(b) the tax has been wholly or partly included in the price for which that registered person purchased the goods; and

(c) the tax has not been passed on by that registered person to some other person or, if passed on to some other person, has been refunded to that other person by the registered person, the Commissioner may, if so satisfied-

(i) within a period of three years; or

(ii) on consideration of a claim in writing lodged with the Commissioner, within a period of three years,

from the date upon which the goods were so sold, pay to that registered person an amount equal to the tax so paid and included.

(5) Where the Commissioner is satisfied that-

(a) goods have been sold to a registered person who, but for the operation of section 3(2), would have been taken to have quoted his certificate in respect of the purchase in accordance with section 7(1); and

(b) by reason of the operation of section 3(2), the person was deemed not to have quoted his certificate in respect of the purchase, then-

(c) if the Commissioner is satisfied that-

(i) tax is payable in respect of the purchase but has not been paid; and

(ii) the tax has not been wholly or partly included in the price for which the goods were purchased by the registered person, if so included, has been refunded to the registered person,

the Commissioner may remit the tax;

(d) if the Commissioner is satisfied that tax has been paid in respect of the purchase and has not been wholly or partly included in the price for which the goods were purchased by the registered person, the Commissioner may pay to the person who paid the tax an amount equal to the tax so paid; or

(e) if the Commissioner is satisfied that-

(i) tax has been paid in respect of the purchase;

(ii) the tax has been wholly or partly included in the price for which the goods were purchased by the registered person; and

(iii) the tax has not been passed on by the registered person to some other person or, if passed on to some other person, has been refunded to that other person,

the Commissioner may pay to the registered person an amount equal to the tax so paid and included.

(6) Where goods are sold by any person to the Government of Solomon Islands, a Provincial Government or any other person specified in the First Schedule, and the Commissioner is satisfied-

First Schedule

(a) that the goods are for the official use of a Government Department, Provincial Government, established under the Provincial Government Act, or any other persons specified in the First Schedule;

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(b) that tax has been paid or is payable under this Act in respect of some prior act, operation or transaction in relation to those goods, or goods used in, wrought into or attached to those goods;

(c) that the amount of that tax has been paid or is payable by the person who so sold the goods, or has been wholly or partly included in the price for which that person purchased those goods, or goods used in, wrought into or attached to those goods; and

(d) that the amount of that tax has been excluded wholly or in part from the price for which the goods were sold by that person to the Government or Provincial Government, or any other person specified in the First Schedule,

the Commissioner may refund or pay to that person the amount which, in the opinion of the Commissioner, was so excluded.

(7) Where the Commissioner is satisfied that goods have been donated to any public organisation or committee established for the purpose of assisting people in necessitous circumstances, or to any charitable or religious institutions, the taxpayer shall be entitled to a rebate of tax on the sale value of those goods.

(8) Notwithstanding anything contained in this section, if any alteration is made in the rate of goods tax payable in respect of any goods, no refund repayment or reduction shall, by reason of that alteration, be made of any amount paid or payable by any person as goods tax in respect of any transaction, act, or operation which took place before the date of assent to the law making the alteration.

48. When the Commissioner has reason to believe that a taxpayer may leave Solomon Islands before the tax becomes due and payable by him, the tax shall be due and payable on such date as the Commissioner fixes and notifies the taxpayer.

Taxpayer leaving
Solomon Islands

49. The Commissioner may, in such cases as he thinks fit-

Extensions, instalments
and Commissioner's

discretion

(a) extend the time for payment of tax as he considers the circumstances warrant; or

(b) permit the payment of tax to be made by instalments within such time as he considers the circumstances warrant.

50.-(1) If any tax remains unpaid after the time when it became due and payable or would, but for section 49, have become due and payable, additional tax is due and payable by way of penalty by the person liable to pay the tax at the rate of twenty *per centum* of the tax then payable.

Penalty for unpaid tax

(2) Where additional tax is payable by a person under this section in relation to an amount of tax and-

(a) the Commissioner is satisfied that-

(i) the circumstances that contributed to the delay in payment of the tax were not due to, or caused directly or indirectly by, an act or omission of the person; and

(ii) the person has taken reasonable action to mitigate, or mitigate the effects of, those circumstances;

(b) the Commissioner is satisfied that-

(i) the circumstances that contributed to the delay in payment of the tax were due to, caused directly or indirectly by, an act or omission of the person;

(ii) the person has taken reasonable action to mitigate, or mitigate the effects of, those circumstances; and

(iii) having regard to the nature of those circumstances, it would be fair and reasonable to remit the additional tax or part of the additional tax; or

(c) the Commissioner is satisfied that there are special circumstances by reason of which it would be fair and reasonable to remit the additional tax or part of the additional tax,

the Commissioner may remit the additional tax or part of the additional tax.

(3) Where judgment is given by or entered in a court for the payment of-

(a) an amount of tax; or

(b) an amount that includes an amount of tax, then-

(c) the tax shall not be taken, for the purposes of subsection (1), to have ceased to be due and payable by reason only of the giving or entering of the judgment; and

(d) if the judgment debt carries interest, the additional tax that would, but for this paragraph, be payable under this section in relation to the tax shall, by force of this paragraph be reduced by-

(i) in a case to which paragraph (a) applies, the amount of the interest; or

(ii) in a case to which paragraph (b) applies, an amount that bears the same proportion to the amount of the interest as the amount of the tax bears to the amount of the judgment.

51.-(1) Tax, including further and additional tax under section 50 and section 62 shall be deemed when it becomes due and payable to be a debt due to the Government and payable to the Commissioner in the manner and at the place prescribed.

Tax deemed debt and Commissioner may sue or distrain

(2) Where payment of any tax has not been made on or before the due date, the amount unpaid may be sued for and recovered in any court of competent jurisdiction by the Commissioner suing in his official name.

(3) In any case in which tax is recoverable in the manner provided in subsection (2) of this section, the Commissioner may, instead of suing for such tax authorise in writing any inspector to distrain upon the goods and chattels of the vendor or purchaser, as the case may be, and the provisions of section 89 of the Income Tax Act shall so far as applicable, be incorporated and read as one with this section.

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52. If, in any proceedings against a taxpayer for the recovery of tax the defendant-

Taxpayer absent or cannot be found

(a) is absent from Solomon Islands and has not to the knowledge of the Commissioner after reasonable inquiry in that behalf is made from any attorney or agent resident in Solomon Islands on whom service or process can be effected; or

(b) cannot after reasonable inquiry be found,

service of any process in the proceedings may, without leave of the court, be effected on him by posting the same or a sealed copy thereof in a letter addressed to him at his last known place of business in Solomon Islands.

53.-(1) Every person who is a liquidator of any company which is being wound up and which is, or has been, a manufacturer or wholesale merchant, shall, within fourteen days after he has become liquidator of that company, give notice in writing to the Commissioner of his appointment as liquidator.

Notice within fourteen days and duties of liquidator

(2) The Commissioner shall, as soon as practicable thereafter, notify the liquidator the amount which appears to the Commissioner to be sufficient to provide for any tax which then is or will thereafter become payable by the company.

(3) Subject to subsection (4), the liquidator-

(a) shall not, without the leave of the Commissioner, part with any of the assets of the company until the liquidator has been so notified;

(b) shall set aside, out of the assets available for payment of ordinary debts of the company, assets to the value of an amount that bears to the value of the assets available for payment of ordinary debts of the company the same proportion as the amount notified by the Commissioner under subsection (2) bears to the sum of-

(i) the amount notified by the Commissioner under subsection (2);

(ii) the aggregate of the ordinary debts of the company (excluding any debt in respect of tax), and

(c) is, to the extent of the value of the assets that the liquidator is so required to set aside, liable as trustee to pay the tax.

(4) Nothing in subsection 3 (a) prevents the liquidator parting with assets of the company for the purpose of paying debts of the company that are not ordinary debts of the company.

(5) For the purposes of subsections (3) and (4), a debt of the company is an ordinary debt if-

(a) the debt is an unsecured debt; and

(b) the debt is not required, under the laws of Solomon Islands to be paid in priority to some or all of the other debts of the company.

(6) If the liquidator refuses or fails to comply with any provision of this section or refuses or fails as trustee to pay the tax for which the liquidator is liable under subsection (3), the liquidator-

(a) is, to the extent of the value of the assets that the liquidator is required under subsection (3) to set aside, personally liable to pay the tax; and

(b) is guilty of an offence punishable on conviction by a fine not exceeding one thousand dollars.

(7) Where more persons than one are appointed as liquidators or required by law to carry out the winding up, the obligations and liabilities attaching to a liquidator under this section shall attach to each of such persons:

Provided that where any of the tax due in respect of the company being wound up, the other person or persons shall be liable to pay that person each his equal share of the amount of the tax so paid.

54.-(1) Where an agent for an absentee principal has been required by the principal to wind up the business of his principal he shall, before taking any steps to wind up the business, notify the Commissioner of his intention so to do, and shall set aside such sum out of the assets of the principal as appears to the Commissioner to be sufficient to provide for any tax that becomes payable.

Notice of intention to winding up and liability of agent

(2) Any agent who refuses to give notice to the Commissioner or refuses or fails to provide for payment of the tax as required by this section shall be personally liable for any tax that becomes payable in respect of the business of the principal.

55. In any case where, at the time of a taxpayer's death, tax due by the taxpayer has not been assessed or paid-

Estate of taxpayer bound

(a) the Commissioner shall have the same powers and remedies against the executors and administrators of the taxpayer in respect of the liability which the taxpayer had as he would have had against the taxpayer in his lifetime;

(b) the executors and administrators shall furnish such returns and information as the Commissioner requires for the purpose of an accurate assessment;

(c) the amount of any tax that the executors and administrators are liable to pay shall be a first charge on all the taxpayer's estate in the hands of the executors and administrators; and

(d) no lapse of time shall prevent the operation of this section.

56.-(1) Where, at the time of a taxpayer's death, tax due by the taxpayer has not been assessed or paid, the Commissioner shall have the same powers and remedies for the assessment and recovery of tax from the executors and administrators as he would have had against that person, if that person were alive.

Commissioner's powers
of assessment and
recovery

(2) The executors or administrators shall furnish such of the returns mentioned in Part VII as have not been made by the deceased person.

(3) Where-

(a) the executors or administrators of a deceased taxpayer are unable or refuse or fail to furnish a return; or

(b) probate has not been granted, or letters of administration have not been taken out, in respect of the estate of a deceased taxpayer, within six months of the taxpayer's death,

the Commissioner may make an assessment in relation to the deceased.

(4) The Commissioner shall cause notice of the assessment to be published twice in a newspaper circulating in Solomon Islands.

(5) Any person claiming an interest in the estate of the taxpayer, may, within sixty days after the first publication of notice of the assessment, lodge with the Commissioner an objection in writing against the assessment stating fully and in detail the grounds on which he relies, and the provisions of this Act relating to objections, and appeals shall thereupon apply in relation to the objection as if the objection had been lodged under section 60 and the person so claiming an interest were that taxpayer.

57. Every person who under the provisions of this Act, pays any tax for or on behalf of any other person shall be entitled to recover the amount so paid from that other person as a debt, together with the cost of recovery, or to retain or deduct that amount out of any money in his hands belonging or payable to that other person.

Entitlement to recover tax
paid on behalf of another

58. Where two or more persons are jointly liable to tax they shall each be liable for the whole tax, but any of them who has paid the tax may recover contributions as follows-

Proportionate recovery

(a) a person who has paid the tax in respect of the sale value of any goods may recover by way of contribution from any other person jointly liable to that tax a sum which bears the same proportion to the tax as the interest which that other person had in those goods bears to the total interests therein of the person jointly liable to tax;

(b) every person entitled to contribution under this section may sue therefor in any court of competent jurisdiction as money paid to the use of the person liable to contribute at his request; or may retain or deduct the amount of the contribution out of any moneys in his hands belonging or payable to the person liable to contribute.

59.-(1) The Commissioner may, by notice in writing (a copy of which shall be forwarded to the taxpayer to the last place of address known to the Commissioner), require-

Commissioner may collect tax from persons owing money to taxpayer

(a) any person by whom any money is due or accruing or may become due to a taxpayer;

(b) any person who holds or may subsequently hold money or on account of a taxpayer; or

(c) any person who holds or may subsequently hold money on account of some other person for payment to a taxpayer; or

(d) any person having authority from some other person to pay money to a taxpayer,

to pay to the Commissioner, either forthwith upon the money becoming due or being held, or at or within a time specified in the notice (not being a time before the money becomes due or is held)-

(i) so much of the money as is sufficient to pay the amount due by the taxpayer in respect of tax or, if the amount of the money is equal to or less than the amount due by the taxpayer in respect of tax, the amount of the money; or

(ii) such amount as is specified in the notice out of each payment that

the person so notified becomes liable from time to time to make to the taxpayer until the amount due by the taxpayer in respect of tax is satisfied.

(2) Any person who refuses or fails to comply with any notice under this section shall be guilty of an offence and on conviction therefor be liable to a fine of one thousand dollars.

(3) Where a person (in this subsection referred to as "convicted person") is convicted before a court of an offence against subsection (2) in relation to the refusal or failure of the convicted person or another person to comply with a notice under this section, the court may, in addition to imposing a penalty on the convicted person, order the convicted person to pay to the Commissioner an amount not exceeding the amount that the convicted person or the other person, as the case may be, refused or failed to pay to the Commissioner in accordance with the notice.

(4) Any person making any payment in pursuance of this section shall be deemed to have been acting under the authority of the taxpayer and of all other persons concerned and is hereby indemnified in respect of such payment.

(5) If the amount due by the taxpayer in respect of tax, is paid before any payment is made under a notice given in pursuance of this section, the Commissioner shall forthwith give notice to the person of the payment.

PART IX

OBJECTIONS AND APPEALS

60.-(1) A taxpayer-

Taxpayer may object

(a) who is liable to pay tax and who is dissatisfied with an assessment of the tax made by the Commissioner; or

(b) who has paid tax and who is dissatisfied with respect to the amount of tax refunded; or

(c) who has applied for a decision to be reviewed and who is dissatisfied with the decision as reviewed;

may, within sixty days after service on the person of notice of the decision, lodge with the Commissioner an objection in writing:

Provided that subsection (1)(a) does not apply in relation to a refund decision unless

the application for refund or payment to which the decision relates was lodged with the Commissioner within sixty days after the transaction, act or operation (not being the payment of tax) that is claimed to entitle the applicant to the refund or payment or within such further time as the Commissioner allows.

(2) An objection under this section shall state fully and in detail the grounds on which the objection is made.

(3) The Commissioner shall consider each objection and may-

(a) allow the objection wholly or in part and modify the assessment or alter the decision to which it relates; or

(b) disallow the objection and confirm the assessment or decision to which it relates.

