

REPRINT

GOODS TAX ACT (CAP. 122)

As in force at: 1 August 2013

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This version is that in force at the date stated above. It does not include amendments made since that date.

For list of amendments see Endnotes

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

GOODS TAX ACT (CAP. 122)

Table of provisions

PART I	PRELIMINARY.....	1
1	Short title	1
2	Interpretation	1
3	Quotation of certificate	7
PART II	ADMINISTRATION.....	9
4	Commissioner and other officers	9
5	Secrecy by officer, declarations etc.	10
PART III	REGISTRATION AND CERTIFICATES.....	11
6	Manufacturers and wholesale merchants to be registered	11
7	Registered person to quote certificate	15
8	Failure to register or give security	16
9	Non-observance of conditions	16
10	Wrongful quotation of certificate	16
11	Prohibition of quotation of certificate, grounds for issue of prohibition notice	16
12	Revocation of registration	18
PART IV	LIABILITY TO TAX.....	20
A:	CHARGE OF TAX	20
13	Goods tax to be charged on sale value	20
14	Goods manufactured in Solomon Islands	21
B:	SALE VALUE OF MANUFACTURED GOODS	22
15	Meaning of sale value of goods	22
16	Sale value of goods sold by purchaser from manufacturer	23
17	Sale value of goods purchased by a registered person, who quoted his certificate but applied goods to own use	23
18	Commissioner to determine fair value in special cases	24
19	Definition of entry for home consumption	24

20	Goods deemed entered for home consumption	24
C:	SALE VALUE OF IMPORTED GOODS	25
21	Sale value of goods entered for home consumption	25
22	Comptroller may make rules and set conditions	26
23	Entries	28
24	Failure to lodge entry or furnish information	28
25	Sale value of imported goods sold by importer to registered person or registered person who has not quoted his certificate	29
26	Sale value of goods applied to own use by registered person	29
27	Sale value of leased goods	30
28	Commissioner may alter sale value	31
PART V	LIABILITY FOR TAX.....	31
29	Goods tax to be paid by person liable to pay the tax	31
30	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	32
31	Person liable to pay tax on sale value of goods sold by purchaser from manufacturer	32
32	Person liable to tax on sale value of goods purchased by registered person and applied goods to own use	33
33	Person liable to pay tax on sale value of goods entered for home consumption	33
34	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	33
35	Person liable to pay tax on sale value of goods applied to own use by registered person	34
36	Person liable to pay tax on sale value of leased goods	34
PART VI	EXEMPTIONS.....	34
37	Goods tax not payable by certain persons, and on sale value of goods, specified in First Schedule	34
PART VII	RETURNS.....	35
38	Returns to be lodged within thirty days in a prescribed form	35

39	Further returns	35
40	Commissioner may require information or attendance	36
41	Power to obtain information and evidence	36

PART VIII COLLECTION AND RECOVERY OF TAX.. 37

42	Time within which payment is to be made	37
43	Further tax	37
44	Request for special assessment	38
45	Amended assessment	38
46	Tax reduced on amended assessment	38
47	Refund on application of overpaid tax, effect of failing to quote certificate, sale to Government, Provincial Government etc.	38
48	Taxpayer leaving Solomon Islands	42
49	Extensions, instalments and Commissioner's discretion	42
50	Penalty for unpaid tax	42
51	Tax deemed debt and Commissioner may sue or distrain	44
52	Taxpayer absent or cannot be found	44
53	Notice within fourteen days and duties of liquidator	45
54	Notice of intention to winding up and liability of agent	46
55	Estate of taxpayer bound	47
56	Commissioner's powers of assessment and recovery	47
57	Entitlement to recover tax paid on behalf of another	48
58	Proportionate recovery	48
59	Commissioner may collect tax from persons owing money to taxpayer	49

PART IX OBJECTIONS AND APPEALS..... 50

60	Taxpayer may object	50
61	Appeal to High Court	51

PART X PENALTIES AND OFFENCES..... 52

62	Penalty for refusal or failure to furnish return, information etc.	52
63	Penalty tax where certain anti-avoidance provisions apply	53
64	Assessment of additional tax	53
65	When additional tax due and payable	54
66	General penalty	54
67	Offences	54
68	Sanction of the Commissioner	55

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PART I PRELIMINARY

1 Short title

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

2 Interpretation

In this Act, unless the context otherwise requires:

“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*;

“Comptroller” means the Comptroller of Customs and Excise appointed under the *Customs and Excise Act*;

“customs duty” means duty of customs imposed under the *Customs and Excise Act*;

“Exemption Committee” means the Revenue and Customs Exemption Committee established under section 8A of the *Customs and Excise Act* (Cap. 121);

“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 Quotation of certificate

- (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).
- (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 Commissioner and other officers

- (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.
- (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 Secrecy by officer, declarations etc.

