VALUE ADDED TAX (AMENDMENT) ACT 2025

Arrangement of Sections

REPUBLIC OF KIRIBATI

(No. of 2025)

I assent

Beretitenti

18 /9 /2025

An Act

entitled

AN ACT TO AMEND THE VALUE ADDED TAX ACT 2013

Commencement

/ /2025

MADE by the Maneaba ni Maungatabu and assented to by the Beretitenti

1. Short title

This Act may be cited as the *Value Added Tax (Amendment) Act 2025.*

2. Commencement

(1) This Act commences on 1 January 2026.

3. Meaning of "Principal Act"

In this Act, the "Principal Act" means the *Value Added Tax Act 2013*.

4. Amendment to section 2

Section 2 of the Principal Act is amended as follows:

(1) By inserting the following new definitions in correct alphabetical order:

"digital currency" means digital units of value, other than money, that satisfy the conditions specified in the Regulations;

"electronic distribution platform" means a website, internet portal, gateway, store, marketplace, platform, or other similar interface that is operated electronically through which a person (the underlying supplier) makes a supply of remote services or electronically ordered goods through another person (the operator of the distribution platform) to a third person (the recipient);

"electronically ordered goods" means goods that are ordered by way of an electronic communication as defined in the *Electronic Transactions Act, 2021*;

"foreign supplier" means a registered person who is:

(a) a supplier of electronically ordered goods to which section 15(2) applies;

(b) a supplier of remote services to which section 16(2)(c) applies; or

(c) an operator of an electronic distribution platform to which section 15(2) or 16A applies.

"import duty" has the same meaning as assigned to it under the Customs Act 2019;

"inbound tourism product" means accommodation, meals, transportation, tours, or other tourist activities in Kiribati;

"unregistered business" means a business whose total value of all supplies made in Kiribati in any 12-month period exceeds $100,000 and who is not a registered business; and

"remote services" means services that are supplied by a supplier from a fixed place of business outside Kiribati to a recipient in Kiribati;

(2) In the definition of 'creditable acquisition':

(a) in paragraph (a), by deleting 'or' at the end of the paragraph;

(b) in paragraph (b), by inserting 'or' at the end of the paragraph; and

(c) inserting new paragraph (c) as follows -

"(c) a supply of imported services made to the person;

(3) In the definition of Customs Act, by deleting '2005' and substituting "2019 or any successor legislation dealing with Customs;

(4) By deleting the definition of 'goods' and substituting the following:

"goods" means immovable property or tangible movable property, but does not include -

(a) money or digital currency; or

(b) a product that is transmitted by means of a wire, cable, radio, optical, or other electromagnetic system, or by means of a similar technical system;

(5) In the definition of 'hire purchase agreement', by inserting "and includes a finance lease as defined in section 41 of the Income Tax Act 2023" at the end of the definition;

(6) In the definition of 'Kiribati', by inserting "as defined in the Constitution and includes the archipelago waters, territorial sea, and exclusive economic zone of Kiribati" at the end of the definition;

(7) In paragraph (a) of the definition of 'money', by inserting "or that are legal tender in a foreign country or territory" after "Kiribati";

(8) In the definition of 'output tax', by inserting "or" at the end of paragraph (a), by deleting paragraph (b) and renumbering the paragraph accordingly";

(9) In the definition of 'recipient-created tax invoice', by deleting 18(3) and substituting "32(2)";

(10) In the definition of 'Revenue Administration Act', by inserting at the end of the definition "or any successor legislation dealing with revenue administration";

(11) In the definition of 'services', by:

(a) deleting 'or' after "goods" and substituting a comma; and

(b) inserting "or digital currency" at the end of the definition;

(12) In the definition of 'supply of goods', by inserting "the hire or lease of goods" after 'including';

(13) By repealing the definition of 'supply of services' and substituting the following:

"supply of services" means anything done that is not a supply of goods, money, or digital currency, and includes -

(a) the provision of utilities;

(b) the grant, assignment, or surrender of any right;

(c) the transmission of a product by means of a wire, cable, radio, optical, or other electromagnetic system or by means of a similar technical system; and

(d) the issuing of a licence, permit, certificate, concession, authorisation, or other document;"; and

(14) By repealing the definition of 'taxable import' and substituting the following:

"taxable import" means an import of goods other than -

(a) an exempt import; or

(b) electronically ordered goods in respect of which the supplier or operator of an electronic distribution platform who is a registered person has collected the VAT from the recipient of the goods in advance of the import of the goods;".

