

An eventful September!

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Introduction

It was a fairly busy business calendar in Fiji for some during the month of September and having spent a few weeks there, I was fortunate enough to attend few of these conferences and forums, so much so that my colleagues now refer to me as the "serial conference attendee"!

Apart from the events, I also managed to fit in a "round the island" trip of Viti Levu where I was able to witness the enormous scale of construction work being carried out around Fiji, some attributed to the recovery efforts from TC Winston and others being local and offshore investors starting new projects or expanding their existing ones.

Below are brief recaps on some of the exciting events which took place in Fiji in September:

CPA Congress – 1-2 September 2016 – Connecting with some of the World's most recognised thought leaders!

The month kicked off with the CPA Congress which was held at Shangri La Fijian Resort in Sigatoka, Fiji with more than 400 delegates and speakers congregating over the two-day conference. The program was very well aligned with this year's theme "Connecting the Biggest Minds" featuring an excellent array of presenters who shared their amazing experiences and insights on topics ranging from the Power of the Mind, Paradoxes of Governance to Reinventing Technology and Credit Card Theft.

The Honorable Attorney General and Minister for Economy Mr Aiyaz Khaiyum was the keynote speaker and also availed himself to be part of the panel on the second day to answer questions.

It is worth noting the peer-to-peer economy that was highlighted by Dr Mohan Sawhney who spoke about companies such as Uber and Air BnB indicating that anyone can be a service provider as long as you have buyers, sellers and an application that connects them. It was also refreshing to try the DOPE 4 test. No it's not an anti-doping test but a personality test to see whether you have the characteristics of a Dove, Owl, Peacock or Eagle and identifying this was a stepping stone towards increasing productivity at your workplace.

One speaker in particular who left most of us speechless was Mr Tony Chistiansen, a motivational and inspirational speaker from New Zealand. Tony, who lost both his legs at the age of 9, went on to achieve incredible things in life including learning martial arts, owning and running a successful sign writing business, wheelchair and car racing, swimming and most admirable of all, climbing Mount Kilimanjaro.

The event was attended by a number of accountants and executives from around Fiji presenting an excellent networking platform over the two days.

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Business Tax Law Workshop – 8 September 2016 – Navigating Some Irregularities in the Tax System

With recent changes announced in the National Budget, the Fiji Commerce and Employers Federation (**FCEF**) identified the need for a workshop last month aimed to discuss some of the tax issues being faced by businesses. The session was attended by various CFOs/CEOs around Suva. The topics discussed included VAT, deemed dividends, tax applicable on sale of depreciable assets and the application of stamp duty.

The Q&A session highlighted irregularities in application of some tax laws mainly where sale of depreciable assets (which includes properties) would be subject to income tax now instead of capital gains tax. There was a lot of discussion around VAT as well which is now applicable on residential rent if the annual rental income of the landlord exceeds \$100,000 per annum. Queries were raised around this effectively increasing the rent payable by the tenants in the face of a rent freeze currently in place. It was agreed that submissions will be made through FCEF and other bodies seeking more clarification through practice notes and changes to laws which were proving to be impractical.

Fiji-Australia-New Zealand Joint Conference – 15-16 September – PACER Picking up Pace

For the first time in many years, the four business councils from Fiji, Australia and New Zealand agreed on a joint forum this year which enabled the Fiji Government to focus more on its rehabilitation efforts in the aftermath of TC Winston instead of participating in various different forums.

The theme for the conference was "Harnessing the potential to meet the demand", stressing the need to identify the opportunities around us, which resonated with the 200 delegates that represented members of the business communities and the Governments in Fiji, Australia and New Zealand.

It was acknowledged that enabling businesses to operate and trade between countries will strengthen the intra-Pacific trade between the three countries.

Key sectors discussed included shipping, infrastructure, aqua culture, tourism and agriculture. There were some amazing success stories shared and insights from some of the movers and shakers on the investments currently being undertaken in Fiji including Damodar Group and Ranadi Plantation.

While Fiji was featured as the hub for the region the need to upgrade some of the infrastructure such as shipping and roads was also recognised. A good example of this was shared by Airports Fiji Limited Executive Chairman, Mr Faiz Khan who spoke about how the world class airport will impact the tourism sector. On a slightly controversial note, the Fijian Minister for Trade, Mr Faiyaz Koya clarified that Fiji had not withdrawn from the Pacer Plus negotiations but they would if Australia and New Zealand did not review some of the terms of the proposed deal.

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Stock Exchange Listing Forum – 22 September 2016 – Unlocking the value of your company by going public

In its continued efforts to increase the number of listings on the stock exchange, South Pacific Stock Exchange (SPSE) conducted a half-day Listing Forum in Suva.

The forum included speakers covering the rationale, benefits and challenges of listing as well as speakers from some of the listed companies sharing their reason for going public and experience so far. We even got an insight from IFC's senior country manager, Mr Deva de Silva who emphasised on what a cornerstone investor like IFC looks for in an investment.

With 10% corporate tax rate, tax-free dividends and tax exemption on any consequential gains arising in the process of listing, the Government's commitment in developing the stock market has been very clear. However, the successful listing of Vision Investments Limited within a few days of Tropical Cyclone Winston earlier this year has been exceptional indicator of the appetite for good investment in the domestic market. Few also raised concerns on the continuity of some of these tax incentives. Companies also learnt about the steps that need to be taken in order to prepare their businesses for listing, a planning process that needs to be undertaken few years before you aim to go public.



Fiji PNG Business Council AGM – 22 September 2016 – New President Appointed

It was a busy day as the Annual General Meeting for Fiji PNG Business Council also took place following the SPSE Listing Forum. The outgoing President Mr Nouzab Fareed touched on the state of both the economies especially PNG with its second and third LNG projects being lined up.

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It was also highlighted that there were no trade wars between the two countries as had been earlier clarified by the Honorable Minister for Trade and Commerce, Mr Faiyaz Koya. This was put down to bio-security regulations which were being looked at through a team being sent over to PNG soon. The Council appointed and welcomed Mr Jo Taoi as the new President along with a new executive Board which will serve the Council over the next two years.



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