(4) The Commissioner shall cause notice in writing of the Commissioner's decision on each objection to be served on the objector.

(5) Where an assessment has been amended in any particular, the right of a taxpayer to object against the amended assessment is limited to a right to object against alterations or additions in respect of, or matters relating to, that particular.

(6) Where a notice incorporates notices of more than one assessment, whether of tax or of additional tax, the assessments shall, for the purposes of this Part, be regarded as one assessment.

61.-(1) Where a person is dissatisfied with the decision made by the Commissioner under section 60, he may appeal to the High Court to have the decision reviewed, but no appeal under this section shall be instituted after the expiration of sixty days from the day the objector is informed of the Commissioner's decision.

Appeal to High Court

(2) The High Court may in delivering its judgment, order payment or a refund of the tax paid or reassess the tax payable, and make such order as to costs as it considers proper.

(3) Except to the extent otherwise permitted by the Commissioner, the lodging of an objection or an appeal to the High Court does not affect any liability of any objector to pay tax in accordance with this Act.

PENALTIES AND OFFENCES

Penalty for refusal or failure to furnish return, information etc

62.-(1) Where a taxpayer refuses or fails to furnish, when and as required under or pursuant to any specific provisions under this Act, a return, or any information, relating to goods, the taxpayer is liable to pay, by way of penalty, additional tax equal to double the amount of tax payable by the taxpayer in respect of the goods.

(2) Where-

(a) a taxpayer-

(i) makes a statement to a taxation officer, or to a person other than a taxation officer for a purpose in connection with the operation of this Act, that is false or misleading in a material particular; or

(ii) omits from a statement made to a taxation officer, or to a person other than a taxation officer for a purpose in connection with the operation of this Act, any matter or thing without which the statement is misleading in a material particular, and

(b) the tax properly payable by the taxpayer exceeds the tax that would have been payable by the taxpayer if it were assessed or determined on the basis that the statement was not false or misleading, as the case may be,

the taxpayer is liable to pay, by way of penalty, additional tax equal to double the amount of the excess.

(3) A reference in subsection (2) to a statement made to a taxation officer is a reference to a statement made to a taxation officer orally, in writing, in a data processing device or in any other form, and, without limiting the generality of the foregoing, includes a statement-

(a) made in an application, certificate, notification, declaration, objection, return or other document made, given or furnished, or purporting to be made, given or furnished, under or pursuant to this Act;

(b) made in answer to a question asked of a person under or pursuant to this Act;

(c) made in any information furnished, or purporting to be furnished, under or pursuant to this Act; or

(d) made in a document furnished to a taxation officer otherwise than under or pursuant to this Act,

but does not include a statement made in a document produced pursuant to section 40.

(4) A reference in subsection (2) to a statement made to a person other than a taxation officer for a purpose in connection with the operation of this Act is a reference to such a statement made orally, in writing, in a data processing device or in any other form and, without limiting the generality of the forgoing, includes such a statement-

(a) made in an application, certificate, declaration, notification or other document made, given or furnished to the person;

(b) made in answer to a question asked by the person; or

(c) made in any information furnished to the person.

63. Where, under section 43(2), the Commissioner has made an assessment in relation to a person in consequence of an alteration of the sale value of goods, the person is liable to pay additional tax, by way of penalty, equal to double the amount of the difference between the tax properly payable and the tax that would have been payable if the sale value concerned had not been altered.

Penalty tax where certain anti-avoidance provisions apply

64.-(1) The Commissioner shall make an assessment of the additional tax payable by a person under the provisions of this Part.

Assessment of additional tax

(2) Nothing in this Act shall be taken to preclude notice of an assessment made in respect of a person under subsection (1) from being incorporated in a notice of any other assessment made in respect of the person under this Act.

(3) The Commissioner may, in his discretion, remit the whole or any part of the additional tax payable by a person under the provisions of this Part.

65. Additional tax under this Part is due and payable on the date specified in the notice of assessment of the additional tax.

When additional tax due and payable

66. Any person guilty of an offence against this Act for which no other penalty is specifically provided, shall be liable on conviction to a fine of two thousand dollars, or to imprisonment for twelve months.

General penalty

67. Any taxpayer who-

Offences

(a) fails to state upon the invoice delivered by him to the purchaser in respect of the transaction the amount of goods tax payable in respect thereof;

(b) demands or receives or seeks to receive any sum of money (whether included in a larger sum or not) in excess of that amount upon the pretence that that sum has been paid or is payable by him as goods tax, or has been included in respect of goods tax in the price paid by him for the goods contrary to section 76(1);

(c) fails to keep any records, books or accounts in accordance with the requirements of section 77; or

(d) fails to produce any accounts, books of account, or other documents for the examination or retention by the Commissioner in accordance with the requirements of any notice served on him under section 40(a) or (c); or

(e) fails to attend at a time and place in accordance with the requirements of any notice served on him under section 40(d);

(f) destroys, damages or defaces any accounts, books of account or other documents in contravention of any notice served on him under section 40(d); or

(g) fails to answer any question lawfully put to him, or to supply any information lawfully required from him under this Act; or

(h) fails to furnish a full and true return in accordance with any of the provisions of section 38 or section 39; or

(i) fails to furnish within the required time any document which under this Act or under any notice served on him under this Act he is required so to furnish,

shall be guilty of an offence against this Act.

68. No prosecution in respect of any offence against this Act may be commenced except with the sanction of the Commissioner.

Sanction of the
Commissioner

PART XI

IMPOSITION OF TAX; RATE OF TAX

69. Subject to this Act, goods tax is imposed on the sale value of goods ascertained under this Act, at the rate specified in the Second Schedule, and the Minister may from time to time by order amend, vary, alter, reduce or increase such rate.

Goods tax imposed on
sale value of goods at
rate specified
Second Schedule

PART XII

MISCELLANEOUS

70. All courts and all judges and persons acting judicially or authorised by law or consent of parties to hear, receive and examine evidence, shall take judicial notice of the signature of a person who holds or has held the office of the Commissioner, a Deputy Commissioner or a person authorised by the Commissioner to exercise delegated powers attached or appended to an official document in connection with this Act.

Judicial notice

71. The mere production of-

Evidence

(a) a notice of an assessment or of the making of a refund; or

(b) a document signed by the Commissioner, and purporting to be a copy of a notice of an assessment or copy of a notice of an assessment or of the making of a refund decision, is conclusive evidence-

(i) of the making of the assessment or the refund decision;

(ii) in the case of a notice of an assessment, except in the proceedings under Part IX on an appeal relating to the assessment, that the amounts and all of the particulars of the assessment are correct; and

(iii) in the case of a notice of a refund decision, except in proceedings under Part IX on an appeal relating to the decision, that the decision is correct.

(2) The mere production of a document signed by the Commissioner, and purporting to be a copy of a document issued or served by the Commissioner is prima facie evidence that the second-mentioned document was issued or served.

(3) The mere production of a document signed by the Commissioner and purporting to be a copy of, or an extract from, a return, a notice of assessment or of a notice of the making of a refund decision, is evidence of the matter set out in the document to the same extent as the original return or notice, as the case may be, would be if it were produced.

(4) The mere production of a certificate in writing signed by the Commissioner certifying that a sum specified in the certificate was, at the date of the certificate, due and payable by a person in respect of an amount of tax is prima facie evidence of the matters stated in the certificate.

72.-(1) With respect to every agent and with respect also to every trustee, the following provisions shall apply-

Obligation and authority
of agents and trustees

(a) he shall be answerable as taxpayer for the doing of all such things as are required to be done by virtue of this Act in respect of any transaction, act or operation in relation to any goods, the sale value of which is subject to tax under this Act;

(b) he shall, in respect of any such transaction, act or operation, make the returns and be chargeable with tax on such sale value, but in his representative capacity only, and each return shall, except as otherwise provided by this Act, be separate and distinct from any other;

(c) if he is an executor or administrator, the returns shall be the same as far as practicable as the deceased person, if living, would have been liable to make;

(d) where as agent or trustee he pays goods tax, he is hereby authorised to recover the amount so paid from the person on whose behalf he paid it, or to deduct it from any money in his hands belonging to that person;

(e) he is hereby authorised and required to retain from time to time out of any money which comes to him in his representative capacity so much as is sufficient to pay the goods tax which is or will become due in respect of such sale value;

(f) he is hereby made personally liable for the goods tax payable in respect of such sale value if, after the Commissioner has required him to make a return, or while the tax remains unpaid, he disposes of or parts with any fund or money which comes to him from or out of which goods tax could legally be paid, but he shall not be otherwise personally liable for the tax:

Provided that the Commissioner may, upon application by the agent, permit disposal of such fund or money or part thereof as he considers necessary;

(g) he is hereby indemnified for all payments which he makes in pursuance of this Act or by the requirements of the Commissioner;

(h) for the purpose of ensuring the payment of goods tax the Commissioner shall have the same remedies against attachable property of any kind vested in or under the control or management or in the possession of any agent or trustee, as he would have against the property of any other taxpayer in respect of goods tax, and in as full and ample manner.

(2) In such cases as are prescribed, an agent who is an auctioneer, and who, on behalf of a registered person, sells any goods on the sale value of which tax is payable under this Act shall, within seven days after the date of the sale, furnish a return and pay tax to the Commissioner in respect of the sale.

73. With respect to every person who has the receipt, control or disposal of money belonging to a person resident out of Solomon Islands, and engaging in any transaction, act or operation in respect of goods the sale value of which is subject to tax under this Act, the following provisions shall, subject to this Act, apply-

Obligation and authority of person in receipt or control of money for non-resident person

(a) he shall when required by the Commissioner pay the goods tax due and payable by the person on whose behalf he has the control, receipt or disposal of money;

(b) where he pays goods tax in accordance with the preceding paragraph he is hereby authorised to recover the amount so paid from the person on whose behalf he paid it or to deduct it from any money in his hands belonging to that person;

(c) he is hereby authorised and required to retain from time to time out of any money which comes to him on behalf of the person resident out of Solomon Islands so much as is sufficient to pay the goods tax which is or will become due by that person;

(d) he is hereby made personally liable for the goods tax payable by him on behalf of the person resident out of Solomon Islands after the tax becomes payable, or if, after the Commissioner has required him to pay the tax, he disposes of, or parts with, any fund or money then in his possession, or which comes to him from or out of which the tax could legally be paid, but he shall not otherwise be personally liable for the tax:

Provided that the Commissioner may upon application permit disposal of such fund or money or part thereof as he considers necessary;

(e) he is hereby indemnified for all payments which he makes in pursuance of this Act or in accordance with the requirements of the Commissioner.

74. Where an agreement for the sale of goods has been made and, after the date of the agreement, an alteration has taken place in the law relating to goods tax, as the result of which the cost of supplying the goods is effected, unless the agreement contains express written provisions that the price at which the goods shall be sold shall not be altered on account of any alteration in the law relating to goods tax, or it is clear from the terms of the agreement that the alteration of the law has been taken into account in the agreed price of the goods, the agreement shall be altered as follows-

Alteration of agreements where law relating to sales altered

(a) if the cost of supplying the goods is increased, the vendor may add to the agreed price an amount equivalent to the amount by which that cost has been increased as the result of the alteration of the law; or

(b) if the cost of supplying the goods is reduced, the purchaser may deduct from the agreed price an amount equivalent to the amount by which that cost has been reduced as the result of the alteration of the law.

75.-(1) In the case of a sale of goods by wholesale by a taxpayer by reason whereof he becomes liable to pay goods tax, the taxpayer shall state upon the invoice delivered by him to the purchaser in respect of the transaction the amount of goods tax payable in respect thereof.

Goods tax to be specified in invoice

(2) Notwithstanding anything contained in section 74, the taxpayer shall have the same right to recover from the purchaser the amount of the goods tax payable by him and stated upon the invoice as he has to recover the price or other payment for or in respect of the goods.

76.-(1) Any person liable to pay goods tax in respect of any goods shall not, upon the sale or offer for sale of those goods, demand or receive or seek to receive any sum of money (whether included in a larger sum or not) upon the pretence that that sum is chargeable to, and payable by, him as tax under this Act.

False pretence as to goods tax an offence

(2) Any person who-

(a) has paid or is liable to pay an amount of goods tax in respect of any goods;
or

(b) has purchased goods at a price which includes an amount in respect of goods tax payable by the vendor under this Act,

shall not, upon the sale or offer for sale of those goods, demand or receive or seek to

receive any sum of money (whether included in a larger sum or not) in excess of that amount upon the pretence that that sum has been paid or is payable by him as goods tax, or has been included in respect of goods tax in the price paid by him for the goods.

77.-(1) Every person who is a manufacturer or a wholesale merchant shall, for the purposes of this Act, keep books or accounts and shall preserve those books or accounts, including-

Books, accounts etc., to be preserved

(a) all copies of invoices, and all vouchers, relating to his business;

(b) all documents upon which any endorsement, notice or certificate has been made or given to him upon or in connection with the quotation of certificates by purchasers from him; and

(c) all certificates or other documents in respect of sale of goods treated by him as exempt from goods tax received by him from purchasers, and accepted by him as evidence that the goods have been sold under conditions which entitle him to exemption, for a period not less than seven years after the completion of the transaction, act or operation to which they relate.

(2) This section shall not apply so as to require the preservation of any books, accounts or documents-

(a) in respect of which the Commissioner has notified a manufacturer or wholesale merchant that such preservation is not required;

(b) of a company which has gone into liquidation and which has been finally dissolved.

78. The Minister may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Act, and in particular-

Regulations

(a) for cases in which, and the extent to which in those cases, refunds or payments may be made for the purpose of relieving a taxpayer from double taxation (whether direct, or direct and indirect)-

(i) in respect of any goods where goods tax is imposed upon a sale value of those goods under this Act relating to the payment of goods tax; or

(ii) under this Act relating to the payment of goods tax, in respect of any goods and in respect of any materials used in, wrought into or attached to those goods in process of manufacture or any other process;

(b) prescribing penalties not exceeding five hundred dollars for offences against the regulations.

FIRST SCHEDULE

(Section 37)

GOODS AND PERSONS TO BE EXEMPTED FROM THE PROVISIONS OF THE ACT

I-DRUGS, MEDICINES, MEDICAL AND SURGICAL GOODS

1. Drugs and Medicines (including patent and proprietary medicines) used for the prevention, cure or treatment of sickness or disease in human beings, and in the compounding or preparation of such drugs or medicines, but not including-

- (i) drugs and preparations put up and sold for the purposes of photography;
- (ii) toilet preparations, goods in the nature of toilet preparations, including soaps, cleansing creams, hair lotions, anti-dandruff foams, anti-dandruff shampoos, skin repair creams, skin repair lotions, tooth pastes, cosmetics, powders, pomades and perfumes;
- (iii) dyes, naphthaline, carbonate of soda, caustic soda, sodium chloride, cloudy ammonia, alum, borax, glycerine, petroleum jelly, lead salts, zinc salts, citric acid, chromic acid, formic acid, hydrochloric acid, nitric acid, pyrogalllic acid, stearic acid, sulphuric acid and tartaric acid;
- (iv) medicated confectionery; or
- (v) goods of the following kinds put up for sale as antiseptics namely, sterilizing solutions, household disinfectants, combined sterilizing solutions and antiseptics, combined disinfectants and antiseptics and combined sterilizing solutions, disinfectant and antiseptics.