5. Amendment of section 4

Section 4 of the Principal Act is amended in subsection (3) by deleting 'or' where second mentioned and substituting "and".

6. Amendment of section 5

Section 5 of the Principal Act is amended in paragraph (a) of subsection (1) by inserting "or digital currency" after 'money'.

7. Amendment of section 6

Section 6 of the principal Act is amended as follows:

(1) In subsection (1):

(a) in paragraph (a) by inserting "or unregistered business" at the end of the paragraph;

(b) in paragraph (b) by repealing the whole paragraph and substituting the following:

"(b) the supply is made by a person outside Kiribati, whether or not a registered person, who does not carry on an enterprise through a place of business in Kiribati;

(c) in paragraph (c) by inserting "and" at the end of the paragraph;

(d) in paragraph (d) by deleting the semicolon at the end of the paragraph and substituting a full stop;

(e) by repealing paragraph (e).

(2) In subsection (2) by repealing the whole subsection and substituting the following:

"(2) Subject to subsection (3), if a registered person or a unregistered business carries on an enterprise both in and outside Kiribati, an internal provision of services from the part of the enterprise carried on outside Kiribati to the part of the enterprise carried on in Kiribati is treated as a supply of imported services to the registered person or unregistered business, as the case may be.

(3) By inserting a new subsection (3) and (4) and shall read as follows:

"(3) Subsection (2) does not apply if the supply of the services would be an exempt supply.

(4) A supply of imported services under subsection (2) occurs on the date the performance of the services is completed, and the value of the supply is the fair market value of the services determined on that date."

8. Amendment of section 7

Section 7(7) of the Principal Act is amended as follows:

(1) By inserting "or unregistered business" after 'person'.

(2) By inserting "or (3)" at the end of the subsection.

9. Amendment of section 8

Section 8 of the Principal Act is amended:

(1) In paragraph (1)(c) by deleting the phrase 'undertake an enterprise' and substituting "make taxable supplies".

(2) By repealing subsection (6).

10. Amendment of section 10

Section 10 of the Principal Act is amended:

(1) In subsection (1), by inserting in the introductory words of the subsection "carrying on an enterprise at physical premises" after 'person'.

(2) By repealing subsection (2) and substituting the following:

"(2) A registered person must specify their VAT registration details on any website and social media account through which the person carries on their enterprise.

(3) By inserting a new subsection (3) as follows;

"(3) A registered person must notify the Commissioner, in writing, within 21 days of a change occurring in relation to any of the following-

(a) the phone, facsimile, electronic mail, or other contact details of the registered person;

(b) the place or places through which the registered person carries on their enterprise, including the opening or closing of new branches or divisions, or a change in the person's internet address or social media account;

(c) the details of the registered person's account with a bank or other financial institution; and

(d) the nature of the enterprise of the registered person."

11. Amendment of section 11

Section 11 of the Principal Act is amended:

(1) By repealing subsections (1), (2), and (3) and substituting the following new subsections:

"(1) A registered person must notify the Commissioner if the person has ceased to make taxable supplies.

(2) A notice under subsection (1) must -

(a) be in the approved form;

(b) state the date upon which the registered person ceased to make taxable supplies;

(c) state whether or not the registered person intends to make taxable supplies within 12 calendar months from the date mentioned in paragraph (b); and

(d) be lodged with the Commissioner within 7 days of the date the person ceased to make taxable supplies.

(3) The Commissioner, by notice in writing, must cancel the registration of a person who has ceased to make taxable supplies either on notification by the person under subsection (1) or on the Commissioner's own motion unless the Commissioner is satisfied that the cessation is only temporary."

(2) In subsection (5)(a) by inserting "and on any website or social media account through which the person carries on their enterprise" at the end of the paragraph.

12. Insertion of a new section 11A

The Principal Act is amended by inserting section 11A as follows:

"11A. Application for a refund of excess input tax credits on cancellation of registration.

