



GOVERNMENT OF KIRIBATI

KIRIBATI TAX DIVISION

P.O. Box 67, Bairiki, Tarawa, Republic of Kiribati,

Telephone: (686) 740 21806 Switchboard, 720-21806 Direct Line, 730-33777 Mobile, Email: tax@mfp.gov.ki

Company Income Tax Return

Income Tax Act 2023, Revenue Administration Act, 2013

See pages 10 to 21 for Instructions for
completing this Return

		Y	E	A	R	
1	Year ended 31 December	1				
2	TIN:	2				
3	Legal Name of Company	3				
4	Address of Registered Office	4				
5	Postal Address of the Company (If different from above)	5				
6	E-mail Address	6				
7	Phone Number	7				
8	Tax Agent Name:	8				
9	E-mail Address of Tax Agent	9				
10	Phone Number of Tax Agent	10				
11	Where Company Registered	11				
12	Registered Number	12				
	Company Representative					
13	Name	13				
14	Postal Address	14				
15	Nature of Business	15				
16	Bank Details: Name of Bank	16				
17	Address of Bank	17				
18	Account Number	18				
19	Is the Company Resident in Kiribati for Tax Purposes?	19	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
20	If No, where resident for tax purposes?	20				

Income and Expenses

21

Did the company receive any income from business and / or other activities?

No ☐ Go to Question 23 Yes ☐ Print the details in Box 21A to Box 22V. (See Instructions at back of the return).

Gross Income Sales, fees, or rent received **21A** \$ c

Cost of Goods Sold (if applicable, otherwise copy the amount at Box 21A to Box 21F).

Opening Value **21B** \$ c
Purchases + **21C** \$ c
Closing Value - **21D** \$ c

Add Boxes 21B and 21C, then deduct Box 21D. Print the answer in Box 21E.

21E \$ c This is **Cost of Goods Sold**

Gross Profit Deduct Box 21E from Box 21A. Print the answer in Box 21F.

21F \$ c (If a loss print a minus sign in the last box).

Other Income See Instructions at the back of the return.

21G \$ c

Total Income

Add Box 21F and Box 21G. Print the answer in Box 21H.

21H \$ c (If a loss print a minus sign in the last box).

22

Expenses

Advertising	22A	\$	c
Bad Debts	22B		
Communications	22C		
Depreciation	22D		
Insurance	22E		
Interest Paid on Business Loans	22F		
Lease and Licence Payments	22G		
Fuel	22H		
Travel and Transport	22I		
Office Supplies	22J		
Electricity	22K		
Rent and Rates	22L		
Repairs and Improvements	22M		
Salary and Wages Paid	22N		
Contractor Payments Made	22O		
Charitable Donations	22P		
Entertainment Expenses	22Q		
Scientific research expenditure	22R		
Tax agent fees	22S		
Other Expenses Not Shown Above (See Instructions at the back of the return)	22T		

Total Expenses Add up all expenses from Box 22A to Box 22T. Print answer in Box 22U.

22U \$ c

Net Profit / Loss for the Current Year Deduct Box 22U from Box 21H. Print the answer in Box 22V.

22V \$ c (If a Net Loss, print a minus sign in the last box).

23 **Tax Adjustments** 1. See Instructions at the back of the return.
2. Attach a schedule of tax adjustments.

\$ c

23

(If a negative adjustment print a minus sign in the last box).

24 **Net Profit / Loss for the Current Year after Tax Adjustments** Add Box 22V and Box 23. Print the answer in Box 24.

\$ c

24

(If a Net Loss, print a minus sign in the last box).

25 **Losses Brought Forward:** If the amount in Box 24 is a Net Profit, can the company claim losses from the previous 3 years?

No ☐ Copy the amount in Box 24 to Box 26. Yes ☐ Print the amount of losses now claimed in Box 25. Attach a schedule showing the years and amounts of losses claimed. (See Instructions at back of the return).

\$ c

Amount of Losses Brought Forward that are now claimed **25**

(This amount cannot be greater than the Net Profit for the Current Year after Tax Adjustments shown at Box 24).

26 **Chargeable Income** Deduct Box 25 (if completed) from Box 24. Print the answer in Box 26.

\$ c

26

(If a loss, put a minus sign in the last box).

Tax Withheld

27 **Did the Company receive any contractor payments for which Withholding Tax was withheld or deducted?**

No ☐ Go to Question 28 Yes ☐

1. Make sure the contractor payments (Box 27B) are included at Gross Income (Box 21A).
2. Complete the following table.
3. If you need more lines please attach a schedule.
4. Print the totals in Box 27A and 27B.
5. Attach Withholding Tax Notifications.

Name of person paying Contractor Payments	Tax Withheld/ Deducted \$ c	
TOTALS:	27A	

Gross Income Received from Contractor payments \$ c	
27B	

28 **Did the Company receive any income from a partnership, estate or trust for which Withholding Tax was withheld or deducted?**

No ☐ Go to Question 29 Yes ☐

1. Make sure the income from the partnership, estate or trust (Box 28B) is included at Other Income (Box 21G).
2. Complete the following table.
3. If you need more lines please attach a schedule.
4. Print the totals in Box 28A and 28B.
5. Attach Withholding Tax Notifications.