2. Rectified spirits for use in making medicines and essences.

3. Surgical instruments and appliances n.e.i.(and parts therefor) and surgical materials, n.e.i, being instruments, appliances or materials which are of a kind-

- (i) sold exclusively or principally by manufacturers or distributors of such instruments, appliances and materials; and
- (ii) used exclusively or principally in hospitals or by medical practitioners, optometrists or persons registered as physiotherapists under any law of Solomon Islands.

4. Surgical Appliances.

5.-(1) Medical or Surgical appliances of a kind used exclusively or principally by persons suffering from sickness, disease or physical impairment for the purpose of alleviating or treating that sickness, disease or impairment or the effects of that sickness, disease or impairment.

(2) Parts of goods covered by sub-item (1).

6. Goods to be used in the modification of a motor vehicle solely for the purpose of adapting it for driving by a person who is suffering from a physical impairment.

7.-(1) Surgical X-ray apparatus and accessories (and parts therefor) but not including accessories of a kind ordinarily used for other purposes.

(2) Diathermy apparatus and appliances, and parts therefor.

8. Oxygen, carbogen, nitrous oxide, ethylene and other medical gases, and any mixture of such gases, for use in hospitals or by medical practitioners or dentists.

9. Dental instruments and appliances (and parts therefor) and materials, which are of a kind exclusively or principally sold by manufacturers or distributors of such instruments, appliances and materials for use by dentists or dental mechanics, and dentures, gold, alloys, amalgams, porcelain, gold inlays, bridges, crowns and other articles for similar dental use, which are to be disposed of (whether in an altered form or condition or not) to patients in the course of dental treatment.

10. Goods n.e.i. of a kind used exclusively or primarily and principally in the cleaning of teeth or massaging of gums.

11.-(1) Machinery and equipment (and parts therefor), for use by life saving clubs, mines' rescue stations and ambulance societies, in connexion with the preservation of human life or the transport of persons for the purpose of medical or surgical treatment.

(2) Ambulances (and parts therefor) for use by hospitals.

II-EDUCATIONAL, SCIENTIFIC AND RELIGIOUS GOODS, WORKS OF ART AND ANTIQUES

12. Goods for use (whether as goods or in some other form), and not for sale, by an institute of learning conducted by an organisation not carried on for the profit of an individual.

13.-(1) Goods for use (whether as goods or in some other form), and not for sale, by a society, institution or organisation established and carried on exclusively or principally for the promotion of the interests of a university or school conducted by an organisation not carried on for the profit of an individual.

(2) Goods for use (whether as goods or in some other form), and not for sale, by a society, institution

or organisation established and carried on exclusively or principally for the promotion of sport.

(3) Goods for use (whether as goods or in some other form), and not for sale, by any religious, charitable or benevolent institution.

14.-(1) Equipment for use in Churches and Church Services and Articles for use in religious institutions viz:-

(a) Furniture (furnishings, ornaments, vestments and other articles) for use for the purposes of Church Services.

(b) All articles for use in religious devotion except any article of a kind which is ordinarily and primarily used for purposes of a non-religious character.

(2) Materials for use in the construction, repair or alteration of buildings or other structures used as a place of worship or for the advancement of any religious, charitable or benevolent activities.

15. Wine for use in Church Services.

16.-(1) Memorial boards, memorial tablets, statues and stained glass windows, in memory of deceased persons.

(2) Tombstones and other articles for erection on graves and tombs.

17.-(1) Tablets, plaques, boards, columns or other monuments to be erected in a public place in commemoration of historical events.

(2) Goods for use as integral parts in the construction or repair of such monuments.

(3) Honour boards or honour rolls on which are inscribed, or are to be inscribed, the names of persons who have served in the Defence Force or in any other armed forces of Her Majesty's or any allied forces.

18. Articles for exhibition in a museum or an art gallery controlled by a public authority or by a committee or trustees appointed by a public authority, if those articles are purchased or imported by or for, or are donated or bequeathed to, the authority, committee or trustees for such exhibition.

19.-(1) Works of art intended for continuous public exhibition free of charge.

(2) Works of art in Solomon Islands or produced abroad by Solomon Islands artists.

(3) Imported goods consisting of-

(a) paintings, drawings and pastels;

(b) original engravings, prints and lithographs;

(c) original sculptures and statuary.

20. Imported goods consisting of printed matter (including printed pictures and photographs) that-

(a) are the property of any public institution and intended for deposit or exhibition therein; or

(b) are pictorial illustrations for use for teaching purposes in universities, colleges, schools or public institutions.

21. Imported goods consisting of collections, or collectors' pieces that are of zoological, botanical, mineralogical, anatomical, archaeological, palaeontological, ethnographic or numismatic interest.

22. Imported goods consisting of-

(a) trophies won outside Solomon Islands;

(b) decorations, medallions or certificates awarded, or to be awarded, outside Solomon Islands and sent from outside Solomon Islands to persons within Solomon Islands.

(c) trophies or prizes sent by donors resident outside Solomon Islands for presentation or competition in Solomon Islands.

23. Imported goods consisting of antiques that are, or were, at the time of their entry for home consumption.

III-GOODS FOR USE BY GOVERNMENTS, REPRESENTATIVES OF GOVERNMENTS AND PUBLIC BODIES

24. Goods that are imported and, at the time when they are entered for home consumption are intended for the official use of a Trade Commissioner of any country resident in Solomon Islands.

25. Goods intended for official use, and not for sale, by the Government of any country.

26. Goods intended for official use and not for sale by any diplomatic mission or consular post in Solomon Islands.

27.-(1) Printed matter, not more than 25% of which consists of commercial advertising, for distribution:

(a) free of charge;

(b) for the purpose of promoting visits to a foreign country; and

(c) either;

- (i) by or on behalf of a national tourist organisation established or accredited by the Government of that country; or
- (ii) by a person or body appointed as a representative of such an organisation.

(2) Goods for use (and not for sale or distribution):

(a) principally for the purpose of promoting visits to a foreign country; and

(b) either:

- (i) by or on behalf of a national tourist organisation established or accredited by the Government of that country; or
- (ii) by a person or body appointed as a representative of such an organisation.

28. Articles imported or cleared from bond for the official use of the Governor-General.

29. Goods for official use (whether as goods or in some other form), and not for sale, by a department of the Government, a Provincial Government, or an authority established by an Act of Parliament, which is controlled by, and the expenditure of which is partly borne by the Government of Solomon Islands.

30. Goods for use (whether as goods or in some other form) by a public library, museum or art gallery, established in the national capital or any provincial capital, being an institution which is controlled by a public authority constituted under an Act of Parliament or Provincial Ordinance and the expenditure of which is wholly or partly borne by the National Government or any Provincial Government.

31. Materials for use in the construction, repair or alteration of buildings or other structures (being materials which are to be wrought into or attached to, so as to form part of, those buildings or other structures) which, under an agreement in writing between the Government of Solomon Islands and any person are to be used by that person, for a period of not less than 10 years, exclusively in or in connection with such construction, repair or alteration of building or other structures.

32. Badges, accoutrements and kit for use as parts of uniform by any members of the Royal Solomon Islands Police Force or Armed Forces of any Commonwealth country or members in Solomon Islands of any allied or other foreign force serving in association with the Police Force.

33. Goods for use (whether as goods or in some other form), and not for sale, by a society, institution or organisation which is established and maintained exclusively or principally for the purpose of engaging in research into the causes, prevention or cure of diseases in human beings, and which is not established or carried on for the profit of individuals.

34. Goods for use (whether as goods or in some other form), and not for sale, by a society, institution or organisation established and maintained exclusively or principally for the promotion of measures designed to prevent, or to minimise the consequences of, accidents on roads, in industry or elsewhere, but not established or maintained for the profit of individuals.

IV-SMALL BUSINESSES

35. Goods manufactured and sold by a person if the Commissioner is of the opinion that the average annual value of that person's sale of all goods is not or will not be in excess of \$5,000.

V-CONTAINERS

36.-(1) Containers used, or for use, in marketing goods covered by any item or sub-item in this schedule, other than item 35 where the property in the container passes, or is to pass, to the purchaser or lessee of the contents but not including-

(a) goods of a kind used to wrap up or secure goods for marketing, namely-

- (i) wrapping material or bags consisting of paper, netting, flexible film or metallic foil, or of any combination of those materials;
- (ii) single-faced corrugated fibre boards; and
- (iii) twine, lashing, rubber bands and adhesive tape;

(b) strapping of a kind used to secure goods for marketing, and seals for use with that strapping;

(c) corner brackets for use with wire strapping of a kind used to secure goods for marketing; or

(d) containers used or for use in marketing-

- (i) biscuits manufactured in premises or vehicles in which the business of manufacturing biscuits is carried on exclusively or principally for the purpose of sale by retail directly from those premises or vehicles;
- (ii) ice-cream, ice-cream cakes, ice-cream substitutes, frozen confectionery, flavoured ice-blocks (whether or not marketed in a frozen state) or similar goods, being goods manufactured in premises or vehicles in which the business of manufacturing goods of that kind is carried on exclusively or principally for the purpose of sale by retail directly from those premises or vehicles; or
- (iii) takeaway beverages or foodstuffs (whether for consumption on the premises from which they are sold or elsewhere).

(2) Containers imported containing goods covered by any item or sub-item in this Schedule, being containers the property of the importer of the contents.

37.-(1) Bags and sacks used for copra, or chaff or for marketing goods covered by any item or sub-item in this Schedule, except goods covered by item 35.

(2) The following goods are not covered by sub-item (1)-

(a) goods of a kind used to wrap up secure goods for marketing, namely bags consisting of paper, netting, flexible film or metallic foil, or any combination of those materials;

(b) goods covered by sub-item (1) (d) of item 36.

38.-(1) Boxes, cases and crates manufactured in Solomon Islands for use in marketing goods manufactured in Solomon Islands, other than item 35, but not including boxes, cases or crates covered by sub-item (1)(d) of item 36.

(2) Inside linings and inside packing materials for use in boxes, cases or crates covered by the last preceding sub-item.

39. Bottles or jars (other than bottles or jars for use in marketing cordials, honey or alcoholic or non-alcoholic beverages) leased, or to be leased, to a manufacturer for use in marketing goods manufactured by him or to a wholesale merchant for use in marketing goods sold by him by wholesale, being bottles or jars bearing a moulded notification that they are or remain the property of the lessor.

40. Bottles or jars (other than bottles or jars for use in marketing cordial, honey, or alcoholic or non-alcoholic beverages) applied, or to be applied, by a manufacturer or a wholesale merchant to his own use, being bottles or jars-

(a) for the marketing of goods which he manufactures or sells by wholesale;

(b) on which is moulded a notification that they are or remain his property or that they are not sold with the contents; and

(c) which, upon the sale of the contents, are not to be the subject of a charge imposed by way of deposit to be refunded upon the return of the bottles or jars.

41.-(1) Bottles, jars, boxes, cases and crates for use in marketing cordials or alcoholic or non-alcoholic beverages of-

(a) the bottles, jars, boxes, cases or crates, as the case may be, are for repeated use for that purpose; and

(b) the property in the bottles, jars, boxes, cases or crates, as the case may be, does not pass, or is not to pass, to the purchaser of the contents.

(2) Kegs for use in marketing beer if-

(a) the kegs are for repeated use for that purpose; and

(b) the property in the kegs does not pass, or is not to pass, to the purchaser of the contents.

(3) Parts and fittings of goods covered by sub-item (1) or (2).

42.-(1) Cylinder of a kind used in the marketing of gases for industrial, medical or domestic use, being portable cylinders in which the gases are delivered to consumers.

(2) Parts and accessories for cylinders covered by the last preceding sub-item and materials placed in those cylinders to facilitate their use as containers of acetylene gas.

VI-MISCELLANEOUS

43. Coffins, cremation caskets and urns, and fittings and trimmings therefor.

44. Goods marketed exclusively or principally as food for birds, other than birds kept as domestic pets.

45. Goods marketed exclusively or principally as food for aquatic or marine animals (including fish, oysters, crayfish, prawns and crabs) farmed for commercial purposes.

46.-(1) Coins that are lawfully current in a foreign country by virtue of a law in force in that country.

(2) Without limiting the meaning of 'foreign country', a reference in sub-item (1) to a foreign country is to be read as including a reference to a place that is a territory, dependency or colony (however described) of another country.

47. Goods exported or to be exported or goods sold by any person for export by the purchaser from him.

48. Goods imported for repair, alteration or industrial processing and intended to be exported.

49. Materials sold to or imported by an unregistered manufacturer to be used in, wrought into, or attached to, so as to form part of, goods to be manufactured by him.

50. Goods, being aids to manufacture, sold or leased to, or imported by an unregistered manufacturer for use by him exclusively, or primarily or principally, in, or in connection with, the manufacture of goods covered by any item or sub-item in this Schedule other than item 35.

51. Goods, being auxiliaries to aids to manufacture, sold or leased to, or imported by, an unregistered manufacturer for use by him in, or in connection with, the processing, treatment or use aids to manufacture

for use by him as specified in item 50.

52. Goods (other than lubricants) applied by a registered person to his own use as aids to manufacture (as defined by regulations made under the Act) or as auxiliaries to aids to manufacture (as so defined).

53.-(1) Goods (not being of any of the kinds expressly excluded from the definition of "aids to manufacture" in this Act) sold or leased to, or imported or manufactured by any person for use by him exclusively, or primarily and principally-

(a) in the cleansing, sterilizing or repairing of bottles vats or other containers which are to be used by manufacturers in the storage or marketing of goods which they process or treat as specified in subparagraphs 1(a) (i), (ii) or (iii) of the definition of "aids to manufacture" in regulation 2 of the Regulations made under this Act;

(b) in the disposal of waste substances resulting from any such cleansing, sterilizing or repairing carried out by him;

(c) in the transportation within the premises in which they are or have been, or are to be, cleansed, sterilized, repaired or used by him as specified in this sub-item of-

(i) bottles, vats or other containers which have been, or are to be cleansed, sterilized or repaired as specified in paragraph (a); or

(ii) equipment or materials used or to be used by him in any such cleansing, sterilizing or repairing;

(d) in the storage, within premises in which they have been, are, or are to be, cleansed, sterilized, repaired or used by him as specified in this sub-item or within premises contiguous to any such premises, of-

(i) bottles, vats or other containers which are, or are to be, cleansed sterilized or repaired as specified in paragraph (a); or

(ii) equipment or materials used or to be used by him in any such cleansing, sterilizing or repairing; or

(e) in operating, applying, cleansing or sterilizing machinery, implements or apparatus used or to be used in any cleansing, sterilizing, repairing or other operation carried out by him as specified in this sub-item.