(1) A person whose registration is cancelled under section 11 may apply to the Commissioner for a refund of any excess input tax credit of the person as at the date of cancellation of registration that has not been applied under section 30.

(2) An application made by a person under subsection (1) must be in the approved form and lodged with the Commissioner before the date on which the cancellation of the person's registration takes effect.

(3) If the Commissioner is satisfied that a person who has lodged an application in accordance with subsections (1) and (2) has an excess input tax credit that has not been applied under section 30, the unapplied excess is to be refunded to the person in accordance with the Revenue Administration Act 2013.

(4) If, at the date on which the cancellation of the registration of a person takes effect, the person has an excess input tax credit that has not been applied under section 30 and in respect of which an application for a refund has not been made in accordance with subsections (1) and (2), the excess input tax credit lapses and is no longer creditable or refundable to the person."

13. Amendment of section 14

Section 14 of the Principal Act is amended as follows:

(1) By repealing subsection (4) and substituting the following:

"(4) **A periodic supply -**

(a) is treated as a series of separate, successive supplies corresponding to the successive parts of the period of the lease or agreement under which the supply is made, or as determined by law, as the case may be; and

(b) each successive supply is treated as occurring on the earlier of the date on which the payment for that successive supply is due or received.

(2) By inserting a new subsection (5) to be read as follows;

"(5) In this section, "periodic supply" means -

(a) a supply of goods under a hire purchase agreement; or

(b) a supply of services -

(i) by way of a lease of goods (other than a lease covered by paragraph (a); or

(ii) supplied progressively under an agreement or law that provides for periodic payments."

14. Amendment of section 15

Section 15 of the Principal Act is amended by making the existing section subsection (1) and inserting the following new subsections (2) and (3):

"(2) A supply of electronically ordered goods by a person carrying on an enterprise outside Kiribati without a fixed place of business in Kiribati occurs in Kiribati if the following conditions are satisfied -

(a) the supplier delivers, or procures, arranges, or facilitates the delivery of the goods into Kiribati;

(b) if the supply is made through an electronic distribution platform, the operator of the platform procures, arranges, or facilitates the delivery of the goods into Kiribati; and

(c) the goods are not excisable goods for the purposes of the Excise Act 2013 or goods that are subject to import duty.

(3) Where subsection (2)(b) applies, the operator of the electronic distribution platform is treated as having made the supply of the goods for the purposes of this Act unless the supplier is a registered person."

15. Amendment of section 16

Section 16 of the Principal Act is amended as follows:

(1) In subsection (2) by deleting the introductory words to the subsection and substituting:

"(2) Despite subsection (1), a supply of services, other than a supply of imported services, by a person who carries on business outside Kiribati and who does not have a fixed place of business in Kiribati occurs in Kiribati if -"; and

(2) By repealing paragraphs 16(2) (c), (d), and (e) and substituting the following paragraphs:

"(c) the services are remote services supplied to a resident of Kiribati as determined under subsection (2A);

(d) the services are a supply of an inbound tourism product, or agency or booking services related to the supply of such a product; or"

(3) The existing paragraph "(f)" is renumbered as "(e)".

(4) By inserting following new subsections immediately after subsections 16(2):

"16(2A)For the purposes of subsection (2)(c) and subject to subsection (2B), a recipient of a supply of remote services is treated as a resident of Kiribati if at least two of the following apply -

(a) the recipient's address is in Kiribati;

(b) the recipient's bank account is in Kiribati, including the account the recipient uses for payment and the billing address of the recipient held by the bank;

(c) the internet protocol address of the device used by the recipient or another geolocation method is in Kiribati;

(d) the recipient's fixed land line through which the service is supplied to the recipient is in Kiribati;

(e) the mobile country code of the international mobile subscriber identity stored on the subscriber identity module card used by the recipient is in Kiribati; or

(f) any other commercially relevant information indicating that the recipient is a resident of Kiribati.

(2B) If two factors specified in subsection (2A) indicate that the recipient is a resident of Kiribati and two factors indicate residence in another country, the recipient's residence is based on the factors that, in the circumstances, are the most reliable indicators of the recipient's residence.