Name of Partnership, Estate or Trust	Tax Withheld/Deducted \$ c	
TOTALS:	28A	

Amount paid or credited from Partnership, Estate or Trust \$ c	
28B	

29 **Total the Tax Withheld/Deducted in Boxes 27A and 28A. Print the Total in Box 29.**

\$ c

Total Tax Withheld **29** Do not include overseas tax paid.

30

Did the Company receive any income from Overseas?

No

☐

Go to Question 31

Yes

☐

1. Make sure the income from Overseas is included at Gross Income (Box 21A) or Other Income (Box 21G), as applicable.

2. See Instructions at the back of this return.

3. Print the details in Boxes 30A and 30B

4. Attach Foreign Tax Certificates.

5. If applicable, attach a schedule showing the years and amounts of losses claimed.

Total Overseas Tax Paid

\$

c

30A

Do not add Total Overseas Tax paid to Total Tax Deducted.

Total Overseas Income after Losses Brought Forward

\$

c

30B**Disclosures**

31

Statement of Members (Shareholders) - Provide the following information in respect to members.

(If require more lines please attach a schedule with the complete list of members)

	Name of Member	Number of Shares held	Dividends paid or credited		Resident in Kiribati for tax purposes? Write Yes or No
			\$	c	
31A					
31B					
31C					
TOTAL:					
		Print total number of shares	Print total dividends		

32

Was there a change in the beneficial owner of 50% or more of the membership interests of the company? See Instructions at the back of the return.

No

☐

Go to Question 33

Yes

☐

See the Instructions at the back of the return. Attach the required schedule.

33

Repatriated Profit of a non-resident company with a Kiribati permanent establishment. See instructions at the back of the return. Attach the required schedule.

\$

c

33

Balance Sheet items**Current Assets**

		\$	c
Account Receivable (Debtors)	34A		
Cash and Bank Deposits	34B		
Other Current Assets	34C		

Fixed Assets

Motor Vehicles	34D		
Plant and Machinery	34E		
Furniture and Fittings	34F		
Land	34G		
Buildings	34H		
Other Fixed Assets	34I		

Other Non Current Assets

Term Deposits	34J		
Other non current Assets	34K		

Total Assets: Add up all Boxes from Box 34A to Box 34K. Print total in Box 34L.

	\$	c
34L		

Current Liabilities

		\$	c
Provisions	34M		
Accounts receivable (creditors)	34N		
Other Current Liabilities	34O		

Non Current Liabilities

34P		
-----	--	--

Total Liabilities: Add up all Boxes from Box 34M to Box 34P. Print the total in Box 34Q.

	\$	c
34Q		

Owners Equity

34R			
-----	--	--	--

(If a loss, put a minus sign in the last box)

Total Liabilities and Owners Equity: Add Box 34Q and Box 34R. Print the total in Box 34S.

	\$	c
34S		

Important: The amount in Box 34L (Total Assets) must equal the amount in Box 34S (Total Liabilities and Owners Equity).

35 Declaration by Company Representative

Read and sign the following:

The information I have provided in this return is true and correct and represents the assessment of the company

for the year ended 31 December

Y	E	A	R

and I understand that any misleading or false information is an

offence under the Revenue Administration Act 2013

Signature

--

.../.../...

Date

36 WHAT TO DO NEXT

Have you attached the following documents if required?

		Tick
Schedule Showing Other Income (Question 21G)	Attached	36A <input type="checkbox"/>
Schedule Showing Other Expenses (Question 22T)	Attached	36B <input type="checkbox"/>
Schedule of Tax Adjustments (Question 23)	Attached	36C <input type="checkbox"/>
Schedule of Losses Brought Forward Now Claimed (Question 25)	Attached	36D <input type="checkbox"/>
Schedule of Contractor Payments Received (Question 27)	Attached	36E <input type="checkbox"/>
Contractor Withholding Tax Notifications (Question 27)	Attached	36F <input type="checkbox"/>
Schedule of Income from a Partnership, Estate or Trust (Question 28)	Attached	36G <input type="checkbox"/>
Partnership, Estate and Trust Withholding Tax Notifications (Question 28)	Attached	36H <input type="checkbox"/>
Foreign Tax Certificates (Question 30)	Attached	36I <input type="checkbox"/>
Schedule of Overseas Losses now claimed (Question 30)	Attached	36J <input type="checkbox"/>
Schedule of Members (Question 31)	Attached	36K <input type="checkbox"/>
Schedule of Change in beneficial ownership of membership interests (Question 32)	Attached	36L <input type="checkbox"/>
Schedule of Repatriated Profits (Question 33)	Attached	36M <input type="checkbox"/>

Print the company name and TIN on all documents attached to the return

Send the company return to P.O. Box 67, Bairiki, Tarawa, Republic of Kiribati, or bring it to the offices of Kiribati Tax Division in Bairiki, Tarawa or London, Kiritimati.

You have now completed the compulsory section of the return.

Pages 7 to 9 are voluntary.

You can complete them to work out the Tax Calculation and Provisional Tax.

Tax Calculation and Provisional Tax: Voluntary Questions

The following Questions (Questions 37 to 47) are voluntary. The Kiribati Tax Division will calculate the Tax Payable, any Refund due, and any Provisional Tax Payable. However, these questions are provided here if you wish to do these yourself. Note that the Kiribati Tax Division will check your calculations.

