

TELECOMMUNICATIONS SERVICE TAX

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Telecommunications Service Tax Act 2009

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Telecommunications Service Tax Act 2009

TABLE OF AMENDMENTS

The Telecommunications Service Tax Act 2009 No 9 was certified and commenced on 28 August 2009 (GN No 341/2009; Gaz 88/2009).

Amending Legislation	Certified	Date of Commencement
Telecommunications Service Tax (Amendment) Act 2016 No 47	8 September 2016	8 September 2016
Telecommunications Service Tax (Amendment) No 2 Act 2016 No 52	4 November 2016	4 November 2016
Revised Written Laws Act 2021 No 7	1 June 2021	1 June 2021
Telecommunications Service Tax (Amendment) Act 2022 No 2	8 February 2022	8 February 2022

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An Act to levy a telecommunications service tax.

Enacted by the Parliament of Nauru as follows:

PART 1 — PRELIMINARY

1 Short title and commencement

- (1) This Act may be cited as the *Telecommunications Service Tax Act 2009*.
- (2) This Act shall come into force on the date on which it receives the certificate of the Speaker and came into effect on 28 August 2009.

2 Interpretation

In this Act:

‘Minister’ means the Minister responsible for Finance;

‘monthly statement’ means the statement prescribed in Section 6(2);

‘records’ means the records described in Section 6(1) including the monthly statements prescribed in Section 6(2);

‘Secretary’ means the head of the Department of Finance;

‘service’ means a telecommunications service;

‘service provider’ means a provider of a telecommunications service or authorised under the *Communications and Broadcasting Act 2018*;

‘tax’ means the telecommunications service tax levied under Section 4; and

‘telecommunications’ means the carriage of communications by means of guided or unguided electromagnetic energy or both as provided for in the *Communications and Broadcasting Act 2018*.

3 Act to bind the Republic

This Act binds the Republic.

[The next page is 180,801]

PART 2 — TELECOMMUNICATIONS SERVICE TAX

4 Telecommunications service tax

- (1) A service provider is liable on the last day of each month to pay to the Republic, the telecommunications service tax calculated in accordance with subsection (2) in respect of the telecommunications services provided by it in that month.
- (2) The amount of telecommunications service tax payable is 10% of the total gross sales revenue received by the service provider in respect of sales of telecommunications services in a calendar month.
- (3) A service provider shall pay the telecommunications service tax within 1 month of having become liable under subsection (1) to pay the tax.
- (4) A service provider shall submit the monthly statement within 1 month of having become liable to pay tax under subsection (1).

[subs (2) am Act 47 of 2016 s 4, opn 8 Sep 2016; Act 2 of 2022 s 4, opn 8 Feb 2022]

[subs (4) am Act 52 of 2016 s 4, opn 4 Nov 2016]

[The next page is 181,001]

PART 3 — ADMINISTRATION

5 Payment and collection

The mode of payment and collection of tax shall be determined in accordance with Part 7 of the *Revenue Administration Act 2014*.

[s 5 am Act 52 of 2016 s 5, opn 4 Nov 2016]

6 Records

- (1) A service provider shall keep complete and accurate records of prices charged for each of the telecommunications services it provides and of the details of all transactions for the sale of telecommunications services.
- (2) A service provider shall produce a monthly statement that includes a full and true disclosure of all transactions for the sale of telecommunications services in a calendar month.
- (3) The Secretary or his or her delegate is authorised to inspect the records of any service provider for the purposes of administering this Act.
- (4) Where the Secretary authorises a delegate to inspect the records of any service provider he or she shall issue the delegate with a written and signed authorisation, which authorisation shall relate to the specific inspection proposed, and the delegate shall produce such written authorisation upon the request of the specified service provider.
- (5) In addition to any penalty to which a service provider may be liable under Section 12, 14 or 15 for an offence relating to records, a service provider that fails to keep records as required under this Section may have their licence or authorisation suspended or cancelled.

7 Administration of this Act

This Act shall be administered by the Secretary.

[s 7 am Act 52 of 2016 s 6, opn 4 Nov 2016]

8 Regulations

The Cabinet may make regulations prescribing matters necessary or convenient to be prescribed to give effect to this Act, including provisions for waiver or exemption from tax liability on specified grounds.

9 Application of revenue

All revenues received by the Republic from the collection of the tax shall be paid into the Treasury Fund.

10 Interest in respect of tax defaults

- (1) If a tax default occurs, the service provider is liable to pay interest on the unpaid tax.

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- (2) Interest is calculated at a reasonable commercial rate on a daily basis from the date the tax default occurs to the date of payment.

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PART 4 — OFFENCES AND PENALTIES

11 Tax evasion

- (1) A service provider shall not evade the tax.
- (2) A service provider that commits an offence under this Section is liable to a penalty of \$100,000.