(2) Goods (which are not any of the kinds expressly excluded from the definition of "aids to manufacture" in regulation 2 of the Regulations made under this Act) sold or leased to, or imported or manufactured by, any person for use by him exclusively, or primarily and principally, in carrying out scientific research on behalf of manufacturers in relation to manufacturing operations conducted by them.

(3) Goods for use as integral parts of machinery, implements or apparatus to be constructed in situ and to be used exclusively, or primarily and principally, as specified in sub-items (1) or (2).

(4) Parts for, or materials (other than lubricants) for use in the repair of, so as to form part of, any machinery implements or apparatus covered by sub-items (1) or (2).

54.-(1) Machinery, implements, apparatus and materials (other than road vehicles of the kinds ordinarily used for the transport of persons or the transport or delivery of goods, or parts for those vehicles) for use by a person exclusively or primarily and principally in the repair or maintenance of machinery, implements or apparatus, used by him and covered by items 50, 51, 52 or 53 but not including lubricants.

(2) Parts of machinery, implements or apparatus covered by sub-item (1).

55. Goods in respect of which both of the following conditions are satisfied-

(a) the goods are for use by a person (in this item called the "sub-contractor") exclusively in carrying out activities (in this item called the "contracted activities") on behalf of one or more other persons (in this item called the "primary manufacturers");

(b) in the case of each of the primary manufacturers, at least one of the following sub paragraphs applies-

(i) if the goods had been sold to the primary manufacturer for use exclusively in carrying out the contracted activities that were to be carried out by the sub-contractor on behalf of the primary manufacturer, the goods would have been covered by items 50, 53 or 54;

(ii) if the goods-

(A) had been manufactured by the primary manufacturer; and

(B) had been applied by the primary manufacturer to his or her own use in carrying out the contracted activities that were to be carried out by the sub-contractor on behalf of the primary manufacturer,

the goods would have been covered by item 51;

(iii) if the goods had been applied by the primary manufacturer to his or her own use in carrying out the contracted activities that were to be carried out by the sub-contractor on behalf of the primary manufacturer, the goods would have been covered by item 52.

56.-(1) Equipment of a kind used exclusively, or primarily and principally, in the course of industrial operations to protect persons engaged in those operations, including masks respirators, shields, goggles, vizors, helmets, belts and machine guards.

(2) Parts for goods covered by sub-item (1).

57. Goods that are imported by a passenger or a member of the crew of a ship or aircraft, for home consumption by such person provided, that the value of the goods so imported does not exceed \$500.00.

58.-(1) Goods sent or brought to Solomon Islands by a member of the Royal Solomon Islands Police Force serving outside Solomon Islands.

(2) Goods sent to any member of any naval, military or airforce of any foreign power allied or associated with Her Majesty in any war in which Her Majesty is engaged, serving in Solomon Islands.

(3) Goods sent to a person not ordinarily resident in Solomon Islands-

- (i) who is serving in Solomon Islands with any nursing service, voluntary aid detachment, red cross society, ambulance association or any similar body or association attached to any of the Forces specified in the last preceding sub-item;
- (ii) who is a representative, attached to or accompanying any of the Forces so specified, of any organisation which is providing philanthropic, welfare or medical services for members of any of those forces; or
- (iii) who is a member of any police force attached to or accompanying any of the Forces so specified.

59.-(1) Goods, as prescribed, for use or for sale, in accordance with such conditions, if any, as are prescribed, by military sales exchanges, commissaries, officers' clubs, enlisted men's clubs or similar facilities established in Solomon Islands by any allied forces.

(2) Motor Vehicles for use by members of the allied forces, in such cases or circumstances as are prescribed.

(3) Goods as prescribed, imported, in accordance with such conditions, if any, as are prescribed, by parcel post for personal use of members of the Allied Forces, or of members of the civilian component, or for the personal use of dependants of such members.

60. Imported or re-imported goods (other than goods that have been repaired, altered or renovated outside Solomon Islands), upon the sale value of which goods tax became payable before their importation, or re-importation, as the case may be, being goods tax all of which the Commissioner is satisfied has been paid and not refunded.

61. Second-hand goods, viz-

(1) plant, machinery or equipment which has been used as such by a person in the ordinary course of his business and is leased by him, or by the grantee of a Bill of Sale of which that person was the grantor, or by any trustee in whom the ownership of that business becomes vested or who becomes entitled to the possession, management or control of that business or of the goods of that business.

(2) Goods which are leased under a hire purchase agreement by the taxpayer to a lessee and which, prior to that leasing, had gone into use or consumption in Solomon Islands.

62.-(1) Aircraft other than-

- (a) gliders (including motorised gliders), or

(b) Hang gliders (including motorised hand gliders).

(2) Equipment (being machines, implements or apparatus for use in goods covered by sub-item (1)).

(3) Parts for goods covered by sub-items (1) or (2).

(4) Materials (other than lubricants) for use in the construction or repair of, so as to form part of, goods covered by this item.

63.-(1) Buses providing seating accommodation for not less than twelve adult passengers for use exclusively or principally in the transport of passengers for reward;

(2) Chassis for the construction of buses specified in sub-item (1).

64.-(1) Goods designed and manufactured expressly for use by persons suffering from sickness, disease or disablement (whether sickness, disease or disablement, generally, or a particular kind, or one or more particular kinds, of sickness, disease or disablement), being goods of a kind not ordinarily used by persons who are not suffering from sickness, disease or disablement.

(2) Parts of goods covered by sub-item (1).

For the purposes of this item, "disablement" includes blindness and deafness.

65. Goods sold by retail or applied to his own use by any person if the Commissioner is satisfied that those goods have been treated by any other person as stock for sale exclusively by retail and that-

(a) tax has been paid or is payable by that other person in respect of the importation by him of those goods or of the treatment by him of those goods as stock for sale by retail; or

(b) tax paid or payable in respect of the sale of those goods to that other person has been included in the price for which he purchased those goods.

66. Goods, not intended for sale, which have become the property of the owner under the will or intestacy of a deceased person, if the owner was, at the time when the goods became his or its property, a person, body or institution resident or established in Solomon Islands.

67. Flags made of cloth, paper or plastic sheeting being emblems of nations, states or territories, or of the United Nations.

68. Miniatures of orders, decorations and medals awarded by authority of the Sovereign, or the acceptance of which has been approved by the Sovereign.

69.-(1) Goods for use in replacing free of charge any defective article, if-

(a) the cost of the goods so used in replacement is recouped in the price for which-

- (i) the defective goods or the other goods, as the case may be, or goods of the same kind as the defective goods or other goods, or
- (ii) goods of the same kind as those so used in replacement,

are sold by wholesale, or

(b) the defective article will, after repair-

- (i) be used in replacing free of charge another defective article; or
- (ii) be used in, wrought into or attached to goods to be manufactured.

(2) Goods for use in the repair of, so as to form part of, a defective article if the defective article will, after repair-

(a) be used in replacing free of charge another defective article; or

(b) be used in, wrought into or attached to goods to be manufactured.

For the purpose of this item, "defective article" means defective goods or a defective part of goods.

70.-(1) Equipment and apparatus, being goods of a kind used exclusively, or primarily and principally, in preventing or combating fire.

(2) Parts and accessories for, and materials for use in the repair or maintenance of goods covered by the last preceding sub-item.

(3) Chemicals and other preparations for use in fire fighting appliances.

71. Contraceptives.

72. Goods which are-

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(a) subject to sales tax under the Sales Tax Act with the exception of the sale of petroleum and diesel specified in items 10 and 11 under the services prescribed in the Schedule to that Act;

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(b) (if any) purchased by any person registered under that Act, to be used by such person, in the composition of the prescribed goods or goods sold under the services prescribed in the Schedule to that Act.

73.-(1) Machinery and plants, implements and apparatus, Vehicle and Vessels imported in Solomon Islands, by any person whether leased or purchased which are not for sale, and used by him in the

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business carried on, or a business to be conducted, in Solomon Islands, by such person.

(2) Parts for goods covered by sub-item (1).

SECOND SCHEDULE

(Section 69)

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Goods	Rate of Tax on the sale value as determined under the Act.
Rice	<i>5 per centum</i>
Tin fish (Solomon Taiyo)	" " "
Soap manufactured in Solomon Islands	" " "
Toilet paper	" " "
Biscuit manufactured in Solomon Islands	" " "
Bread manufactured in Solomon Islands	" " "
Sugar	" " "
Salt	" " "
Tea	" " "
Milo	" " "
Milk	" " "
Flour	" " "
Livestock Products	" " "
Clothes (new)	" " "
Eating Utensils	" " "
Nails locally manufactured	" " "
Paints " "	" " "
Corrugated iron " "	" " "

Soft drinks	"	brewed	"	"	"
Livestock feed			"	"	"
On all other goods ascertained under the Act.			12	<i>per centum</i>	

CHAPTER 122

GOODS TAX

Subsidiary Legislation

THE GOODS TAX REGULATIONS

LN 9/1993

(*Section 18*)

[*1st March 1993*]

PART I

PRELIMINARY

1. These Regulations may be cited as the Goods Tax Regulations.

Citation

2.-(1) In these Regulations, unless the contrary intention appears-

Interpretation

"Act" means the Goods Tax Act;

"aids to manufacture" means goods for use by a registered person in the course of carrying on a business (where that use is exclusively, or primarily and principally, for the purpose of that business) such goods being-

(a) machinery, implements and apparatus for use-

(i) in the actual processing or treatment of goods to be used in, wrought into or attached to goods to be manufactured;

(ii) in any processing or treatment by which the goods to which that

processing or treatment is applied are used in, wrought into or attached to goods to be manufactured;

- (iii) in any processing or treatment for the purpose of bringing goods into, or maintaining goods in, the form or condition in which they are to be marketed or used by the manufacturer of the goods;
- (iv) in the packaging or placing in containers of goods manufactured by him or of goods supplied to him by the manufacturer of the goods for the purpose of having them packaged or placed in containers on behalf of the manufacturer, or the labelling of those goods or of the containers in which those goods are packaged or placed, not being packaging, placing or labelling which is carried out exclusively, or primarily and principally, for purposes connected with the delivery of the manufactured goods;
- (v) in testing or checking the quality or specifications of goods processed or treated by him as specified in sub-paragraphs (i), (ii) or (iii);
- (vi) in the disposal of waste substances resulting from any activity carried out by him as specified in this paragraph, not being an activity carried out by the use of machinery, implements or apparatus expressly excluded from this definition;
- (vii) in the cleansing or sterilizing of bottles, vats, or other containers which he uses in the storage or marketing of goods which he processes or treats as specified in sub-paragraphs (i), (ii) or (iii);
- (viii) in transportation, within premises in which any activity is carried out by him as specified in this paragraph (not being an activity carried out by the use of machinery, implements or apparatus expressly excluded from this definition) of goods in relation to which that activity has been, is, or is to be, carried out by him;
- (ix) in the storage, within premises in which any activity is carried out by him as specified in this paragraph (not being an activity carried out by the use of machinery, implements or apparatus expressly excluded from this definition) or premises contiguous to such premises of goods in relation to which that activity is to be carried out by him;
- (x) in operating, applying, cleansing or sterilizing machinery, implements or apparatus (not being machinery, implements or apparatus expressly excluded from this definition) used in any activity carried out by him as specified in this paragraph;

- (xi) in carrying out specific research in relation to manufacturing operations conducted by him;

(b) goods for use as integral parts of machinery, implements or apparatus to be constructed in situ and to be exclusively, or primarily and principally, as specified in paragraph (a);

(c) parts for, or materials for use in the repair, so as to form part of, any of the machinery, implements or apparatus specified in paragraph (a) but does not include the following goods, unless those goods are of a kind ordinarily manufactured by the registered person for sale and are for use by him exclusively and directly in carrying out scientific research as specified in subparagraph (xi) of paragraph (a)-

- (i) road vehicles of the kinds ordinarily used for the transport of persons or the transport or delivery of goods;
- (ii) goods for use exclusively, or primarily and principally, for or in connection with the preparation or preservation of food or drink (whether for consumption on the premises where it is prepared or preserved, or elsewhere) in, or in premises occupied in connection with, hotels, boarding houses, catering establishments, kitchen, restaurants, cafes, milk bars, coffee shops, retail shops, vehicles, other retail outlets, or establishments or outlets similar to those establishments or outlets, not being goods for use by a manufacturer of savoury snacks or a confectioner, baker or pastry-cook exclusively, or primarily and principally, in the manufacture of savoury snacks, confectionary, bread, cakes, biscuits or pastry for sale by wholesale or for placing in stock for sale by retail;
- (iii) vending machines or other appliances of a kind used for sale of goods;
- (iv) equipment or articles of a kind ordinarily used for office work, not being for use primarily and principally, and directly, in the manufacture of goods;
- (v) machinery, implements or apparatus for use in the production of electric current, gases, steam, compressed air or hydraulic power, being production for purposes other than-
 - (a) sale by the producer; or
 - (b) use by the producer exclusively, or primarily and principally, in any activity specified in paragraph (a);

- (vi) containers, pallets, stillages, spools or other goods for use by the registered person in the storage or delivery of his products or of goods which have been processed or treated by him for other persons in paragraph (a), or materials or parts for the construction in situ of any containers for use in such storage;
- (vii) goods for use in connection with the manufacture for sale of goods, if the first-mentioned goods are to be sold to the purchaser of the goods to be so manufactured, unless the goods to be so manufactured-
 - (a) are covered by an item in the First Schedule to the Act; or
 - (b) are to be sold by the manufacturer to a person who quotes his certificate in respect of the purchase of those goods and furnishes to the manufacturer a certificate in writing that the first-mentioned goods are not for re-sale to a person to whom the goods to be so manufactured are also to be sold;
- (viii) parts for any goods expressly excluded from this definition;
- (ix) lubricants;

"auxillaries to aid to manufacture" mean goods for use by a registered person exclusively, or primarily and principally-

- (a) in the processing or treatment of goods for use by him as aids to manufacture;
- (b) in the disposal of waste substances resulting from any activity carried out by him as specified in this definition, not being waste substances resulting from the use of goods which are expressly excluded from this definition;
- (c) in the transportation, within premises in which they are to be used by him as specified in this paragraph, of goods-
 - (i) to be used by him as aids to manufacture; or
 - (ii) to be used by him exclusively, or primarily and principally, in any activity as specified in this definition, not being an activity involving the use of goods which are expressly excluded from this definition;
- (d) in the storage, within premises in which they are to be used by him as specified in this paragraph or premises contiguous to such premises of goods;

