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PRESS RELEASE

Lack of Transparency in VAT Pricing

Following the recent reduction of Value Added Tax (VAT) from 15% to 12.5% effective 01 August, serious concerns have arisen regarding inconsistencies in how traders are applying and displaying this change on consumer receipts.

Continuous market surveillance carried out by the Consumer Council of Fiji has revealed that some businesses have removed the VAT percentage entirely from receipts, while others show only the VAT amount charged without specifying the percentage applied. In certain cases, VAT appears to be missing altogether.

The Council reminds all traders that under the Fijian Competition and Consumer Commission Act, receipts must clearly state the amount of VAT being charged. Any omission or misrepresentation of this information is not only unacceptable but may be considered deceptive conduct. As a member of the Price Monitoring and Enforcement Taskforce, which includes key enforcement agencies, the Council will escalate these irregularities through the Taskforce for joint enforcement action. Evidence collected during recent surveillance, including sample receipts, will be tabled for investigation and appropriate response.

Seema Shandil, CEO of the Consumer Council of Fiji, emphasized: “VAT information on receipts is not optional for traders to conceal from consumers. It is a legal requirement to display VAT charges clearly, and every Fijian has the right to know exactly what they are paying. Attempts to manipulate or obscure this information breach the law and erode public trust. We will take firm action against such practices.”

There are also concerning instances where the VAT reduction has been applied selectively, with high-demand or best-selling products still charged at the previous 15% rate. For example, at one fast food retailer, certain menu items show reduced prices following the VAT cut, while other popular items remain unchanged despite receipts indicating a 12.5% VAT charge. In another case, a consumer reported that bottled water at a local shop continues to be sold at the same price as before 1 August. The Council has noted numerous similar experiences from consumers across Fiji.

“If an item costs \$50 including 15% VAT, how can its price still be \$50 with a VAT rate of 12.5%? The VAT reduction is not a matter of selective application; traders cannot pick and choose which items to adjust. All prices must accurately reflect the lower VAT rate. When VAT rates increase, this is never the case,” added CEO Seema Shandil.

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Mobile App

According to the VAT Regulations 1991, any registered person supplying goods or services is legally required to issue a tax invoice that clearly includes specific details such as the supplier's name, address, and taxpayer identification number (TIN), the recipient's name and address, a unique serial number, date of issue, a description of the goods or services, and crucially, the total VAT amount, the amount excluding VAT, and the amount inclusive of VAT.

These requirements are designed to ensure full transparency for consumers at the point of sale. Section 71(c) and (m) of the *VAT Act 1991* further stipulates that failure to issue a proper tax invoice constitutes an offence, and may result in penalties or prosecution. Traders who fail to disclose or manipulate VAT details on receipts are not only violating consumers' rights to fair information but are also in direct breach of Fiji's tax laws.

The Council will continue to monitor prices across the board throughout Fiji, and consumers are also encouraged to remain vigilant and report any instances where receipts or pricing do not clearly reflect the correct VAT rate by calling the toll-free National Consumer Helpline 155 or emailing Complaints@consumersfiji.org.

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