12 Falsifying or concealing records

- (1) A service provider shall not falsify or conceal records.
- (2) A service provider that commits an offence under this Section is liable to a penalty of \$50,000.

13 Failure to pay tax

A service provider that fails, without lawful excuse, to pay the tax in accordance with Section 4(1), (2) and (3), commits an offence and is liable to a penalty of \$50,000.

[s 13 am Act 47 of 2016 s 5, opn 8 Sep 2016]

14 Failure to keep records

A service provider that fails to keep records in accordance with the requirements of Section 6, commits an offence and is liable to a penalty of \$10,000.

15 Failure to submit monthly statement

A service provider that fails to submit the monthly statement required under Section 4(4), commits an offence and is liable to a penalty of \$10,000.

[s 15 am Act 47 of 2016 s 6, opn 8 Sep 2016]

16 Application of Revenue Administration Act 2014

The *Revenue Administration Act 2014* is subject to this Act and applicable only for the purposes of the administration of this Act.

[s 16 insrt Act 52 of 2016 s 7, opn 4 Nov 2016]

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DETERMINATION REGARDING THE MODE OF PAYMENT AND COLLECTION OF TAX

TABLE OF AMENDMENTS

The Determination Regarding the Mode of Payment and Collection of Tax was notified on 2 September 2009 with effect from 1 September 2009 (GN No 338/2009; Gaz 88/2009).

Amending Legislation	Notified	Date of Commencement
Revised Written Laws Act 2021 No 7	1 June 2021	1 June 2021

[The next page is 190,201]

Pursuant to the powers vested in me by Section 5 of the *Telecommunications Service Tax Act 2009*, I determine that the following requirements apply to the payment and collection of the Telecommunications Service Tax (the Service Tax) with effect from the 1st day of September 2009:

1. Mode of Payment of the Telecommunications Service Tax:

Service providers shall remit the Service Tax either in cash or via a direct debit transfer to the Government of Nauru Treasury.

Cash payments are to be made to the Nauru Revenue Office of the Department of Finance, located in the Civic Centre, Aiwo District.

Payments made by direct debit are to be paid to the Republic of Nauru's main treasury bank account in Australia. Direct debit payments are to include a text note identifying the service provider, the type of tax (TST) and the month for which payment is being made. For example "*Digicel TST Sept 09*".

Account Name:

TREASURY OPERATING ACCOUNT

BSB Number:

633-000

Account Number:

1547-63767

Bank Name:

Bendigo & Adelaide Bank Limited

Bank Address:

The Bendigo Centre, Bendigo, Victoria – 3559, Australia.

Swift Code:

BENDAU3BXXX

Reference description:

TST/month/year

2. Monthly Remittance Advice:

Monthly remittance advices, in the format shown in the Attachment¹, are to be provided in hard copy with the Nauru Revenue Office of the Department of Finance, Civic Centre, Aiwo District for all payments, on or before the due date for payment.

Remittance advices relating to cash payments are to include a copy of the receipt issued by the Revenue Office on payment of the tax. Remittance advices relating to direct debit payments are to include a hard copy of the electronic receipt issued by the service provider's bank confirming successful processing of the direct debit transaction.

The Monthly Statement required by Section 4(4) of the *Telecommunications Service Tax Act 2009* detailing the service provider's monthly sales, is to be lodged with the monthly remittance advice.

3. Nil Remittance Advice:

¹ Electronic copies of the remittance advice can be obtained from the Nauru Revenue Office of the Department of Finance.

Where a service provider receives no revenue in respect of telecommunications services for a particular month the service provider is to lodge a nil remittance advice.

Nil remittance advices are to be lodged in hard copy with the Nauru Revenue Office on or before the last day of the month following the month to which the nil remittance advice applies.

4. Official Receipt

The Department of Finance is to issue an official receipt to the service provider in respect of each payment of the Service Tax received from the provider.

TELECOMMUNICATIONS SERVICE TAX REMITTANCE ADVICE

SERVICE PROVIDER AND PAYMENT DETAILS:

Service Provider Name:		
Business Address:		
Contact person Name: Phone Number: Email address:		
Month/ Year		
Gross sales revenue		
Telecommunications Service Tax @ 10%		
Mode of payment	Cash - ☐ Direct Debit - ☐ (date payment effected ____/____/____)	

ATTACHMENTS: *(required for all remittances)*

- ☐ **Receipt confirming successful direct debit payment or cash payment**
☐ **Monthly Statement**

DECLARATION *(to be completed by an authorised representative of the service provider)*

I _____ **declare that the information shown on this advice is true.**

Signed _____ **Date** ____/____/____

This remittance advice is to be lodged with the Revenue Office of the Department of Finance

Finance use only:

Official Receipt Number:

[The next page is 210,001]