(2C) For the purposes of subsection (2B), the factors in subsection (2A) are listed in order of reliability starting with the most reliable.

(2D) Having established that the recipient of a supply is a resident of Kiribati under subsection (2A), a supplier must treat the supply as not being a supply of imported services unless the recipient has notified the supplier as required under section 41A."

(5) In subsection (3), by repealing the words "subsection (2)(f)" and substitute with "subsection 2(e)".

(6) By repealing subsection 16(4).

16. Insertion of new section 16A

The Principal Act is amended by inserting section 16A immediately after section 16(6) as follows:

"Supply of remote services through an electronic distribution platform

16A. (1) This section applies if the following conditions are satisfied -

(a) a supplier (referred to as the "underlying supplier") makes a supply of remote services through an electronic distribution platform;

(b) the electronic distribution platform is operated by a person (referred to as the "operator") who does not have a fixed place of business in Kiribati;

(c) the operator does any of the following -

(i) authorises the charge for the supply to the recipient;

(ii) makes or authorises the delivery of the supply to the recipient; or

(iii) directly or indirectly sets a term or condition under which the supply is made; and

(d) the recipient of the supply is a resident of Kiribati as determined under section 16(2A) and is not a registered person or a unregistered business.

(2) Where the conditions in subsection (1) are satisfied, this Act applies on the basis that the operator of the electronic distribution platform (and not the underlying supplier) is treated as having made the supply of remote services in the course or furtherance of an enterprise carried on by the operator.

(3) This section does not apply when the underlying supplier is registered for VAT under this Act.".

17. Repeal of section 18

Section 18 of the Principal Act is repealed.

18. Amendment of section 20

Section 20 of the Principal Act is amended as follows:

(1) In subsection (1);

(a) in paragraph (a):

(i) by inserting "by way of a sale or exchange" before 'second-hand goods' where first mentioned; and

(ii) by repealing paragraph (c) and substituting the following -

"(c) the supply of the second-hand goods to the registered person is not an exempt or zero-rated supply."

(2) By inserting a new subsection 4 as follows:

"(4) A second-hand goods supplier receiving a supply of second-hand goods from a person who is not a registered person must maintain a record of the supply containing the information specified in the Regulations."

(3) By renumbering the existing subsection (4) to (5).

(4) In the new subsection (4) in the definition of "second-hand goods", by inserting "in Kiribati" after 'person' where first mentioned.

19. Amendment of section 21

Section 21 of the Principal Act is amended:

(1) By inserting a new subsection (1A) immediately after subsection (1) as follows:

"(1A) Where a supply of a right or option is not a taxable supply, but the subsequent supply on exercise of the right or option is a taxable supply, the amount of the price for the subsequent supply includes any price given for the supply of the right or option."

(2) In subsection (3) by inserting ", other than a zero-rated supply," after 'supply' where first-mentioned in the subsection.

(3) By inserting new subsection (3A) immediately after subsection (3) as follows:

"(3A) If a voucher referred to in subsection (2) expires without being used, or fully used -

(a) the expiration of the voucher is treated as a supply of services by the supplier of the voucher at the time that the voucher expires; and

(b) the value of a supply of services under paragraph (a) is -

(i) for a supplier who is a registered person at the time of expiration of the voucher, the unused amount paid for the voucher reduced by an amount equal to the unused amount multiplied by the tax fraction; or

(ii) for any other supplier, the unused amount paid for the voucher."; and

(4) In subsection (4), by inserting ", other than a zero-rated supply," after 'supply' at the end of paragraph (c).

20. Amendment of section 22

Section 22 of the Principal Act is amended in paragraph (a) of subsection (2) by inserting at the end of the paragraph "and the supply of services has the same VAT treatment as the supply of the goods under the lay-by agreement would have had if the agreement had not been cancelled".

21. Amendment of section 24

Section 24 of the Principal Act is amended in subsection (1)(b) by deleting 'other than' and substituting "including".

22. Amendment of section 25

Section 25 of the Principal Act is amended as follows:

(1) In subsection (4):

(a) in paragraph (c), by deleting "or" at the end of the paragraph;

(b) in paragraph (d), by deleting the full stop at the end of the paragraph and substituting "; or"; and

(c) by inserting a new paragraph (e) after paragraph (d) as follows:

"(e) for a creditable acquisition that is a supply of imported services, the recipient-created tax invoice for the supply."