- (i) to be used by him as aids to manufacture; or
 - (ii) to be used by him exclusively, or primarily and principally, in any activity as specified in this definition, not being an activity involving the use of goods which are expressly excluded from this definition;
- (e) in the cleansing or sterilizing of bottles, vats or other containers for use in the storage of goods-

- (i) to be used by him as aids to manufacture; or
 - (ii) to be used by him exclusively, or primarily or principally, in any activity as specified in this definition;
- (f) in operating, applying, cleansing or sterilizing machinery, implements or apparatus (not being machinery, implements or apparatus which is specifically excluded from this definition) used exclusively, or primarily and principally, in any activity carried out by him as specified in this definition;

(g) as integral parts in the construction in situ or repair of machinery, implements or apparatus (not being machinery, implements or apparatus which are expressly excluded from this definition) to be used by him exclusively, or primarily and principally, in any activity as specified in this definition;

but does not include goods which are of any of the kinds expressly excluded from the definition of aids to manufacture;

"biscuits" include-

- (a) cookies, crackers, pretzels, cones or wafers; or
- (b) goods consisting principally of biscuits or of goods falling within paragraph (a);

but does not include-

- (c) breakfast food consisting wholly or principally of compressed, rolled or flattered cereal;
- (d) rusks for infants or invalids, or crispbread; or
- (e) goods consisting principally of goods falling within paragraph (d);

"containers" mean-

(a) the inner or outer coverings in which goods are packed or secured, or to be packed or secured, in the ordinary course of business materials; and

(b) goods which are ordinarily used to secure or seal, or to describe the contents of, those coverings and form an actual part of the completed coverings, and includes cans, keys, glass droppers and other goods;

(c) accessories of coverings or goods to which paragraphs (a) or (b) of this definition applies, or goods marketed in such coverings;

(d) accessories which are attached to or form part of the inner covering, or are contained in the outer covering, of the goods so marketed; and

(e) accessories which are sold with those goods for one inclusive price;

"goods to be used in, wrought into or attached to goods to be manufactured" mean goods to be so used or dealt with that those goods, or some essential element thereof, will form an integral part of the goods to be manufactured;

"lubricants" mean oils, grease and other preparations of a kind sold exclusively or principally as lubricants of machinery (including vehicles), implements or apparatus;

"parts", in relation to road vehicles, includes bodies for those vehicles (including insulated bodies, tank bodies and other bodies designed for the transport or delivery of goods of particular kinds), underbody hoists and other equipment or apparatus of a kind ordinarily fitted to road vehicles or delivery of goods by those road vehicles;

"tax" means goods tax chargeable under the Act under which these Regulations are made, and includes additional tax.

(2) For the purposes of the definition of "auxiliaries to aids to manufacture" in paragraph (1), "goods" includes goods that have gone into use in Solomon Islands.

(3) Sub-paragraphs (iv) and (v) of paragraph (a) of the definition of "aids to manufacture" in paragraph (1) shall not be taken to limit the generality of sub-paragraphs (i), (ii) and (iii) of paragraph (a) of that definition.

(4) The express reference in this regulation to processing or treatment do not imply that references to manufacture do not include reference to processing or treatment.

(5) The reference in paragraph (f) of the definition of "aids to manufacture" in paragraph (1) to goods for use by a manufacturer of savoury snacks or a confectioner, baker or pastry-cook in the manufacture of biscuits does not include a reference to machinery designed for manufacturing biscuits used in premises or vehicles in which the business of manufacturing is carried on exclusively or principally for the purpose of sale by retail directly from those premises or vehicles.

(6) A reference in these Regulations to a form shall be read as a reference to any of the forms in the First Schedule.

PART II

REGISTRATION AND CERTIFICATES

3.-(1) Every manufacturer and wholesale merchant required under the Act to register shall make application to the Commissioner for registration in Form A set out in the Schedule.

Registration certificate
Form A

(2) Where the Commissioner is satisfied that the person who has made the application is a manufacturer or wholesale merchant in terms of the Act, the Commissioner shall issue to such person a certificate of registration in Form B set out in the Schedule.

Form B

4. A certificate is subject to the condition that the person to whom the certificate is issued (in addition to complying with the conditions prescribed by section 6 of the Act) furnishes true, complete and accurate returns and statements as and when required by the Act or by these Regulations.

Condition of certificate

5. The cancellation of a certificate does not release the person to whom the certificate was issued from liability incurred by him before the cancellation.

Cancellation of certificate

6. A certificate in writing under the hand of the Commissioner, or any person authorised by the Commissioner in that respect stating that a person specified in the certificate is not a registered person is evidence that the person is not a registered person.

Certificate of non-
registration

PART III

QUOTATIONS OF CERTIFICATES

7. In this Part-

Interpretation

(a) "wholesale merchant who sells goods principally by wholesale or manufacturer who sells goods principally by wholesale" means a wholesale merchant or a manufacturer, as the case may be, who engages in the sale of goods by wholesale in the manner referred to in the definition of wholesale merchant in section 2 of the Act:

(b) "person who sells goods principally by retail" means a person whose sale of goods, not being sales of a kind referred to in paragraph (a) (b) or (d) of the definition of "sale of goods by wholesale" in section 2 of the Act, are, in the opinion of the Commissioner, made principally by retail;

(c) a reference to a sale of goods by wholesale shall be read as including a reference to a sale of goods by retail under an indirect marketing arrangement; and

(d) a reference to a sale of goods by retail shall not be taken to include a reference to a sale of goods by retail under an indirect marketing arrangement.

8.-(1) Subject to regulation 9, a registered person shall quote his certificate-

Cases in which
certificates to be quoted

(a) in respect of the purchase of goods, or the entry for home consumption of imported goods, by the registered person for sale by him by wholesale;

(b) if the registered person is a manufacturer, in respect of the purchase of goods, or the entry for home consumption of imported goods, to be used in, wrought into or attached to-

(i) goods manufactured by him for sale or lease; and

(ii) goods to be manufactured and applied by him to his own use as defined in section 14(1) of the Act;

(c) in respect of the purchase, or lease of goods, or the entry for home consumption of imported goods, by the registered person for use by him as aids to manufacture or auxiliaries to aids to manufacture;

(d) in respect of goods, or the entry for home consumption of imported goods, by the registered person-

(i) to be used in, wrought into or attached to goods to be manufactured by him for use by him as aids to manufacture or auxiliaries to aids to manufacture; or

(ii) for sale or lease to persons for use by them as aids to manufacture or auxiliaries to aids to manufacture;

(e) if the registered person has a place of business in respect of which a certificate has been issued to him, he is a wholesale merchant, or a manufacturer, in respect of the entry by him for home consumption of imported goods, or the purchase by him of goods, not being goods in respect of which he is required to quote his certificate under sub-paragraph (a), for sale by him for the purpose of that business;

(f) if the registered person has a place of business in respect of which a certificate has been issued to him, that person is a person who sells good principally by retail in respect of-

(i) the entry by him for home consumption of imported goods; or

(ii) the purchase by him of goods;

being goods specified by at the time of that entry or purchase to be so entered or purchased for sale by wholesale, for sale by him for the purposes of that business;

(g) if the registered person is a person who manufactures goods, but by virtue of the definition of "manufacturer" in section 2 of the Act, is deemed not to be the manufacturer of those goods, or if the registered person is a person who applied any process or treatment to goods as specified in sub-paragraph (iii) of paragraph (a) of the definition of "wholesale merchant" in that subsection, in respect of the purchase of goods, or the entry for home consumption of imported goods to be used in, wrought into or attached to the goods so manufactured, processed or treated; and

(h) if the registered person is, by virtue of the definition of "manufacturer" in section 2 of the Act deemed to be the manufacturer of goods manufactured for him by another person, in respect of the sale deemed to have been made of those goods by virtue of sections 14(2), 14(3) and 14(4) of the Act.

(2) A registered person who by virtue of paragraph (1) quotes his certificate in respect of the purchase or lease of goods, or the entry for home consumption of imported goods, shall quote his certificate in respect of the purchase or entry by him of each container, if any, of the goods (not being goods of a specified class to which section 22(5), (6), (7) and (8) of the Act applies) if-

(a) an item or sub-item in the First Schedule to the Act covers-

- (i) the goods purchased, entered or leased in the container; or
- (ii) goods in the manufacture, processing or treatment of which the goods purchased, imported or leased in the container are directly or indirectly used by the registered person;

(b) the registered person sells or leases the goods purchased, leased or imported in the container, the property in the container passes to the purchaser or the container is not the subject of a charge to be refunded upon the return of the container;

(c) the registered person-

- (i) sells or leases, without the container, the goods purchased, leased or imported in the container or goods in the manufacture, processing or treatment of which those first-mentioned mentioned goods are directly or indirectly used by him; or
- (ii) directly or indirectly uses the goods purchased, leased or imported in the container in manufacturing, processing or treatment performed by him for another person,

and the cost of the container is included in the amount charged by the registered person for the sale or lease of the goods or for the manufacturing, processing or treatment, as the case may be; or

(d) the registered person-

- (i) does not sell or lease the goods purchased, leased or imported in the container; or
- (ii) sells or leases those goods without the container,

and does not sell the used container or sells the used containers at a price greater than one half of the cost, excluding tax, of the container to him.

(3) Subject to regulation 9, a registered person shall quote his certificate in respect of the purchase of containers, or the entry for home consumption of imported containers, by him-

(a) in which other goods will be packed by him for sale or lease;

(b) the property in which will pass to the purchaser or lease of the goods; and

(c) which will not be the subject of a charge to be refunded upon the return of the container; if-

(d) an item or sub-item in the First Schedule to the Act covers the goods to be packed in the containers;

(e) the registered person, not being the manufacturer of the goods to be packed in the containers, quotes his certificate in respect of the purchase, entry or lease of those goods by him; or

(f) the registered person is the manufacturer of the goods to be packed in the containers and does not treat the goods as stock for sale by retail before the goods are packed in the containers.

(4) Subject to regulation 9 a registered person shall quote his certificate in respect of the purchase by him of containers, being bottles, jars and cans, or the entry for home consumption by him of imported containers, being bottles, jars or cans-

(a) in which he markets goods which he manufactures or sells by wholesale;

(b) on which is moulded a notification to the effect that they are or remain his property or are not sold with the contents; and

(c) which upon the sale of the contents, are not the subject of a charge imposed by way of deposit to be refunded upon the return of the bottles, jars or cans.

(5) A registered person who, by virtue of paragraphs (3) or (4), quotes his certificate in respect of the purchase of containers or the entry for home consumption of imported containers (in this paragraph referred to in either case as, the secondary containers) shall quote that certificate in respect of the purchase by him of each container, or the entry for home consumption by him of each imported containers (in this paragraph referred to in either case as "the primary container"), if any, in which the secondary containers are so purchased or entered if-

(a) an item or sub-item in the First Schedule to the Act covers the secondary containers;

(b) the cost of the primary container-

(i) is included in the amount charged by the registered person for the sale or lease of good packed by him in the secondary containers; or

(ii) in a case where the secondary containers are the subject of a separate charge to the purchaser or lessee of the goods packed in the secondary containers (being a charge which is not refundable upon the return of the secondary containers) is included in that charge; or

(c) the registered person does not sell the used primary container or sells the used primary container at a price not greater than one half of the cost, excluding tax, of the primary container to him.

(6) Where-

(a) a registered person, by virtue of paragraphs (1), (3) or (4), quotes his certificate in respect of the purchase or lease of goods on entry for home consumption of imported goods; and

(b) the property in the containers, if any, of the goods passes to him, he shall be deemed to have also quoted his certificate under paragraphs (2) or (5) in respect of the purchase or entry of the containers unless he states, in the certificate of quotation, that the quotation does not extend to the containers.

9.-(1) The provisions of regulation 8 (1) does not apply so as to require or permit a registered person who is a manufacturer to quote a certificate in respect of the purchase, or the entry for home consumption, by such person in respect of-

Cases in which
certificates to be not
quoted

(a) mixes to be used in the manufacture by such person of biscuits in premises or vehicles in which the business of manufacturing biscuits is carried on exclusively or principally for the purpose of sale by retail directly from those premises or vehicles: or

(b) mixes to be used in the manufacture by such person of goods, being ice-cream, ice-cream cakes, ice-cream substitutes, frozen confectionary, flavoured ice-blocks (whether or not to be marketed in a frozen state) or similar goods in premises or vehicles in which the business of manufacturing goods of that kind is carried on exclusively or principally for the purpose of sale by retail directly from these premises or vehicles.

10.-(1) Where goods purchased or entered by a registered person-

Additional cases in which
certificates to be quoted

(a) for sale by him to persons exempted by the Minister under section 37 of the

Act: or

(b) for supply by him to the person referred to in sub-paragraph (a) of this paragraph in the performance of a contract to which subsection (3) of section 3 of the Act applies, are for official use of such person, and are not for resale, the registered person shall quote his certificate in respect of the purchase by him of those goods, or the entry for home consumption by him of those imported goods.

(2) Where the Commissioner is satisfied that-

(a) a registered person ordinarily purchases goods, or enters for home consumption imported goods of a particular class or kind with the intention of using or dealing with the goods as occasion demands; and

(b) a purpose for which, or a manner in which, the goods are ordinarily used or dealt with by the registered person is such that, if the goods were required by him to be used or dealt with by him exclusively for that purpose or in that manner-

(i) he would be required to quote his certificate in respect of the purchase or entry; or

(ii) goods tax would not be payable in respect of the sale value of the goods upon their sale to, or entry by, the registered person.

the Commissioner may, by notice in writing to the registered person, permit the registered person to quote his certificate in respect of the purchase or entry by the registered person of all goods of that class or kind acquired by him with the intention of using or dealing with the goods as occasion demands.

11. Where, a registered person has a place of business in respect off which a certificate has been issued to the person, that registered person-

Certificate deemed to be quoted in certain circumstances

(a) is a person who sells goods principally by retail;

(b) is not required by regulation 8(1) (f) to quote his certificate in respect of the purchase of goods, on the entry for home consumption of imported goods; and

(c) sells any goods or imported goods referred to in paragraph (b) by wholesal

the registered person shall be deemed to have quoted his certificate in respect of the purchase or entry by him of these last-mentioned goods or imported goods.

12. Notwithstanding anything contained in these Regulations, where a registered

Agreements under

person has entered into an agreement with the Commissioner under section 28(2) of the Act as to the manner of ascertaining the sale value or sale values of any goods and that manner is dependent upon the registered person quoting or not quoting his certificate in respect of the purchase of those goods, or the entry for home consumption of those goods (being imported goods), or of goods to be used in, wrought into or attached to those goods, that person shall quote or not quote his certificate (as the case may be), in respect of that purchase or entry.

section 28 (2) of Act

13.-(1) Subject to paragraph (2) a certificate shall be quoted in writing in accordance with Form C set out in the Schedule.