Tax Calculation

- 37 **Is the company associated with other companies with chargeable income in Kiribati?** The first company is associated with a second company if the first company may reasonably be expected to act in accordance with the directions, requests, suggestions, or wishes of the second company or both companies may reasonably be expected to act in accordance with the directions, requests, suggestions, or wishes of a third

37 No

☐

Go to question 38.

Yes

☐

See Instructions at the back of the return.

- 38 **Companies with no associated companies:**

- If the amount in Box 26 is a loss, print \$0.00 in Box 38.
- If the amount in Box 26 is more than \$0.00 but not more than \$25,000.00, use Table A.
- If the amount in Box 26 is more than \$25,000.00 but not more than \$50,000.00, use Table B.
- If the amount in Box 26 is more than \$50,000.00, use Table C.

Table A
Box 26 is more than \$0.00 but not more than \$25,000.00.
Print Chargeable Income here
Multiply amount by 20% and print the answer here and in Box 38.

Table B
Box 26 is more than \$25,000.00 but not more than \$50,000.00.
Print Chargeable Income here
Deduct \$25,000.00
Enter Balance
Multiply amount by 30% and print answer here
Add \$5,000.00
Print total here and in Box 38.

Table C
Box 26 is more than \$50,000.00.
Print Chargeable Income here
Deduct \$50,000.00
Enter Balance
Multiply amount by 35% and print answer
Add \$12,500.00
Calculate total here and put in Box 38.

Total Tax Payable. Work out Total Tax Payable using the above instructions in Question 38. Print your answer in Box 38.

\$	c
38	

- 39 **Foreign Tax Credit.** See Instructions at the back of the return to calculate the credit.

40 Tax Payable after Foreign Tax Credit

- If the amount in Box 39 is larger than the amount in Box 38, print 0.00 in Box 40.
- If the amount in Box 39 is smaller than the amount in Box 38, deduct Box 39 from Box 38, and print the answer in Box 40.

\$	c
39	

\$	c
40	

- 41 **Credits for Tax withheld.** Copy the Total Tax withheld or Deducted from Box 29 (page 3) to Box 41.

\$	c
41	

- 42 **Net Tax Payable for This Year.** Deduct Box 41 from Box 40. Print your answer in Box 42. A positive amount is payable. A negative amount is refundable.

\$	c
42	

(If this is a negative amount, put a minus sign in the last box).

\$	c
43	

- 43 **Provisional Tax Paid for This Year.** Print this amount in Box 43.

Refund or Tax to Pay.

- If the amount at Box 42 is \$0.00 or a negative amount, add the amount at Box 42 (ignoring any negative sign) to the amount at Box 43. Print your answer at Box 44A. At Box 44B, tick **Refund**.

- If the amount at Box 42 is a positive amount and larger than the amount at Box 43, deduct the amount at Box 43 from the amount at Box 42. Print your answer at Box 44A. At Box 44B, tick **Tax to Pay**.

- If the amount at Box 42 is a positive amount and smaller than the amount at Box 43, deduct the amount at Box 42 from the amount at Box 43. Print your answer at Box 44A. At Box 44B, tick **Refund**.

	\$	c
44A		

44B	Refund	<input type="checkbox"/>	Tax to Pay	<input type="checkbox"/>
-----	--------	--------------------------	------------	--------------------------

Refunds and/or Transfers

At Box 44B, did you tick the Box for a Refund?

No	<input type="checkbox"/>	Go to Question 46	Yes	<input type="checkbox"/>	Choose how the Refund is to be treated. You may choose a combination of more than one option. See Instructions at the back of the return.
----	--------------------------	-------------------	-----	--------------------------	---

Option

	Y	E	A	R	
1 Transfer the Refund to Provisional Tax for year ended 31 December	45A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	\$	c
45B		

Print the amount to be transferred in Box 45B.

2 Transfer the Refund to another tax type (for example, VAT), or tax period. Print the amount to be transferred in Box 45C, the tax type in Box 45D, and the tax period in Box 45E.

	\$	c
45C		

Tax Type	45D	
----------	-----	--

	D	D	M	M	Y	E	A	R
Tax Period Ended	45E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3 Refund. Show in Box 45F the amount to be refunded to the company's bank account (as entered on page 1, Boxes 17, 18 and 19).
--

	\$	c
45F		

Tick the appropriate box to indicate how you would like that refund paid:

Cash (limits apply) or cheque	<input type="checkbox"/>
Telmo (to outer islands)	<input type="checkbox"/>
Direct credit to the company bank account (as entered on page 1, Boxes 17, 18 and 19).	<input type="checkbox"/>

Add Boxes 45B, 45C and 45F, and print the total at Box 45G. The total at Box 45G must equal the amount at Box 44A.

	\$	c
45G		

46

Provisional Tax 31 December

Y E A R

--	--	--	--

46A

(Print the year following the year of this current return.)

Is this a final tax return?**46B**

No

☐

Go to Question 46D

Yes

☐

Print the finish date of the company in Box 46C.

(If the company ceased all business in the current year then there should be no provisional tax liability for the next year).

D D M M Y E A R

46C

--	--	--

Is the amount in Box 42 a positive amount?**46D**

No

☐

You will need to lodge provisional tax returns to calculate your instalments. Please read the instructions for further information.