(2) By inserting new subsections (5) and (6) as follows:

"(5) If, for whatever reason, a registered person fails to claim an input tax credit in the VAT return for the VAT period in which the credit arises, the registered person can claim the credit in the VAT return for a subsequent VAT period but only if that VAT period is within 12 months after the VAT period in which the credit arose.

(6) Nothing in subsection (5) prevents an input tax credit being allowed in an amended assessment made by the Commissioner under section 21(1) of the Revenue Administration Act except when the amendment is made as a result of an application by the registered person under section 21(2) of the Revenue Administration Act."

23. Amendment of section 26

Section 26 of the Principal Act is amended by inserting a new subsection (1A) immediately after subsection (1) as follows:

"(1A) A foreign supplier is not allowed any input tax credits in relation to the making of taxable supplies."

24. Amendment of section 30

Section 30 of the Principal Act is amended by inserting new subsections (4) and (5) as follows:

"(4) An application by a registered person for a refund under subsection (1)(b) must be lodged with the Commissioner within 1 year after the end of the second VAT period.

(5) If a registered person has not lodged an application for a refund of excess input tax with the Commissioner within the time limit specified in subsection (4), the amount of the uncredited input tax is reduced to zero."

25. Amendment of section 32

Section 32 of the Principal Act is amended by repealing and substituted as follows:

"(1) A registered person making a taxable supply to another person must, at the time of supply, issue that other person with the original tax invoice for the supply containing the particulars specified in the Regulations."

(2) A registered person liable for VAT in respect of a supply of imported services made to the person must, at the time of the supply, prepare a recipient-created tax invoice for the supply containing the particulars specified in the Regulations."

26. Amendment of section 33

Section 33 of the Principal Act is amended as follows:

(1) By deleting the proviso in subsection (1) and substituting the following;

"the supplier must provide the recipient with a credit note, in respect of the supply containing the particulars specified in the Regulations.

(2) By deleting the provision in subsection (2) and substituting the following:

"the supplier must provide the recipient with the debit note, in respect of the supply containing the particulars specified in the Regulations."

27. Amendment of section 38

Section 38 of the Principal Act is amended by making the existing section subsection (1) and inserting new subsections (2) and (3) as follows:

"(2) A unregistered business liable for VAT in respect of a supply of imported services made to the person during a VAT period must file a notice, in the approved form, with the Commissioner within 15 days after the end of the period specifying the VAT liability in respect of such supplies for the period.

(3) A liability notice under subsection (2) is treated as a "tax return" and a "self-assessment return" for the purposes of the Revenue Administration Act."

28. Amendment of section 39

Section 39 of the Principal Act is amended by inserting new subsections (3) and (4) as follows:

"(3) The VAT payable by a unregistered business referred to in section 38(2) for a VAT period is due and payable by the due date for filing the person's liability notice for the period.

(4) Where the VAT payable in respect of electronically ordered goods has been collected by the supplier or operator of an electronic distribution platform, as the case may be, the supplier or operator must provide Customs with the documentation specified in the Regulations."

29. Amendment of section 41

Section 41 of the Principal Act is repealed and the following section substituted:

"41. Compliance by foreign suppliers

(1) Subject to subsection (2), the Commissioner may require a foreign supplier to lodge security with the Commissioner in accordance with section 38 of the Revenue Administration Act.

(2) Subsection (1) applies only where the Commissioner has reasonable grounds to believe that the foreign supplier will not comply with their obligations under this Act.

(3) If a foreign supplier who has lodged security under subsection (1) fails to comply with their obligations under this Act, the Commissioner may require the foreign supplier to appoint a VAT representative in Kiribati.

(4) A VAT representative appointed under subsection (3) is responsible for doing all things required of the foreign supplier they represent under this Act, including the filing of VAT returns and the payment of VAT.

(5) The registration of a VAT representative must be made in the name of the foreign supplier they represent.

(6) A person may be a VAT representative for more than one foreign supplier but must have a separate registration for each foreign supplier they represent.