- (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.
- (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 penalty units 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.
- (8) This section applies to a member of the Exemption Committee and any person invited by the Exemption Committee unless the person is an officer for the purpose of this Act.

PART III REGISTRATION AND CERTIFICATES

6 Manufacturers and wholesale merchants to be registered

- (1) Subject to the provisions of this section, a person who is a manufacturer or a wholesale merchant is required 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*.
- (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 Registered person to quote certificate

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

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

8 Failure to register or give security

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 penalty units.

9 Non-observance of conditions

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 penalty units.

10 Wrongful quotation of certificate

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 penalty units.

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

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

- (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 Revocation of registration

- (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 penalty units.
- (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 penalty units.

- (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 Goods tax to be charged on sale value

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

- (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 Goods manufactured in Solomon Islands

(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.

(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 Meaning of sale value of goods

- (1) For the purposes of section 13(a), the 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 Sale value of goods sold by purchaser from manufacturer

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:

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

- (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.
- (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 Commissioner to determine fair value in special cases

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.

19 Definition of entry for home consumption

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*.

20 Goods deemed entered for home consumption

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

- (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 Sale value of goods entered for home consumption

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

25

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.

22 Comptroller may make rules and set conditions

- (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:

- (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.

23 Entries

Where:

- (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 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 Failure to lodge entry or furnish information

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 penalty units.

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

- (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:

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 Sale value of goods applied to own use by registered person

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.

27 Sale value of leased goods

- (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 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 Commissioner may alter sale value

- (1) Without prejudicing any specific provisions under this Act, as to the power of 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.
- (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 Goods tax to be paid by person liable to pay the tax

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.

30 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

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:

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

In the case of value of goods ascertained under section 16:

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

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.

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

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

- (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 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

- (1) In the case of sale value of goods ascertained under section 25:
 - (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 Person liable to pay tax on sale value of goods applied to own use by registered person

In the case of sale value of goods 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.

36 Person liable to pay tax on sale value of leased goods

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.

PART VI EXEMPTIONS

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

- (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.
- (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.

- (3) Before making an order under subsection (2) of this section, the Minister shall refer the proposed order for any exemption to the Exemption Committee to prepare and submit a report and its recommendations to the Minister on the proposed order.
- (4) The Exemption Committee shall take into account the following matters:
 - (a) the requirements of this Act and the effect of the proposed order on the national economy;
 - (b) any guidelines prescribed by regulation under this Act or the *Income Tax Act* (Cap. 123).
- (5) Sections 8(3) to (10), 8A, 8B and 8C of the *Customs and Excise Act* (Cap. 121) apply to this section, with necessary modifications.

PART VII RETURNS

38 Returns to be lodged within thirty days in a prescribed form

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:

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 Further returns

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.

40 Commissioner may require information or attendance

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

- (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.

41 Power to obtain information and evidence

- (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

42 Time within which payment is to be made

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.

43 Further tax

- (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

37

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 Request for special assessment

- (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.
- (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 Amended assessment

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

46 Tax reduced on amended assessment

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.

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

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

- (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:
 - (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;
 - (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 Taxpayer leaving Solomon Islands

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

49 Extensions, instalments and Commissioner's discretion

The Commissioner may, in such cases as he thinks fit:

- (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 Penalty for unpaid tax

- (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.
- (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 Tax deemed debt and Commissioner may sue or distrain

- (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.
- (2) Where payment of any tax has not been made on or before the due date, a lien shall arise in the person's goods and chattels to secure the payment of the amount of tax, and the Commissioner, may file a notice of such lien, in the Filing Office established by the *Secured Transactions Act*, to establish the priority date and time of such lien, and 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.

52 Taxpayer absent or cannot be found

If, in any proceedings against a taxpayer for the recovery of tax the defendant:

- (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 Notice within fourteen days and duties of liquidator

- (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.
- (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 penalty units.
- (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 Notice of intention to winding up and liability of agent

- (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.

- (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 Estate of taxpayer bound

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

- (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 Commissioner's powers of assessment and recovery

- (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.
- (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

47

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 that 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 Entitlement to recover tax paid on behalf of another

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.