Forms in which certificate to be quoted

(2) Where goods are ordered by telegram, a certificate may be quoted in respect of the purchase of those goods by including in the telegram the words "Certificate quoted".

Form C

14.-(1) A person shall not, in respect of the purchase or lease of goods, or the entry for home consumption of imported goods in respect of which he is not required by the Act or by these Regulations to quote his certificate, represent or authorise, permit, suffer, procure or be a party or privy to, or be directly or indirectly concerned in, a representation, by any statement whether oral or in writing (not being a statement made in accordance with Form C), purchase, lease or entry.

Purported quotation of certificate

(2) A prosecution in respect of an offence against paragraph (1) may be commenced at any time within a period of three years after the commission of the offence.

15. Where a registered person is required to quote his certificate in respect of the purchase or lease of goods, he shall, subject to these Regulations, quote his certificate upon the order in writing, or upon the confirmation in writing of a verbal order, for the goods, or, where a written order or confirmation is not given, upon any delivery slip, receipts, acknowledgement of receipts, duplicate invoice or other document relating to the transaction and retained by the vendor or lessor.

Quotation in respect of the purchase of goods

16.-(1) A registered person may, with the approval in writing of the Commissioner, quote his certificate at the commencement of each month in respect of the whole of his proposed purchases of goods (other than goods in respect of the purchase of which he is not required by these Regulations to quote his certificate) during that month from another registered person.

Monthly quotation in approved cases

(2) A registered person desiring to obtain the approval of the Commissioner under paragraph (1) may, for that purpose apply in writing to the Commissioner.

(3) A registered person to whom written notice of approval under this regulation has been given shall, on the first day of each month, quote his certificate, in accordance with the prescribed form, to the registered person from whom he proposes to purchase goods and endorse on that form a notice in writing in accordance with Form D set out in the Schedule.

Form D

(4) Where, in respect of a purchase of goods, a registered person to whom written notice of approval under this regulation has been given is not required by these Regulations to quote his certificate, he shall endorse upon the order in writing, or the confirmation in writing of a verbal order, for the goods, or, where a written order or confirmation is not given, upon any delivery slip, receipt, acknowledgement of receipt, duplicate invoice or other document relating to the transaction and retained by the registered person from whom he purchased the goods notice in accordance with Form E set out in the Schedule.

Form E

(5) A registered person who, during any month, complies with paragraph (3) of this regulation shall be deemed to have quoted his certificate in respect of every purchase of goods by him from the other registered person during that month except purchases in respect of which he has notified the other registered person in accordance with paragraph (4),

17.-(1) Where a registered person is required to quote his certificate in respect of the entry for home consumption of imported goods, he shall, subject to these Regulations, quote his certificate upon the entry of these goods, and where such person fails to do so, with the intention of gaining advantage of a lower sale value, such person shall be guilty of an offence, and shall be liable to a fine of two hundred and fifty dollars.

Quotation in respect of the importation of goods by registered person

(2) In addition to the fine imposed under paragraph (1) of this regulation, the registered person shall be required to pay the difference between the tax paid on the entry of goods on non-quotation of certificate and the tax that would be payable had he quoted his certificate as required, and sells the goods to an unregistered person or to a registered person who did not quote his certificate.

PART IV

SECURITIES

18.-(1) Where the person to whom a certificate is issued is carrying on business, he shall lodge any security given in respect of the certificate with the Commissioner and, if he is carrying on business in more than one location, he shall lodge any security so given with the Commissioner through his head office together with a statement specifying the location in which he is carrying on business.

Where securities to be lodged

(2) Where a person carries on business in more than one location, the security shall be deemed to be a security for the compliance with the condition of all certificates of which the person is the holder or which may be issued to that person.

19.-(1) Proceedings in respect of a breach of any condition of a security may be instituted by the Commissioner suing in his official name.

Proceedings on securities

(2) When a security is put in suit by the Commissioner, the production of the security, without further proof, entitles the Commissioner to judgment against, and for the stated liability of, the persons appearing to have executed the security unless the defendants prove compliance with the condition of the security, that the security was not executed by them or release or satisfaction.

(3) If it appears to the court that a non-compliance with the condition of a security has occurred, the security shall not be deemed to have been discharged or invalidated and a subscriber shall not be deemed to have been released or discharged from liability by reason of-

(a) an extension of time or other concession to the registered person referred to in the security;

(b) the Commissioner having consented to, or acquiesced in, a previous non-compliance with the conditions; or

(c) the Commissioner having failed to bring suit against a subscriber upon the occurrence of a previous non-compliance with the condition.

20.-(1) Where an amount of goods tax is owing by a registered person and a deposit has been lodged for compliance by that person with the conditions of his certificate, the Commissioner may appropriate so much of the deposit as is sufficient to pay the amount of goods tax so owing.

Security by deposit

(2) Where the right to appropriate a deposit arises under paragraph (1), the Commissioner may dispose of the deposit by auction, private sale or otherwise as he considers most favourable to the depositor and the net proceeds of the disposition shall, for the purposes of this regulation, be deemed to have been a deposit of cash and may be appropriated wholly or partly accordingly.

(3) Cash lodged as a deposit in respect of a security may be deposited in a commercial bank in savings account in the name of the Commissioner of Inland Revenue.

(4) Where interest becomes due in respect of a deposit lodged in respect of a security, the Commissioner may pay the interest to the person who lodged the deposit.

(5) A certificate under the hand of the Commissioner stating-

(a) that the whole or any portion of a deposit lodged in respect of a security was sold; and

(b) the amount of the net proceeds of the sale,

is evidence of the facts stated in the certificate.

(6) Where-

(a) a person has lodged a deposit in respect of a security;

(b) the certificate in respect of which the security was given has been cancelled;

(c) the person is no longer required to be a registered person; and

(d) the person has met all existing and prospective liabilities for goods tax,

the Commissioner shall deliver or pay to the person or to the authorised agent or legal personal representative of the person, as the cases requires-

(i) any part of the deposit that has not been disposed of pursuant to this regulation; and

(ii) the balance of any cash held under the security after the deduction of any amounts authorised to be appropriated from the deposit.

(7) Where a party to a security, other than the registered person, makes a request in writing to the Commissioner to be discharged from his obligations under the security, the security shall terminate on the expiration of thirty days after the date of the receipt by the Commissioner of the request.

(8) The termination of a security does not relieve a party to the security in respect of a period prior to the date of the termination of the security.

PART V

SALE VALUE IN CERTAIN CASES

21.-(1) Where-

Certain goods made to order, and determination of fair wholesale value

(a) clothes for human wear; or

(b) photographs produced by a person who exposes the negative in the camera, prints from that negative and finishes the photographs in the condition in which they are sold to the customer,

are manufactured in Solomon Islands to the order of an individual customer, for his private domestic or personal use, and are sold by the manufacturer to that customer, the sale value of those goods is an amount ascertained by deducting from the total amount payable by the customer to the manufacturer sixty *per centum* of that amount.

(2) Where the sale value of imported or manufactured goods is to be determined as fair wholesale value, or amount which the goods could reasonably be expected to have been sold by wholesale, as the case may be, by a registered person or a person required to be registered, the sale value of those goods shall be determined as follows, that is to say-

Where-

(a) the goods are treated as stock for sale by retail, an amount ascertained by deducting from the total retail sale value of the goods, seventy *per centum* of the total retail mark-up of such goods;

(b) the wholesale merchant or manufacturer as the case may be, applied goods to own use, an amount ascertained as-

(i) in the case of imported goods, 130 *per centum* of the sum of-

(A) the custom value of the goods as determined in accordance with the Customs and Excise Act and the Schedule thereto, and

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(B) the amount of customs duty (if any) that is, or may become, payable in respect of the goods:

(ii) in the case of manufactured goods, an amount equal to 130 *per centum* of the sum of-

(a) the total cost of producing such goods, and

(b) the amount of excise duty (if any) that is, or may become, payable in respect of the goods.

PART VI

RETURNS

22. Every person who during any month makes any sales, or deals with goods in any manner specified in the Act, and these Regulations, shall within the period specified in the Act for the lodgement of returns, furnish to the Commissioner at the office of the Commissioner a return of those sales or dealings in goods in the form authorised by the Commissioner and shall contain such information as is required for the due completion of the form.

Persons required to furnish returns and place for furnishing returns

23. A return shall not be deemed to have been duly furnished to the Commissioner unless and until the proper form, duly signed, in accordance with these Regulations, containing a full, true and complete statement of all matters and things required by the Act and these Regulations, the Commissioner, and the form itself, to be stated therein, has, at the place where under these Regulations the return is to be furnished, been received by an officer authorised by the Commissioner to receive returns.

When return deemed to be furnished

24.-(1) Every auctioneer who sells, on behalf of a registered person who has not given notice in writing to the auctioneer in accordance with paragraph (3), any goods on the sale value of which tax is payable shall, within seven days after the date of the sale, furnish a return and pay the tax, in respect of the sale, to the Commissioner.

Auctioneer's returns

(2) A return under paragraph (1) shall be in accordance with a form authorised by the Commissioner as referred to in regulation 22.

(3) Where it is the intention of a registered person to furnish returns and pay tax on the sale value of all goods which may be sold on his behalf by an auctioneer he shall give notice in writing of that intention-

(a) to the auctioneer: and

(b) to the Commissioner at the office of the Commissioner.

25. Whenever a person is required by the Act, the Regulations, or the Commissioner, to furnish a return to the Commissioner, it shall be the duty of that person to make the required return and to take all steps necessary to ensure that the

Persons to take necessary steps for due lodging

return is received by the Commissioner at the place where under these Regulations the return is to be furnished.

26.-(1) The Commissioner may cause or permit his officers to make on any return such marks, figures and annotations as he thinks fit.

Annotations on returns

(2) The marks, figures and annotations shall be made in ink which is different in colour from the ink used in the return and, except in the case of a date stamp, shall be initialled by the officer making them.

27.-(1) The Commissioner may, by notice in writing, require any person, whether a taxpayer or not-

Department to obtain information and evidence

(a) to furnish him with such information as he requires; or

(b) to attend and give evidence before him or before any officer authorised by him in that behalf, for the purpose of inquiring into or ascertaining his or any other person's liability under the Act or these Regulations, and may require him to produce all books, documents and other papers whatsoever in his custody or under his control relating thereto.

(2) The Commissioner may require the information or evidence to be given on oath, and either verbally or in writing.

28. Whenever pursuant to regulation 27 a person is required by the Commissioner to furnish the Commissioner with any information, that person-

Persons to take necessary steps to furnish information

(a) shall take all steps necessary to ensure that the information so required to be furnished is received by the Commissioner at the place at which the requirement is made; and

(b) shall be deemed not to have furnished the Commissioner with such information unless and until such information has been received by the Commissioner at the place at which the requirement is made.

29.-(1) Every wholesale merchant and manufacturer shall notwithstanding that he may not have received a notice in writing from the Commissioner under paragraphs (2) and (3) make a return of stock for that year on a prescribed form not later than one month after the end of the accounting period.

Wholesale merchant and manufacturer to make return of stock

(2) The Commissioner may by notice in writing require any person to furnish him, within such time as may be specified in such notice, with a return of stock for any year or part of a year, containing a full and true statement of the stock of such person, and of such particulars as may be required for the purposes of the Act, and such return shall include a declaration signed in accordance with these Regulations.

(3) In the case of the executor or administrator of a deceased person, or of the liquidator of a resident company, or of a bankrupt, or any person whom the Commissioner has reason to believe is about to leave Solomon Islands, the Commissioner may, by notice in writing, require him to furnish a return of stock at any time whether before or after the time specified in paragraph (1).

(4) Where any business is carried on by two or more persons in partnership, the Commissioner may, by notice in writing, require the precedent resident partner, that is the partner who, of the resident partners-

(a) is first named in the agreement of partnership; or

(b) if there be no written agreement, is specified by names in initials singly, or with precedence to the other particulars, in the usual name of partnership; or

(c) is first named in any statement required under any law of Solomon Islands to register the name of the business,

to furnish him, within such time as may be specified in such notice, with a return of stock.

(5) In every return furnished under this regulation the person making the return shall state an address to which all notices are to be served under the Act.

30.-(1) Any wholesale merchant or manufacturer who-

Penalty for failing to
furnish return of stock

(a) fails to make a return in accordance with regulation 28;

(b) fails to comply with a notice in writing given to him by the Commissioner under paragraphs (2) and (3) of regulation 29,

shall be guilty of an offence and on conviction therefor shall be liable to a fine of not exceeding five hundred dollars.

(2) The Commissioner may at any time extend the period in which a return required

under this regulation is to be made.

PART VII

PAYMENT OF TAX

DIVISION 1-TAX PAYABLE ON SALE VALUE DETERMINED UNDER SECTIONS 13(E) AND 21 OF THE ACT

31. A person who is liable to pay tax upon the sale value of any goods determined under sections 13(e) and 21 of the Act shall pay the tax at the time and place at which, and in the manner in which, duties in respect of those goods under a law relating to duties of customs are payable or would be payable if the goods were subject to duties under such a law.

How and where tax payable

DIVISION 2-OTHER TAX

32. Subject to regulation 31, a taxpayer shall pay tax to the Commissioner or to the Commissioner's agent nearest to the taxpayer's location of business.

Where tax payable

33. Tax may be paid by delivering cash, bank notes or cheques made payable to the Solomon Islands Government, at the office of the Commissioner of Inland Revenue or to the agent of the Commissioner nearest to the taxpayer's location of business.

How payable

34. When a remittance is posted by or on behalf of a taxpayer, the Post Office shall be deemed to be the agent of the remitter and payment shall not be deemed to have been made until the remittance has been received by the addressee.

Post Office to be agent of remitter

35. Where a cheque has been delivered or remitted to the Commissioner in payment of an amount payable to the Commissioner, that amount shall (notwithstanding that a receipt has been given for the amount) be deemed not to have been paid until the amount for which the cheque is drawn has been collected.

Payment by cheque

36. Receipts for amounts paid to the Commissioner shall be issued by such persons as the Commissioner authorises in that behalf.

Receipts to be issued

37. Except with the express consent of the Commissioner a payment shall not be accepted on account or in part payment of an amount payable to the Commissioner.