Yes

☐
You may be liable to pay provisional tax. Go to **Calculation of Provisional Tax** (Boxes 46E to 46H).**Calculation of Provisional Tax**

(See Instructions at the back of the return)

Provisional Tax Base. Provisional Tax is calculated based on net tax payable after credits for tax withheld and foreign tax. Copy the amount from Box 42

\$

c

46E

--	--

Provisional Tax Instalments

There are three instalments, due 31 July and 31 October of the year following the current year, and 31 January of the subsequent year. Each instalment is 27.5% of the amount at Box 46E. Print the amounts of each instalment in Boxes 46F, 46G and 46H.

Due 31 July

46F

--	--

Due 31 October

46G

--	--

Due 31 January

46H

--	--

47

Repatriated Profits Tax

\$

c

Multiply to amount at Box 33 by 30%

47

--	--

Repatriated Profits Tax is due on the date that the income tax payable by the non-resident company is due

Instructions for completing your tax return

(If the answer to your question is not written below, please phone the Kiribati Tax Division on 740-21806, 720-21806, 730-33777, 720-81156 or come in and see us at Bairiki in Tarawa or London in Kiritimati.

Question

Note: You must answer all questions, unless these instructions say that you can leave a question blank.

Who should use this form:

You must lodge an income tax return using this form if you are a company with business income and/or property income.

You do not need to lodge an income tax return if you are a non-resident company and the only income you have is income from which non-resident withholding tax has been withheld.

1	<p>Year ended 31 December: Insert the year for the company's tax return, as four digits.</p> <p>A company cannot change its tax year unless it obtains prior written approval from the Commissioner and complies with any conditions that may be attached to the approval.</p>
2	<p>TIN is the company's Tax Identification Number received when the company registered for tax. If the company does not have a TIN or have lost or forgotten it, you can leave this question blank but you will need to do one of the following:</p> <p>a. If the company has not registered for tax yet, fill out New business application for TIN & VAT registration, available from our website (https://www.mfed.gov.ki/our-work/taxation) or from our offices at Bairiki and London, Kiritimati. Attach the application to the company's tax return when you file it.</p> <p>b. If you have forgotten or lost the company's TIN, call us on 740-21806, 720-21806, 730-33777, 720-81156 or come and see us when you are filing the company's tax return.</p>
3	<p>Legal Name of Company is the name under which the company is registered in accordance with section 7(3) of the Companies Act 2021.</p>
4	<p>Address of Registered Office: This is the Registered Office for the company, in accordance with section 7(3) of the Companies Act 2021.</p>
8 to 10	<p>A Tax Agent is an individual, partnership or company that is registered as a tax agent under Part X, Revenue Administration Act, 2013. A tax agent performs tax work for the company, including completing and filing tax returns. However, a tax agent does not include an employee of the company who acts as a book-keeper or keeps the company's accounts. If the company has a tax agent, enter their name (Question 8), email address (Question 9) and phone number (Question 10). Otherwise, leave these questions blank.</p>
12	<p>Registered Number: This is the Registered Number for the company, in accordance with section 7(3) of the Companies Act 2021.</p>
13 to 14	<p>Company Representative: Provide the name and address of the person responsible for representing for your company for tax purposes. Section 10 of the Revenue Administration Act 2013 treats the following people as representatives of a company for the purposes of the tax laws:</p> <ul style="list-style-type: none"> (a) the chief executive officer; (b) managing director. (c) company secretary (d) treasurer; or (e) a resident director.
15	<p>Nature of Business: Print what work the company does. As examples: 'Supermarket owner', 'Restaurant owner', 'Fish processing', 'Car mechanic', 'Landlord'. If the company has more than one work type, list them all.</p>
16 to 18	<p>Bank Details: Provide details of the bank account the company uses for its business or for other income earning activities. If there is more than one account, provide details of the main account used. Include the Branch Number (BSB) and Account number. If the account holder name is different to the Company name, write the account holder name next to the account number.</p>

19	<p>Is the Company Resident in Kiribati for Tax purposes? Under the Section 9, Income Tax Act, 2023, a company is a resident in Kiribati where the company:</p> <p>(a) is incorporated, formed or registered under the laws of Kiribati;</p> <p>(b) has its central management and control in Kiribati at any time during the tax year; or</p> <p>(c) undertakes its major operations in Kiribati.</p> <p>The gross income of a resident company includes income derived from all sources derived in and outside Kiribati</p> <p>The gross income of a non-resident company includes only Kiribati sourced income, attributable to a business carried on by the company through a permanent establishment in Kiribati. Income on which non-resident tax has been imposed should not be included in the tax return, as non-resident tax is a final tax on that income.</p> <p>Business income derived by a non-resident company through a permanent establishment in Kiribati is Kiribati source income. A permanent establishment is a fixed place of business through which the business of a company is carried on.</p> <p>A non resident company with a Kiribati permanent establishment is also liable for repatriated profits tax. See instructions for Questions 33 and 47.</p>
20	<p>If you answered 'No' for Question 20, at Question 21 you must print the country other than Kiribati where the company was resident for tax purposes. If you answered 'Yes' for Question 20, leave Question 21 blank.</p>
21 to 31	<p>Income and Expenses</p> <p>The income and expense amounts to be included at item 21 and item 22 are accounting system amounts and correspond to the amounts in the company's financial statements for the income year. Adjustments to the accounting amounts for tax purposes are made at item 23.</p> <p>In answering questions 21 to 31, note the following:</p> <p>Cash and Accrual Accounting</p> <p>(a) If you account on a Cash basis:</p> <ul style="list-style-type: none"> - Record revenue when the incoming payment is received - Record an expense when the outgoing payment is made. <p>(b) If you account on an Accrual basis:</p> <ul style="list-style-type: none"> - Record revenue when you issue an invoice to your customer - Record expense when you receive an invoice to pay. <p>(c) Companies must account for income tax on an accruals basis. However companies that are employers must account for employment income paid by the employer to employees on a cash basis.</p> <p>A company must apply to the Commissioner in the approved form for a change to the company's method of accounting.</p> <p>If the Commissioner approves the change to the company's accounting method, you must make adjustments to all income, deductions and credits to ensure that no item is omitted and no item is taken into account more than once.</p> <p>Income Tax Accounting and VAT</p> <p>If the company is registered for VAT:</p> <ul style="list-style-type: none"> - the company's gross income does not include any output tax received or VAT refunds, - deductions are reduced by the input tax credit payable on creditable acquisitions to the extent that the company is allowed a credit under the VAT Act.