58 Proportionate recovery

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:

- (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 Commissioner may collect tax from persons owing money to taxpayer

- (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:

- (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 penalty units.

- (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 Taxpayer may object

- (1) A taxpayer:
 - (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 Appeal to High Court

- (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.
- (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.

PART X PENALTIES AND OFFENCES

62 Penalty for refusal or failure to furnish return, information etc.

(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 foregoing, 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 Penalty tax where certain anti-avoidance provisions apply

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.

64 Assessment of additional tax

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

- (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 When additional tax due and payable

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

66 General penalty

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 penalty units, or to imprisonment for twelve months.

67 Offences

Any taxpayer who:

- (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 Sanction of the Commissioner

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

PART XII IMPOSITION OF TAX; RATE OF TAX

69 Goods tax imposed on sale value of goods at rate specified

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.

PART XII MISCELLANEOUS

70 Judicial notice

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.

71 Evidence

The mere production of:

- (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 Obligation and authority of agents and trustees

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

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

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:

- (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 Alteration of agreements where law relating to sales altered

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:

- (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 Goods tax to be specified in invoice

- (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.

- (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 False pretence as to goods tax an offence

- (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.

- (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 Books, accounts etc., to be preserved

- (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:
- (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 Regulations

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:

- (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 penalty units 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, or a Provincial Government 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 casket 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 sub-paragraphs 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.

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.

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.

SECOND SCHEDULE

(Section 69)

Description of Goods	Rate of Tax
Imported Goods	15%
Prescribed locally manufactured goods	10%
Rice	Nil

ENDNOTES

1

KEY

amd = amended	Pt = Part
Ch = Chapter	rem = remainder
Div = Division	renum = renumbered
exp = expires/expired	rep = repealed
GN = Gazette Notice	Sch = Schedule
hdg = heading	Sdiv = Subdivision
ins = inserted	SIG = Solomon Islands Gazette
lt = long title	st = short title
LN = Legal Notice	sub = substituted
nc = not commenced	

NOTE

This Reprint comprises the Act and amendments as in force on 1 March 1996 and published as Chapter 122 of the Revised Edition of the Laws of Solomon Islands, together with amendments made to the Act from that date to 1 August 2013.

2

LIST OF LEGISLATION

Goods Tax Act (Cap. 122)

Constituent legislation: 9 of 1992 (Commenced 1 March 1993)
LN 2 of 1994
LN 2 of 1996

Goods Tax (Amendment) Order 1996 (LN 84 of 1996)

Gazetted 19 July 1996
Commenced 19 July 1996

Goods Tax (Amendment of Schedules) Order 1998 (LN 60 of 1998)

Gazetted 9 June 1998
Commenced 9 June 1998

Goods Tax (Revocation of Exemption) Order 1998 (LN 127 of 1998)

Gazetted 18 December 1998
Commenced 18 December 1998

Goods Tax (Amendment) Order 2008 (LN 27 of 2008)

Gazetted 8 April 2008
Commenced 9 April 2008

Secured Transactions Act 2008 (No. 4 of 2008)

Reprint authorised by the Attorney General and published under the *Legislation Act 2023*

Assent date	22 August 2008
Gazetted	5 September 2008
Commenced	31 August 2009

Penalties Miscellaneous Amendments Act 2009 (No. 14 of 2009)

Assent date	29 July 2009
Gazetted	1 October 2009
Commenced	1 October 2009

Customs and Excise (Amendment) (No. 2) Act 2012 (No. 8 of 2012)

Assent date	18 December 2012
Gazetted	27 December 2012
Commenced	1 August 2013

3 LIST OF AMENDMENTS

s 2	amd by Act No. 8 of 2012
s 5	amd by Acts No. 14 of 2009; No. 8 of 2012
s 8	amd by Act No. 14 of 2009
s 9	amd by Act No. 14 of 2009
s 10	amd by Act No. 14 of 2009
s 11	amd by Act No. 14 of 2009
s 12	amd by Act No. 14 of 2009
s 24	amd by Act No. 14 of 2009
s 37	amd by Act No. 8 of 2012
s 51	amd by Act No. 4 of 2008
s 53	amd by Act No. 14 of 2009
s 59	amd by Act No. 14 of 2009
s 66	amd by Act No. 14 of 2009
s 78	amd by Act No. 14 of 2009
Sch First	amd by LNs 84 of 1996; 60 of 1998; 127 of 1998
Sch Second	amd by LN 84 of 1996; sub by LNs 60 of 1998; 27 of 2008