Part payment of tax not to be accepted

PART VIII
OBJECTIONS

38. An objection under section 60 of the Act may be made in accordance with Form F set out in the Schedule. Form of objection

PART IX
REFUNDS AND OTHER PAYMENTS

39.-(1) Subject to this Part, refunds or payments to prevent double taxation, as the case may be, may be made to a person- Subsequent transaction with tax-paid goods

(a) who, in respect of the entry for home consumption of any imported goods, has paid tax upon a sale value of those goods and who, in respect of some subsequent act, operation or transaction in relation to those goods, becomes liable to pay tax upon a sale value of those goods;

(b) who, in respect of some act, operation or transaction in relation to any goods, becomes liable to pay tax on a sale value of those goods and who has purchased those goods at a price which includes tax which some other person has paid or is liable to pay, upon a sale value of those goods, in respect of some prior act, operation or transaction in relation to those goods;

(c) who becomes liable to pay tax upon the sale value of any goods under the provisions of the Act and who has purchased goods, being goods which have been used in, wrought into or attached to those goods, at a price which includes tax which some other person has paid or is liable to pay upon a sale value of the goods so used in, wrought into or attached;

(d) who becomes liable to pay tax upon the sale value of any goods under the provisions of the Act and who has entered for home consumption imported goods, and has paid tax upon a sale value of the goods so used in, wrought into or attached;

(e) who becomes liable to pay tax upon the sale value of any goods under the provisions of the Act and who has purchased goods, being goods which have been used as aids to manufacture, as auxiliaries to aids to manufacture in or in connection with the manufacture of the first-mentioned goods, at a price which includes tax which some other person has paid or is liable to pay upon the sale

value of the goods so used as aids to manufacture or as auxiliaries to aids to manufacture;

(f) who becomes liable to pay tax upon the sale value of any goods under the provisions of the Act and who has entered for home consumption imported goods which have been used as aids to manufacture, or as auxiliaries to aids to manufacture, in or in connection with the manufacture of the first-mentioned goods and has paid tax upon the sale value of the goods so used as aids to manufacture, as auxiliaries to aids to manufacture;

(g) who becomes liable to pay tax upon the sale value of any goods under the provisions of the Act and who has used in, wrought into or attached to those goods other goods which have previously formed part of goods-

(i) upon a sale value of which tax has been paid by that person in respect of some prior act, operation or transaction; or

(ii) which were purchased by that person at a price which included tax paid by some other person upon a sale value of those goods;

(h) who becomes liable to pay tax upon the sale value of any goods under the provisions of the Act and who-

(i) has purchased goods which have been used in, wrought into or attached to those goods at a price which includes tax which some other person has paid or is liable to pay upon a sale value of the goods so used in, wrought into or attached; or

(ii) in respect of the entry for home consumption of any imported goods which have been used in, wrought into or attached to those goods, has paid tax upon the sale value of the goods so used in, wrought into or attached;

(i) who-

(i) in respect of the entry for home consumption of any imported goods, has paid tax upon a sale value of those goods; or

(ii) has purchased any goods at a price which includes tax which some other person has paid or is liable to pay upon a sale value of those goods,

and who sells those goods, or, where those goods have been used in, wrought into or attached to other goods, those other goods, at a price which does not include the tax so paid or included, a registered person (not being a person who purchases those goods for use in the manufacture of goods which exempt from tax) who quotes his certificate in respect of purchase of the goods so sold;

(j) who, in respect of a lease of goods, has paid tax upon a sale value of those goods and who, in respect of some subsequent act, operation or transaction in relation to those goods, becomes liable to pay tax upon a sale value of those goods;

(k) who has purchased goods which he has used in, wrought into or attached to other goods in the course of repairs, or in the course of an operation or process which does not constitute manufacture, at a price which includes tax which some other person has paid or is liable to pay upon a sale value of the goods so used in, wrought into or attached and, after the completion of those repairs, or that operation or process, becomes liable to pay tax upon a sale value of those other goods;

(l) who has paid tax upon a sale value of any goods and, after the occurrence of the act, operation or transaction in respect of which the tax was paid, he has used in, wrought into or attached to other goods in the course of repairs, or in the course of any operation or process which does not constitute manufacture, and, after completion of those repairs, or that operation or process, becomes liable to pay tax upon a sale value of those other goods; or

(m) who has paid tax upon a sale value of any goods and, after the occurrence of the act, operation or transaction in respect of which the tax was paid, has, for the purpose of replacing free of charge the whole or any part of those goods because of defects in them, used other goods-

(i) in respect of a sale value of which he has paid, or become liable to pay, tax;

(ii) which he has purchased at a price which includes tax paid by some other person in respect of a sale value of those other goods,

and who has satisfied the Commissioner that the goods so replaced will not subsequently be used for the purpose, or for a purpose similar to the purpose, for which they were manufactured.

(2) Where, upon the death or bankruptcy of a person to whom this regulation would, but for his death, have applied, or where by devolution of the estate of that person otherwise than by death or bankruptcy, the ownership of goods, being purchased goods or imported goods entered for home consumption as specified in this regulation becomes vested in some other person, that other person shall-

(a) if he is or becomes liable to pay tax in respect of those goods in the circumstances under which a refund or payment as specified in this Part would have been made to the person from whom he derived title to the goods had that

person been or become liable to pay such tax; or

(b) if he sells those goods in accordance with the conditions stated in sub-paragraph (i) of paragraph (1) of this regulation,

be entitled to a refund or payment under this regulation to which the person from whom he derived title would have been entitled.

(3) For the purposes of paragraph (1) of this regulation, "person" shall be deemed to include a department of the Government or an authority established under an Act of Parliament which has sold goods in respect of which tax has been paid.

40.-(1) Where a registered person to whom regulation 39 applies, becomes liable to pay tax, upon the amount for which any goods, in respect of the purchase or entry for home consumption of which he was not entitled to quote and did not quote his certificate, are sold by him by retail, the refund which may be made to that person shall be a refund, by way of a rebate, of the whole of the tax so payable.

Amount of refund in cases of certain retail sales

(2) The sale of goods by retail, in a case to which this regulation applies, may, for the purposes of these Regulations, be treated as a sale in respect of which tax is not payable.

(3) This regulation does not apply to tax payable upon the sale value of materials sold by a manufacturer to an individual customer where the materials so sold are supplied by the customer to the manufacturer and the manufacturer makes goods to the order of the customer wholly or in part out of those materials.

41.-(1) Subject to regulation 40, the refund which may be made to a person to whom sub-paragraphs (h) (ii) or (l) of paragraph (1) of regulation 39 applies shall be a refund, by way of rebate, of the tax payable by him in respect of the subsequent act, operation or transaction in relation to the goods specified in those sub-paragraphs, and shall not exceed the tax which he has paid in respect of the prior act, operation or transaction in relation to the goods used in, wrought into or attached to those goods.

Amount of refund or of payment in other cases

(2) Subject to regulation 40, the refund which may be made to a person to whom sub-paragraphs (c) or (h)(i) or (k) of paragraph (l) of regulation 39 applies shall be a refund, by way of rebate, of the tax payable by him in respect of the goods specified in those sub-paragraphs, to the extent of the tax which is included in the price for which he purchased the goods used in, wrought into or attached to those goods, but not exceeding the tax so payable by him.

(3) The refund which may be made to a person to whom sub-paragraph (g) of paragraph (l) of regulation 39 applies shall be a refund by way of rebate of the tax payable by him upon the goods first specified in that sub-paragraph to the extent of-

(a) the amount which bears to the total amount of that tax the same proportion as the value of those other goods bear to the sale value of the goods first specified in that sub-paragraph; or

(b) the amount which bears to the total amount of tax paid in respect of the goods as specified in that sub-paragraph the same proportion as the value of those other goods bear to the sale value of the goods last specified in that sub-paragraph.

(4) For the purpose of paragraph (3), "the value of those other goods" means the value which those other goods had immediately prior to their being used in, wrought into or attached to-

(a) in a case to which sub-paragraph (a) of that paragraph applies, the goods first specified in sub-paragraph (g) of paragraph (l) of regulation 39; or

(b) in a case to which sub-paragraph (b) of that paragraph applies, the goods last specified in sub-paragraph (g) of paragraph (l) of that regulation.

(5) The refund or payment which may be made to a person to whom sub-paragraphs (a), (b), (d), (e), (f) or (i) of paragraph (l) of regulation 39 applies shall be a refund of the tax paid by him in respect of the entry for home consumption of the imported goods specified in that sub-paragraph or a payment of a sum equal to the amount of the tax included in the price for which he has purchased goods specified in that sub-paragraph, as the case may be.

(6) The refund which may be made to a person to whom sub-paragraph (j) of paragraph (l) of regulation 39 applies shall be a refund by way of rebate of the whole or portion of the tax payable by him in respect of the subsequent act, operation or transaction specified in that sub-paragraph, and shall be equal to the amount (if any) by which the sum of-

(a) the tax (if any) included in the price for which he purchased those goods, or the goods used in, wrought into or attached to those goods;

(b) any other tax which, at any time prior to the date of the subsequent act, operation or transaction, has been paid by him upon the sale value of the goods, but not including an amount which has been refunded to him or has been allowed as rebate;

(c) the tax for which he has become liable in respect of the subsequent act, operation or transaction,

exceeds the tax which would be payable at the highest rate in operation in respect of the goods during the period from and including the date of purchase or manufacture, as the case may be, of the goods, on the entry for home consumption of the imported goods by him to and including the date of that subsequent act, operation or transaction upon sale value equal to-

(d) if the goods were purchased by the taxpayer, the full purchase price exclusive of sales tax passed on to the taxpayer;

(e) if the goods were manufactured by the taxpayer, the sale value of the goods at the date of manufacture determine on the basis provided for in section 15 (l) (c) of the Act; or

(f) if the goods were entered by the taxpayer, the amount which would be the sale value of the goods at the date of entry on the basis provided for in section 21 of the Act.

(7) The refund or payment which may be made to a person to whom sub-paragraph (m) of paragraph (l) of regulation 39 applies shall be a refund of the tax paid by him in respect of the sale value of the goods used by him for the purpose referred to in that sub-paragraph or a payment of a sum equal to the amount of the tax included in the price for which he has purchased goods used for that purpose, as the case may be.

42.-(1) A person claiming, in a case to which regulation 41 applies, a refund or payment in respect of-

Claims for refund

(a) goods upon the sale value of which tax is payable by him;

(b) goods sold by him to a registered person who quotes his certificate in respect of the sale; or

(c) goods used in, wrought into or attached to, or used as aids to manufacture, as auxiliaries to aids to manufacture in or in connection with the manufacture of, goods to which either of the last two preceding paragraphs apply,

shall, within the time and in the manner prescribed by this regulation, furnish to the Commissioner a statement in writing, together with documentary evidence in support of the statement, showing-

(i) that the tax has been paid or is payable by him or by some other person upon a sale value of those goods in respect of some prior act, operation or transaction in relation to the goods;

(ii) in a case which-

- (a) sub-paragraph (b);
- (b) sub-paragraph (c);
- (c) sub-paragraph (e);
- (d) sub-paragraph (h) (other than clause (ii) of that sub-paragraph);
- (e) sub-paragraph (i) (other than clause (i) of that sub-paragraph);
- (f) sub-paragraph (k); or
- (g) sub-paragraph (m) (other than clause (i) of that sub-paragraph), of sub-paragraph (1) of regulation 39 applies,

that the tax so paid or payable by some other person has been included in the price for which the claimant purchased those goods;

(iii) in the case to which sub-paragraph (i) of paragraph (1) of regulation 39 applies is that the goods have been sold by him at a price which does not include the tax so paid or payable by him or the tax so included, as the case may be;

(iv) the amount of the tax so paid or payable by him or the amount of the tax so included, as the case may be; and

(v) the amount of the refund or payment which, on the basis of the facts so shown may be made in this Part.

(2) Every statement in writing required by this regulation to be furnished to the Commissioner shall be furnished-

(a) where the person claiming the refund or payment is a registered person, at the time of furnishing the monthly return in respect of which the tax which may be refunded is payable or at the time of furnishing the monthly return of the sale by which the refund or payment is claimed, as the case may be; and

(b) where the person claiming the refund or payment is an unregistered person within thirty days after the sale by him of the goods in respect of which the refund of payment is claimed.

43. Where a registered person to whom a refund or payment may be made under this Part furnishes a statement in writing in accordance with regulation 42, he may deduct from the tax payable in respect of the monthly return with which that statement is furnished the amount of the refund or payment which, on the basis of the facts shown in that statement, may be made under this Part.

Deduction from monthly tax

44. Notwithstanding anything contained in regulations 42 and 43, where the Commissioner is satisfied that a taxpayer to whom regulation 39 applies keeps such records as will enable the taxpayer to calculate accurately the amounts which may be refunded or paid to him in accordance with regulation 41 and that the taxpayer will at all times claim refunds of such amounts only as may be refunded or paid to him in accordance with that regulation, the Commissioner may, subject to any notification which the Commissioner may at any time make to the contrary and to any conditions or qualifications which he at any time may make-

Deduction of rebates from tax payable

(a) dispense with the furnishing by that taxpayer of the statement and evidence specified in regulation 42: and

(b) authorise the taxpayer to deduct from the tax payable in respect of each monthly return, as specified in paragraph (2) of that regulation, the amounts which may be refunded or paid to him in respect of the tax so payable.

45. Where a person has deducted an amount under the provisions of regulations 43 and 44, the Commissioner, having regard to evidence furnished to or obtained by him-

Adjustment of refund

(a) is not satisfied that it is necessary, or is of opinion that it is not necessary, to make a refund to that person to obviate double taxation of the sale value of the goods in respect of which that amount was so deducted; or

(b) is of opinion that the amounts deducted is greater or less than the amount which is necessary to obviate double taxation of that sale value,

the Commissioner shall give notice to that person in writing to that effect and that person shall, at the time at which he is required to pay tax in respect of the monthly return next due after receipt of that notice-

(c) in a case to which paragraph (a) applies, pay to the Commissioner the amount as deducted; or

(d) in a case to which paragraph (b) applies, pay to the Commissioner or deduct from the tax payable in respect of that return, as the case may be, the amount by which the amount so deducted is less or greater than the amount which, as stated in that notice, is necessary to be refunded to obviate double taxation.

Refunds in special cases

46.-(1) Notwithstanding anything contained in this Part, where a registered person to whom, in the opinion of the Commissioner, paragraph (1) of regulation 39 is applicable from month to month satisfies the Commissioner that it is impracticable for him at any time to comply substantially with the provisions of regulation 42, refunds for the purpose of this Part may, with the approval in writing of the Commissioner and subject to this regulation, be made to that person by the allowance of a deduction, from the total tax which in respect of each monthly return, he is or becomes liable to pay upon the sale value of goods as specified in that paragraph of the tax which would be payable upon a sale value equivalent to the average cost to him of-

(a) those goods;

(b) the goods used in, wrought into or attached to those goods; or

(c) the goods used as aids to manufacture, as auxiliaries to aids to manufacture, in or in connection with the manufacture of those goods.