21	<p>Did the company receive any income from business and / or property activities? If the company has run a business during the tax year, or earned rent, interest, or other income from property, you must record the income and expenses here. Do not attach the company's financial statements.</p>
21A	<p>Gross Income: This is the total amount of income the company received in the tax year for selling goods, charging fees, or from rent, interest, royalties, dividends and any other income from property, before deducting any expenses. Include any attributed income from a tax haven entity.</p> <p>Rent is an amount the company received for the lease or licence or easement over real property, and includes a premium, fine or similar amount. It includes any improvement made to the land by the lessee under the lease that remains with the land at the end of the lease.</p> <p>Interest is an amount that the company received as consideration for the use of money or being given time to pay. Interest includes amounts that are equivalent to interest such as notional interest under derivative instruments or hedging agreements relating to borrowing, swap payments, profits on disposal or surrender of a financial instrument, and payments of defaulted interest by a guarantor. Include the interest component of any financial</p> <p>Royalty is an amount that the company received as consideration for the use of, or the right to use copyright, trademarks, patents, software, and other intellectual property rights set out in the definition of royalty in the Income Tax Act 2023.</p> <p>Dividend is a distribution of profits by a company to a member, and includes amounts returned by a company to a member that exceed the nominal value of their membership interest. Any loan, payments, provision of assets or services or release of debts by a company in favour of a member or associate of a member is a dividend, to the extent that it is, in substance, a distribution of profits. A company includes a body corporate, statutory corporation or unincorporated body or association of persons. A dividend paid by a resident company to another resident company, other than a dividend paid by a non-profit organisation, is exempt and should not be included in gross income.</p>

21B to 21E	Cost of Goods Sold. If the company had inventory or trading stock, you must complete these questions. Inventory is anything produced, manufactured, purchased or otherwise acquired during the year for the purposes of manufacture, production or sale in the ordinary course of the company's business. It includes raw materials used in manufacture or production, and livestock of a business of maintaining animals for the purpose of sale or sale of their produce. If the company did not have trading stock or inventory, leave these boxes blank and copy the amount at Box 21A to Box 21F.
21B	Opening Value of Inventory Print the value of your inventory/ trading stock as at the beginning of the tax year. Your opening value is equal to the closing value from the previous tax year. If you commenced business during the year, your opening value is the cost of inventory acquired by you prior to the commencement of the business.
21C	<p>Purchases. This is the cost of the inventory you acquired during the year. Companies account on an accruals basis unless the Commissioner has approved a change of accounting method, and therefore companies will calculate cost of Purchases using the absorption-cost method (prime-cost plus manufacturing overhead). If particular items of inventory are not readily identifiable, you may account for that inventory under the first-in-first-out or weighted average method.</p> <p>Prime-costs include the cost of services that can be directly attributed to goods sold. As examples, if you imported bags of rice for resale, the purchase price plus import duties and related charges are part of prime-costs. If you paid freight on the bags of rice, this is the cost of a service that can be directly attributed to goods sold, so it is a part of prime-costs. If you imported timber (goods) or employed labour (services) directly, to build a boat that you are selling in the ordinary course of your business, then these are part of prime-costs. If you are paying rent for a factory, this is not a prime-cost. However, under the absorption-cost method, factory rent is part of manufacturing overhead and is included as Purchases. Rent for an office is not directly a cost of the goods you are selling, nor is part of manufacturing overhead. Therefore it is not part of prime-costs or absorption costs, so it is not part of Purchases. Instead, office rent is a Business Expense and would be</p>
21D	<p>Closing Value. Print the value of the company's trading stock as at 31 December, the end of the tax year. This includes the value of any work in progress for goods the company was manufacturing with the intention of sale in the ordinary course of the company's business. As examples, if as at 31 December the company was building a house or a boat with the intention of selling them in the ordinary course of the company's business, include the value of the work in progress.</p> <p>The closing value of the company's inventory is the lower of cost or fair market value of the inventory on hand at the end of the year.</p> <p>The fair market value of an asset at a particular point in time is the amount that the asset would fetch in an open market transaction freely made at that time between persons dealing with each other at arm's length.</p>
21E	To calculate Cost of Goods Sold , add Opening Value (Box 21B) and the Purchases (Box 21C). Then deduct the Closing Value (Box 21D). Print the answer at Box 21E.
21F	Gross Profit: This is calculated by deducting the Cost of Goods Sold (Box 21E), where applicable, from Gross Income (Box 21A). It is the gross amount of income earned from the company's sales, services and rental activities, after deducting the direct costs of those goods that were sold (where applicable), but before you deduct the company's expenses.