(7) A VAT representative of a foreign supplier under this section is a representative of the foreign supplier for the purposes of the Revenue Administration Act.

(8) The Commissioner may specify the mode, manner, and requirements for appointment of a VAT representative and the responsibilities of the representative."

30. Insertion of new section 41A

The Principal Act is amended by inserting a new section 41A immediately after section 41:

"41A. Person liable for VAT on supplies of imported services

(1) A registered person or unregistered business receiving a supply of remote services from a person carrying on an enterprise outside Kiribati and who does not have a fixed place of business in Kiribati must notify the supplier, in writing, that they are liable for VAT in relation to the supply.

(2) A notification under subsection (1) must be provided to the supplier of the imported services at or before the time of supply."

31. Amendment of section 42

Section 42 of the Principal Act is amended in subsection (1) as follows:

(1) In paragraph (a), by deleting "or".

(2) In paragraph (b), by deleting the full stop at the end of the paragraph and substituting "; or".

(3) Inserting new paragraph (c) as follows:

"(c) not otherwise subject to VAT."

32. Amendment of section 44

Section 44 of the Principal Act is amended by making the existing section subsection (1) and inserting new subsections (2), (3), (4), and (5) as follows:

"(2) A person is liable for a penalty equal to $500 if the person -

(a) applies for cancellation of registration when still required to be registered; or

(b) fails to apply for cancellation of registration as required by section 11.

(3) A registered person who fails to provide a tax invoice, credit note, or debit note as required under this Act is liable for a penalty equal to -

(a) for the first failure, $100; and

(b) for a second and subsequent failure, $500.

(4) A person who issues a tax invoice, credit note, or debit note otherwise than as required under this Act is liable for a penalty equal to -

(a) for the first failure, $100; and

(b) for a second and subsequent failure, $500.

(5) A person is liable for a penalty equal to $100 if the person fails -

(a) to comply with section 10, 11(5)(a) or (c), 37, or 41A;

(b) to comply with a request under section 35; or

(c) to appoint a VAT representative as required under section 41."

33. Amendment of section 48

Section 48 of the Principal Act is amended:

(1) In subsection (2), by deleting "If" and inserting "Subject to subsection (3), if" at the start of the subsection.

(2) By inserting new subsections (3), (4), and (5) as follows:

"(3) A foreign supplier may elect to convert foreign currency amounts to Australian dollars -

(a) in accordance with subsection (2)(b);

(b) at the Reserve Bank of Australia mid-exchange rate applying between the foreign currency and Australian Dollars on the last day of the relevant VAT period; or

(c) on such other basis as agreed in writing with the Commissioner.

(4) An election made by a foreign supplier under subsection (3) applies to all supplies made by the supplier and the supplier cannot revoke the election until at least one year after making the election unless the Commissioner agrees otherwise.

(5) A digital currency amount is converted to Australian dollars in accordance with guidelines issued by the Commissioner."

34. Insertion of new section 48A

The Principal Act is amended by inserting new section 48A immediately after section 48 as follows:

"48A. Tenders

48A. Where a person who is not registered for VAT bids for a Government tender -

(a) the person must quote a price in the tender inclusive of VAT; and

(b) if, as a result of being awarded the tender, the person is required to apply for registration under section 9, the person must charge VAT on taxable supplies made in relation to the tender."

EXPLANATORY MEMORANDUM

This Act amends the *Value Added Tax Act*, 2013 (Principal Act), which provides for the imposition of value added tax ("VAT") on taxable supplies, supplies of imported services and taxable imports. The *Value Added Tax (Amendment) Act*, 2025 broadens the VAT base, updates the Principal Act for the digital economy and makes a number of technical amendments to the Principal Act.

In summary, the contents of the Act are as follows:

Section 1 This section gives the short title to the Act.

Section 2 This section provides that the Act commences on 1 January 2026.

Section 3 This section defines "Principal Act" to mean the *Value Added Tax Act*, 2013.

Section 4 This section includes definitions of further terms used in the Principal Act and amends some existing definitions.

Section 5 This section amends section 4 to clarify the determination of when a supply is similar to another supply for the purposes of applying the fair market value rule.