(2) For the purposes of this regulation, the tax to be refunded, by way of deductions, shall be calculated at the rate in force for the period during which the goods in respect of which the average cost is calculated were purchased or, in the case of imported goods, entered for home consumption by the registered person, and the average cost of goods, and the period during which any goods were purchased or entered, shall be determined in such manner or by such method as the Commissioner considers just and reasonable having regard to the circumstances of the particular case.

Time within which
refunds to be made

47.-(1) Subject to paragraph (2) of this regulation, a refund or payment shall not be made to a person under regulation 39 unless a claim in writing for that refund or payment is lodged with the Commissioner-

(a) in a case to which sub-paragraph (m) of paragraph (1) of that regulation applies, within three years after the person has used the other goods referred to in that sub-paragraph for the purpose so referred to: and

(b) in any other case within three years after the date on which the person became eligible for the refund or payment.

(2) Where a person to whom a refund of tax payable by him upon the sale value of

any goods may be made under this Part does not, within a period of three years after that tax became payable, pay the whole or part of that tax, the Commissioner may-

(a) in a case in which he assesses that sale value, and calculates the tax so payable, at the time when he makes that assessment and calculation, allow a refund, by way of rebate, of the tax which may be refunded under this Part; or

(b) in any other case, allow the refund which may be given under this Part to that person, at or before the time at which he first makes any payment of that tax, lodges with the Commissioner a claim in writing for that refund.

48.-(1) For the purposes of section 22(5) of the Act-

Prescribed persons and goods

(a) tourists and temporary residents are prescribed classes of persons; and

(b) each of the following is a prescribed class of goods-

(i) traveller's samples;

(ii) wedding and other presents;

(iii) imported goods entered for home consumption for use at a public exhibition or entertainment not being cinematograph films of a kind ordinarily used for the purposes of profit;

(iv) containers of goods; or

(v) imported goods entered for home consumption for repair, assembling or other industrial purpose approved by the Comptroller of Customs and Excise.

(2) An application for permission of the Comptroller under section 22(5), (6), or (7) of the Act shall contain a description of the goods in respect of which, and set out the grounds on which, the application is made.

(3) Goods in respect of which permission has been granted under section 22(5) of the Act shall not be exported unless-

(a) notice of intention to pack for export has been given to the Comptroller;

(b) the goods have been examined by an officer of Customs; and

(c) an export entry in respect of the goods has been made to the satisfaction of the Comptroller, in the prescribed form (if any).

Inter-governmental
agreement
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49.-(1) In this regulation, "intergovernmental agreement" means an agreement, being an agreement to which the Solomon Islands Government and the government of a country, or the governments of countries, other than Solomon Islands are parties, that provide for the importation of goods of a class or classes specified in the agreement into Solomon Islands and that country or those countries on a temporary basis without payment of tax and includes any International organisation listed in the Sixth Schedule to the Diplomatic Privileges and Immunities Act.

(2) There may, in accordance with the provision of section 22(5) of the Act, be brought into Solomon Islands on a temporary basis without payment of tax-

(a) goods included in a class of goods to which an intergovernmental agreement applies;

(b) imported goods entered for home consumption by persons included in a class of persons to which an intergovernmental agreement applies;

(c) goods included in a class of goods to which an intergovernmental agreement applies entered by persons included in a class of persons to which an intergovernmental agreement applies; or

(d) imported goods entered for home consumption for a purpose specified in an intergovernmental agreement as a purpose for which the goods may be imported on a temporary basis without payment of tax.

(3) Where goods are, in accordance with section 22(5), (6), (7) and (8) of the Act brought into Solomon Islands on a temporary basis without payment of tax, the person to whom the goods are delivered under that section shall not, except with the consent of the Comptroller, lend, sell, pledge, mortgage, hire, give away, exchange or otherwise dispose or part with possession of the goods or in any way alter the goods.

50.-(1) Where tax has been paid in respect of a transaction, act or operation in relation to any goods and after that transaction, act or operation has been done, or effected, a person has exported the goods, the Commissioner, if he is satisfied that the tax-

Refund where tax paid on
example goods

(a) was paid by that person or was included in the price for which that person

purchased the goods; and

(b) has not been passed on by that person to some other person,

may refund or pay to the person who exported the goods the amount of tax so paid or included.

(2) Where tax has been paid in respect of a transaction, act or operation in relation to any goods and, after that transaction, act or operation has been effected or done, a person has sold those goods by wholesale, the Commissioner, if he is satisfied-

(a) that, at the time when the goods were sold, they were covered by an item or sub-item in the First Schedule to the Act:

(b) that the tax was paid by that person or was included in the price for which that person purchased the goods;
and

(c) that the tax has not been passed on by that person to some other person,

may refund or pay to the person who sold the goods by wholesale the amount of tax so paid or included.

(3) Where tax has been paid in respect of a transaction, act or operation in relation to any goods and, after that transaction, act or operation has been effected or done, the goods have been used in, wrought into or attached to other goods, the Commissioner, if he is satisfied-

(a) that those other goods were, at the time that the manufacturer of the goods sold them, treated them as stock for sale by retail or applied them to his own use, covered by an item in the First Schedule to the Act;

(b) that the tax was paid by the manufacturer of the other goods or included in the price for which that manufacturer purchased the first-mentioned goods; and

(c) that the tax has not been passed on by the manufacturer of the other goods to some other person,

may refund or pay to the manufacturer of the other goods the amount so paid or included.

(4) Where tax has been paid in respect of a transaction, act or operation in relation to any goods and, after that transaction, act or operation has been effected or done, a person has sold those goods, to a registered person who quotes his certificate in respect of the goods so sold, the Commissioner, if he is satisfied-

(a) that the goods so sold are required by the registered person-

(i) for use by him as aids to manufacture or as auxiliaries to aids to manufacture; or

(ii) to be used in, wrought into or attached to goods to be manufactured by him, being goods of a kind which are covered by an item in the First Schedule to the Act;

(b) that the tax was paid by the first-mentioned person or was included in the price for which the person purchased the goods; and

(c) that the tax was not passed on to the registered person,

may refund or pay to the first-mentioned person the amount of tax so paid or included.

(5) The Commissioner may pay to an institution or organisation covered by items 13, 25, 26, 27, 28, 29 or 30 in the First Schedule to the Act the amount which, in his opinion represents so much of the tax paid in respect of transactions, acts or operations effected or done in relation to goods purchased by that institution or organisation during any month as was included in the prices charged to that hospital, institution or organisation for those goods.

51. The Commissioner shall not make a refund or payment pursuant to regulation 50 unless a claim in writing for that refund or payment is lodged with the Commissioner within three years from-

Limit of time for lodging claim

(a) in a case to which paragraph (1) of that regulation applies, the date on which the goods were exported;

(b) in a case to which paragraphs (2) and (4) of that regulation applies, the date on which the goods were sold;

(c) in a case to which paragraph (3) of that regulation applies, the date on which the manufacturer sold the other goods, treated them as stock for sale by retail or applied them to his own use: or

(d) in a case to which paragraph (5) of that regulation applies, the date on which the hospital, institution or organisation purchased the goods.

PART X
MISCELLANEOUS

52.-(1) An application, statement, return, certificate, notice or other communication required by the Act or by these Regulations to be made or forwarded to or furnished to the Commissioner, and an endorsement, notice or certificate required to be made or given upon or in connection with the quotation of certificates of registration, shall be signed-

Signatures by or for
taxpayers

(a) in the case of an individual so required, in the name of that individual;

(b) in the case of a partnership so required, in the name of any one or more of the partners resident in Solomon Islands;

(c) in the case of trustees so required, in the name of any one or more of the trustees resident in Solomon Islands, or where there is no trustee resident in Solomon Islands, of the agent in Solomon Islands for the trustees; and

(d) in the case of a company, in the name of any authorised officer of the company.

(2) Subject to paragraph (3), the documents required as specified in paragraph (1), shall be signed personally by the person in whose name they are required to be signed.

(3) Where it is not practical or possible for the person specified in paragraph (2) personally to sign documents required to be signed in his name, or where, on account of special circumstances, the Commissioner so permits, the person who is required to make, forward or furnish that document, or the directors of a company which is so required, may authorise another person to sign the document and such documents shall, unless the contrary is proved, be deemed to be duly signed, by the person so required to sign, for the purposes of this regulation.

53. A person who furnishes a return shall in the return give an address in Solomon Islands for service.

Address for service

54. A person who has given an address for service and who subsequently changes that address shall, within one month after changing that address, give to the Commissioner, at the place where he furnished the return in which the address was given, notice in writing of his new address in Solomon Islands for service.

Notice of change of
address

55. The address for service last given to the Commissioner by a person is, for all

Address which may be

purposes of the Act and these Regulations, his address for service, but, where no address for service has been given to the Commissioner, or where the departmental records disclose that the person has subsequently changed his address and he has not notified the Commissioner, either in the return or by separate written advice, of the change, then the address of the person, as described in any record in the custody of the Commissioner, is his address for service.

regarded as address for service

56. A person who changes his address for service and fails to give to the Commissioner notice of his new address in Solomon Islands for service is not permitted to plead that change of address as defence in any proceedings (whether civil or criminal) instituted against him under the Act or under these Regulations.

Failure to notify change of address

57. A notice or other communication by or on behalf of the Commissioner may be served upon a person-

Service of notices

(a) by causing it to be personally served on him;

(b) by leaving it at his address for service; or

(c) by posting it to him at his address for service.

58. Where, in pursuance of section 40 of the Act, a person is required by the Commissioner to furnish the Commissioner with any information, that person-

Persons to take necessary steps to furnish information

(a) shall take all steps necessary to ensure that the information required to be furnished is received by the Commissioner at the place at which the requirement is made; and

(b) shall be deemed not to have furnished the Commissioner with the information until the information has been received by the Commissioner at the place at which the requirement is made.

59. In an action against a person for the recovery of tax, a certificate in writing signed by the Commissioner issued certifying that-

Certificate of Commissioner as to service of notice of assessment etc

(a) the person named in the certificate is a taxpayer;

(b) an assessment of tax or of further tax was duly made against him;

(c) the particulars of the assessment are as stated in the certificate;

(d) notice of the assessment was duly served on him; and

(e) the sum named in the certificate was, at the date of the certificate, due by him to the Government;

is evidence of the facts stated in the certificate.

60. For the purpose of these Regulations or in any action or proceeding in any court on a security lodged in pursuance of these Regulations, a certificate in writing signed by the Commissioner certifying that-

Certificate of
Commissioner as to
amount of tax due

(a) a sum stated in the certificate was, at the date of the certificate, due by a person named in the certificate to the Crown in respect of tax;

(b) a demand was made upon the person for payment of the amount stated in the certificate and that the demand was not complied with or was only partly complied with to the extent stated in the certificate; and

(c) the conditions of a certificate of registration that had been issued to the person and not been complied with,

is evidence of the fact stated in the certificate.

61. In any action for the recovery of an amount payable to the Commissioner, evidence may be given by affidavit, but the court may require the deponent to attend for the purpose of being cross-examined.

Evidence by affidavit

62. A writing certified by the Commissioner to be a true copy of or a true extract from any assessment, return, list, declaration, statement, book, document or writing of any nature whatsoever in the custody of the Commissioner or any officer of the Commissioner is, for all purposes, evidence of the original of or from which it purports to be a copy or extract and is receivable in evidence to the same extent as the original.

Certificate of official
copies

63. The declaration to be made pursuant to section 5 of the Act by a person executing any power or duty conferred or imposed on an officer shall be in accordance with Form G set out in the Schedule.

Declaration by officers
Form G

SCHEDULE

FORM A

APPLICATION FOR REGISTRATION AS MANUFACTURER (GT 1) OR WHOLESALERS MERCHANT

(Regulation 3)

TO: The Commissioner of Inland Revenue
Ministry of Housing & Government Services
P O Box G9
HONIARA

1. Name of Applicant (in block letters)

Sole Proprietor

Surname

Christian Names

Partnership

Surname of each Partner

Christian names of
each Partner

Company

Full Name

2. Names under which business as manufacturer or wholesale merchant is or will be carried on (in block letters)

3. Full address of place where that business is or will be carried on

.....
.....

4. Full address for service of notices

.....

5. State whether manufacturer, wholesale merchant or both

.....
.....

6. State kinds of goods-

(a) Manufactured

(b) Sold by wholesale

7. Date or proposed date of commencement of business as manufacturer or wholesale merchant

.....

Dated this day of, 19

.....

Signature of authorised person

FORM B

CERTIFICATE OF REGISTRATION

(Regulation 3)

(GT2)

Certificate No.

This is to certify that (a)
.....
.....
of (b)
is registered as a (c)
under the Goods Tax Act

Commissioner of Inland Revenue

Place Date

(a) Name

(b) Address

(c) Manufacturer or wholesale
merchant.

FORM C

(Regulation 13)

I hereby certify that (a)
am (b)
is the holder/holders (b) of (c)

.....
goods tax

Certificate No. (d)

.....
Signature of Certificate holder(s)

(a) Insert name of registered person.

(b) Strike out as appropriate.

(c) Name of Place in which certificate
issued to be inserted if being quoted
in another place.

(d) Insert certificate number.

FORM D

(Regulation 16)

TAKE NOTICE that, written approval having been given by the Commissioner of Inland Revenue to the said

.....
to quote his certificate in accordance with regulation 16 of the Goods Tax Regulations, the above quotation of certificate applies in respect of all goods to be purchased from you by the said

..... during the present month
except goods in respect of which, during the present month, you are notified to the contrary

.....
Signature of purchaser

FORM E

(Regulation 16)

TAKE NOTICE that the certificate furnished by
..... to you on the
first day of this month does not apply in respect of goods to which
..... *relates.

* Here insert the word "order", "confirmation", "delivery slip", "receipt", "acknowledgement", "invoice", "document",
as the case requires.

.....
Signature of Purchaser

FORM F

(Regulation 38)

Goods Tax Act

NOTICE OF OBJECTION

I hereby lodge notice of objection against the amount or value upon which I have been required, by notice of liability, assessment, alteration of sale value, dated, pay tax or further tax as stated thereunder in respect of the following goods:-

Description of goods	Sales value as notified	tax
----------------------------	-------------------------------	-----

I claim that the sale value upon which tax should be paid in respect of the above mentioned goods is as follows:-

Description of goods	Sale value as claimed	tax
----------------------------	--------------------------	-----

The full and detailed grounds on which my claim is based are as follows:-

(Signature)

(Address)

(Date)

FORM G

(*Regulation 63*)

Goods Tax Act

I , do
solemnly and sincerely declare that, except in the performance of any duty under the Goods Tax Act, or
any Regulations made under the Act, I will not directly or indirectly divulge or communicate to any person
any information relating to the affairs of any person acquired by me in the performance of any duty under
the said Act or Regulations.

Declared before me at
this day of
19

Magistrate
or
Commissioner for Oaths