21G	<p>Other Income: Include here the total of any income made by the company that has not been included at Box 21A. This may include:</p> <ul style="list-style-type: none"> a) income from a partnership, estate or trust. A company that is in a partnership will include their share of the partnership income. A non-resident company will only include their share of the net income of the partnership that is attributable to Kiribati source income, other than income subject to non-resident tax or international transportation tax. A company that is a beneficiary of trust will include the share of the trust income to which they are presently entitled. A non-resident company will only include their share of the net income of the trust to which they are presently entitled that is attributable to Kiribati source income. b) other property income of the company, including dividends, royalties, rents and interest. Interest includes the interest component of any financial lease and discounts or premiums however described, given for the use of money or being given time to pay. If the company is a non-resident, include all dividends from resident companies. For a resident company, include only dividends from non-resident companies or non-profit organisations c) any subsidy or grant in relation to carrying on the business of the company d) interest arising from the maturity or disposal of a financial instrument e) damages or compensation payments under any insurance policy against loss of profit f) recovery of an amount previously deducted as a bad debt or other loss g) any exchange gain realised by the company h) any profit made on the disposal of an asset used by the company, other than trading stock (such as the sale of a car or the sale of machinery), regardless of whether the asset is on capital or revenue account. i) for any construction or engineering contract that will take longer than 12 months to complete, the percentage of estimated total chargeable income for the current year, determined in accordance with the percentage of completion method under financial reporting standards. j) any of the company's business debts released or waived by a creditor, regardless of whether the liability was on revenue or capital account. <p>Attach a schedule showing for each income item the name of the payer, the amount and a description of the income item.</p> <p>Note that some amounts are exempt from tax. If these amounts have been included at Box 21A or Box 21G you will need to make an adjustment at item 23.</p> <ul style="list-style-type: none"> a) income of a company as may be specified by notice issued by the Minister, acting in accordance with the advice of Cabinet, covering such period and to such extent as shall be specified in such notice b) income of a company that, by virtue of a written agreement between the company and the Government of Kiribati, is to be exempt from income tax and is approved by the Minister, acting in accordance with the advice of Cabinet c) the income of a non-resident company operating a ship or aircraft in international traffic, if an equivalent exemption from income tax is granted by the country in which they are resident. d) the income of any international organisation declared by the Minister by order under any law in force in Kiribati to be an organisation exempt from income tax. <p>If unsure if an amount is subject to tax or is exempt, phone 740-21806, 720-21806, 730-33777, 720-81156, or visit the Kiribati Tax Division at Bairiki or London at Kiritimati.</p>
21H	<p>Total Income: This is the total of Gross Profit (Box 21F) and Other Income (Box 21G).</p>