Section 6 This section amends section 5 to provide that digital currency is treated the same as money (legal tender) for the purposes of VAT.

Section 7 This section amends section 6 to apply also to imports of services by unregistered business.

Section 8 This section amends section 7 to extend the reverse charge rule for imported services to unregistered business.

Section 9 This section amends section 8 to make a technical amendment consequent upon the extension of the reverse charge rule to unregistered business.

Section 10 This section updates the obligations of registered persons under section 10 to include notification requirements in relation to websites and social media accounts of registered persons.

Section 11 This section amends section 11 to provide for a notification procedure where the annual value of taxable supplies made by a person falls below the registration threshold.

Section 12 This section inserts new section 11A, which requires a person who has an excess input tax credit at the time the person's registration is being cancelled to apply for a refund of the excess credit before cancellation of their registration takes effect.

Section 13 This section clarifies the periodic supply rules in section 14.

Section 14 This section provides a place of supply rule for low value imported goods ordered from a foreign supplier or through an electronic distribution platform.

Section 15 This section reforms the place of supply rules for services in section 16 to apply to remote services (digital products and online services) supplied to consumers in Kiribati.

Section 16 This section inserts new section 16A, which applies when a foreign service provider supplies services to customers in Kiribati through an electronic distribution platform.

Section 17 This section repeals section 18 consequent upon the changes to the taxation of supplies of imported services.

Section 18 This section inserts a record-keeping requirement for registered persons who supply second-hand goods.

Section 19 This section makes technical amendments to section 21, which deals with vouchers.

Section 20 This section makes technical amendments to section 22, which deals with lay-by sales.

Section 21 This section amends section 24 to provide that the value of import for VAT is the CIF value.

Section 22 This section amends section 25 to include a 12-month time limit for claiming input tax credits.

Section 23 This section amends section 26 to provide that foreign suppliers are not entitled to input tax credits.

Section 24 This section amends section 30 to include a 12-month time limit for claiming a refund of excess input tax credits.

Section 25 This section amends section 32 to provide that a tax invoice must include the information specified in the Regulations. The section also obliges registered persons accounting for VAT on supplies of imported services received to prepare a recipient-created tax invoice as evidence of the VAT paid.

Section 26 This section amends section 33 to provide that a credit or debit note must include the information specified in the Regulations.

Section 27 This section amends section 38 to oblige unregistered business receiving supplies of imported services to file a liability notice for the VAT payable in respect of the supplies.

Section 28 This section amends section 39 to provide a payment rule for unregistered business receiving supplies of imported services. It also provides for Customs documentation for electronically ordered goods in respect which VAT has been collected by the supplier or operator of an electronic distribution platform through which the goods have been ordered.

Section 29 This section repeals section 41 and substitutes a new section that sets out compliance obligations of foreign suppliers.

Section 30 This section inserts new section 41A, which obliges registered persons and unregistered business receiving supplies of imported services from a foreign supplier to advise the supplier that they are liable for VAT on the services.

Section 31 This section amends section 42 to make clear that it applies in all cases where a recipient of a supply has dishonestly misrepresented the supply as not being subject to VAT.

Section 32 This section amends section 44 to provide administrative penalties for breaches of the VAT documentation requirements.

Section 33 This section amends section 48 to provide currency translation rules for foreign suppliers.

Section 34 This section inserts new section 48A, which provides for VAT-inclusive pricing in Government tenders.

Hon. DR TEUEA TOATU
Vice President and Minister for Finance

LEGAL REPORT

I hereby certify that in my opinion none of the provisions of the above Act are in conflict with the Constitution and that the Beretitenti may properly assent to the Act.

Ms. PAULINE BEIATAU
Attorney General

CERTIFICATE OF THE CLERK OF THE MANEABA NI MAUNGATABU

This printed impression of the Value Added Tax (Amendment) 2025 has been carefully examined by me with the Bill which passed the Maneaba ni Maungatabu on the 21st August 2025 and is found by me to be a true and correctly printed copy of the said Bill.

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Eni Tekanene
Clerk of the Maneaba ni Maungatabu

Published by exhibition at the Maneaba ni Maungatabu this 18th day of September 2025.

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Eni Tekanene
Clerk of the Maneaba ni Maungatabu