

The Studio City Zone and the Audio Visual Operating License

What is the Benefit Called?

This incentive is also part of Part III – Audio Visual Incentives

This tax incentive is the tax exemption of audio visual income generated by a production entity (with an ‘audiovisual operating licence’) in a Studio City Zone (‘SCZ’) or Temporary Studio City Zone (‘TSCZ’). These zones are land and buildings in Fiji declared as a SCZ or TSCZ by the relevant Cabinet Minister of the State.

Currently, Fiji has 2 Temporary Studio City Zones, both of which are in Suva. Under this incentive, the FAVC may grant a licence to a company or other entity wishing to operate from the Temporary Studio City Zone, which exempts it from paying tax on its Audio Visual earning, subject to its meeting certain conditions.

How much is the benefit?

This benefit gives the holder of the Audio Visual Operating Licence tax exemption status provided it meets certain conditions (Paragraph 55).

If the benefit is based on “location spend” what exactly does “location spend mean?

Not Applicable.

Eligibility – who can access the relief?

This relief can be accessed by a sole trader, a partnership or a company. If a company, it has to be incorporated in Fiji.

How does the mechanism work and what is the process?

An Applicant must apply to the FAVC for an Audio Visual Operating Licence. The Applicant must fill the prescribed form and include the following information (Paragraph 48):

- Evidence that it will be leased space by the TSCZ;
- Evidence that the production activity will provide employment for the people of Fiji;
- Evidence that the production activity will enhance, expand and improve the technological and trading capability and capacity of the economy of Fiji.

If the Licensee wishes to transfer the licence, it must apply to the FAVC for the approval of the transfer.

Are there any limitations?

Only audio visual activity is allowed in the SCZ.

What are the audit requirements?

None for FAVC purposes although the FIRCA will require audited accounts to be lodged with the licensee's annual income tax return.