22A to 22U	<p>Expenses: For income earned from a business, these questions refer to administrative and other expenses that cannot be directly attributed to inventory. Expenses that can be directly attributed to inventory must be included at Box 22C Purchases. For Property Income, these questions refer to the expenses you incur in earning rent, dividends, interest, royalties or through the provision, use or other exploitation of property.</p> <p>The expenses claimed in Boxes 22A to 27U must relate solely to the business or property income. If the expenses also relate to private or personal activities, only the portion that relates to business or property income can be claimed. For example, for rental expenses, if the company rents out a property partly for the company's business and partly for the director's family to live in, only the portion that relates to the part that is rented out to the company can be claimed. Expenses cannot be claimed for capital expenditure, although depreciation may be claimed (see Box 22D).</p>																						
22B	<p>Bad Debts: A company can claim a deduction for a bad debt only where:</p> <ul style="list-style-type: none"> a) either the amount of the debt receivable was previously included in the company's gross income, or the company lent the money in the course of course or carrying on a business of money lending; b) the debt is written off as bad in the company's financial accounts for the year in accordance with financial accounting standards; and c) if the debtor is still in existence, the company has taken reasonable steps to collect the debt but the debt is still irrecoverable. <p>The amount of the deduction must not exceed the amount of the debt written off in the company's financial accounts.</p>																						
22C	<p>Communications: This includes expenses for telephone, fax, post and internet.</p>																						
22D	<p>Depreciation: A company can claim a deduction for the amount by which depreciable assets and business intangibles have declined in value during the year using the rates set out below. The total deductions in respect of the depreciable asset or business intangible for the current and all previous tax years must not exceed the cost of the asset or intangible. If the written down value of the asset at the end of the tax year is less than \$300, the undepreciated amount of the written down value is added to the depreciation deduction in that year and the asset is treated as fully depreciated.</p> <p>Depreciable assets include:</p> <ul style="list-style-type: none"> a) tangible personal property used in a business wholly or partly to derive gross income, that has an ascertainable useful life exceeding one year, and is likely to lose value as a result of normal wear and tear; b) an industrial building. <p>Depreciation Rates:</p> <table border="1"> <thead> <tr> <th>Asset Type</th><th>Amount of Depreciation Deduction</th></tr> </thead> <tbody> <tr> <td>Industrial Building</td><td>5% of Cost</td></tr> <tr> <td>Motors Vehicles</td><td>20% of Written Down Value</td></tr> <tr> <td>Furniture and Fittings</td><td>25% of Written Down Value</td></tr> <tr> <td>Ships</td><td>10% of Cost</td></tr> <tr> <td>Tanks other than mobile tanks, of 1000 litres or greater capacity, for storage of petroleum products.</td><td>3% of Cost</td></tr> <tr> <td>Any other article, machinery or plant</td><td>25% of Written Down Value</td></tr> </tbody> </table> <p>Business Intangibles include copyrights, patents, trademarks, preliminary expenditure and contractual rights with a limited term exceeding one year used wholly or partly to derive gross income.</p> <table border="1"> <thead> <tr> <th>Business Intangible Type</th><th>Amount of Depreciation Deduction</th></tr> </thead> <tbody> <tr> <td>Preliminary Expenditure</td><td>25% of the amount of the expenditure</td></tr> <tr> <td>years</td><td>10% of the cost</td></tr> <tr> <td>Any other business intangible</td><td>100% divided by the number of years in the useful life of the intangible applied against the cost of the intangible</td></tr> </tbody> </table> <p>Note: A company cannot claim depreciation for a residential building. This means that if the company renting out a house or another form of residence, the building itself cannot be depreciated.</p>	Asset Type	Amount of Depreciation Deduction	Industrial Building	5% of Cost	Motors Vehicles	20% of Written Down Value	Furniture and Fittings	25% of Written Down Value	Ships	10% of Cost	Tanks other than mobile tanks, of 1000 litres or greater capacity, for storage of petroleum products.	3% of Cost	Any other article, machinery or plant	25% of Written Down Value	Business Intangible Type	Amount of Depreciation Deduction	Preliminary Expenditure	25% of the amount of the expenditure	years	10% of the cost	Any other business intangible	100% divided by the number of years in the useful life of the intangible applied against the cost of the intangible
Asset Type	Amount of Depreciation Deduction																						
Industrial Building	5% of Cost																						
Motors Vehicles	20% of Written Down Value																						
Furniture and Fittings	25% of Written Down Value																						
Ships	10% of Cost																						
Tanks other than mobile tanks, of 1000 litres or greater capacity, for storage of petroleum products.	3% of Cost																						
Any other article, machinery or plant	25% of Written Down Value																						
Business Intangible Type	Amount of Depreciation Deduction																						
Preliminary Expenditure	25% of the amount of the expenditure																						
years	10% of the cost																						
Any other business intangible	100% divided by the number of years in the useful life of the intangible applied against the cost of the intangible																						

Example of how to calculate Depreciation:

Do not attach Depreciation details to the company's return, but keep them for the company's tax records.

Capital Asset	Original Cost	Written Down Value	Tax Depreciation Rate	Depreciation Deduction for this tax year	Closing Value after Depreciation
Industrial Building	\$100,000.00	\$70,000.00	5% of Cost	\$5,000.00	\$65,000.00
Motor Vehicle	\$20,000.00	\$16,000.00	20% of Written Down Value	\$3,200.00	\$12,800.00
Office Furniture	\$10,000.00	\$7,500.00	25% of Written Down Value	\$1,875.00	\$5,625.00
			Total Depreciation claimed this year	\$10,075.00	This amount would be printed at Box 22D.

22F	Interest Paid. Include interest paid on money borrowed by the company. An amount of interest may not be an allowable deduction, for instance where the thin capitalisation provisions in section 95 of the ITA 2023 disallow part of the deduction. The thin capitalisation provisions only apply to foreign-controlled resident companies or non-resident companies with a permanent establishment in Kiribati.
22H	Fuel. This includes all types of fuel (but not electricity provided by the Public Utilities Board or another electricity authority) for all purposes, including to power motor vehicles, boats, aircraft, generators and other machinery, and for cooking and for providing light. Show Electricity at Question 22K.
22J	Office Supplies: This includes items such as paper, pens, other stationery, ink for printers, and ink for photocopiers. Items such as office furniture, computers, printers, cash registers and photocopiers are capital assets and so must be depreciated. See Question 22D.
22K	Electricity: This is electricity provided by the Public Utilities Board or another electricity authority. Items such as solar energy equipment and generators are capital assets and so must be depreciated. See Question 22D.
22M	Repairs and Improvements: A company can deduct expenditure for a repair or improvement made to a depreciable asset during the tax year. The amount of the deduction is limited to 20% of the written down value of the asset at the end of the tax year and the amount of any excess is added to the written down value of the asset at the end of the tax year. If the amount that can be deducted for tax purposes is different to the company's accounting expense, make an adjustment at item 23.
22P	Charitable donations: if the company makes a donation to a non-profit organisation for an amount of \$200 or more during the year the company can claim a deduction at Box 27O. If the company donates property, other than money, the company must have acquired the property in the 12 months prior to the donation. The amount of the donation will be the lesser of the cost of acquiring the property or the fair market value of the property. (For an explanation of Fair Market Value see the instruction for 21D) The deduction for charitable donations is limited to 10% of the company's total gross income for the year. If the amount that can be deducted for tax purposes is different to the company's accounting expense, make an adjustment at item 23.
22Q	Entertainment Expenses: entertainment expenses incurred in carrying on a business are limited to 50% of the amount of the expenses incurred, unless they are included in the employment income of an employee or are exempt income of the employee. Entertainment means the provision of food, drink or recreation. If the amount that can be deducted for tax purposes is different to the company's accounting expense, make an adjustment at item 23.
22R	Scientific research expenditure: The company can claim a deduction for 100% of the expenditure it incurs to undertake scientific research for the purposes of developing its business, including payments to a scientific research institution for that purpose. Scientific research is experimental activity the outcome of which cannot be determined in advance on the basis of current knowledge but can be determined only by undertaking a systematic process of research based on the principles of established science. The company cannot claim expenditure incurred for acquiring a depreciable asset or business intangible unless it is specialist research equipment that can only be used for scientific research. The company cannot claim expenditure incurred for the acquisition of real property or for the purpose of ascertaining the existence, location, extent or quality of a natural deposit.
22S	Tax Agent fees: if the company uses a registered tax agent, the company can claim a deduction for fees to prepare tax returns, objections to tax assessments, or transacting on the company's behalf with the Commissioner on any other business under the tax laws.

22T	Other Expenses Not Shown Above: These are expenses that have not already been included as part of Purchases (Box 22C) or in Boxes 22I to 22W, and will include a loss incurred by the company during the year from the disposal of a business asset other than inventory. Foreign exchange losses can only be deducted if they have been realised in the current financial year. Include the company's share of any partnership loss at 22T. You must attach a schedule setting out the type and amount for each expense.
-----	--

23	<p>Tax Adjustments: These are amounts that must be added to or deducted from the calculation of Net Profit / Loss for the Current Year (Box 22V). They will be items that increase or decrease income, or increase or decrease deductible expenses. As examples, they include amounts that:</p> <p>(a) are income under the Income Tax Act 2023 but which the company does not record as income in its own accounting records. For example, this may include some grants or other amounts received.</p> <p>(b) are exempt income or are not income under the Income Tax Act 2023, if these amounts have been included as income at Box 21A or Box 21G. This may include amounts that the Minister of Finance and Economic Development has specified by notice as being exempt (see Instructions for Box 21G Other Income. Also see Schedule 3, Exempt Income, Income Tax Act, 2023).</p> <p>(c) adjust deductions only partially allowable under the Income Tax Act 2023, but which the company has included in full as expenses in its accounting records.</p> <p>d) adjust other income and expense items recorded in the accounting records of the company, including:</p> <p>(i) accounting for any tax, penalties or fines or outgoings in the conduct or illegal activities;</p> <p>(ii) accounting for long term contracts (section 40 Income Tax Act 2023)</p> <p>(iii) accounting for provisions for outgoings, expenses or losses not yet incurred but expected to be incurred in a future tax year (subsection 25(1) Income tax Act 2023)</p> <p>(iv) accounting for depreciation rates in the accounting records of the company that differ from those allowed under Section 32 and Schedule 4, Income Tax Act, 2023.</p> <p>Calculate the net amount of Tax Adjustments and write it in Box 23. If there are no Tax Adjustments, print 0.00 at Box 23. Where there are Tax Adjustments, you must also attach a schedule setting out the adjustments.</p>
24	<p>Net Profit / Loss for the Current Year after Tax Adjustments: This is the company's current year net profit / loss after any tax adjustments at Box 23 have been taken into account. If the amount at Box 24 is a net loss, write a minus sign in the last box and copy the amount at Box 24 to Box 26. Where the amount at Box 24 is a net loss, do not complete Box 25 as Losses Brought Forward cannot be claimed.</p>
25	<p>Losses Brought Forward. Where the amount at Box 24 is a net profit, if the company has had any net losses in the previous 3 years, they may be claimed up to the value of Net Profit for the Current Year after Tax Adjustments (Box 24), subject to the limitations on carry forward losses where there is a change in beneficial ownership of the company (see instructions at Item 32). Print in Box 25 the amount of previous year losses now claimed. You must attach a schedule showing the years and the amounts of losses now claimed. The amount of losses brought forward and now claimed in Box 25 cannot be greater than any Net Profit for the Current Year after Tax Adjustments (Box 24).</p>
26	<p>Chargeable Income: This is the company's total income minus allowable deductions. It will be used to calculate the company's tax payable. If the amount at Box 24 was a net loss, copy the amount at Box 24 to Chargeable Income (Box 26) and write a minus sign in the last box. If the amount at Box 24 was a net profit, deduct the amount at Box 25 (Amount of Losses Brought Forward that are now claimed), (if completed), from the amount at Box 24, and print the answer in Box 26. If the company is not claiming any losses brought forward (so Box 25 is blank), then copy the amount at Box 24 to Box 26.</p>

27	<p>Did the company receive any contractor payments for which Withholding Tax was withheld or deducted? Where tax has been withheld or deducted from these payments, the company will be credited for the tax paid (see Question 41). Make sure the contractor payments are included at Gross Income (Box 21A) and complete Box 27A and Box 27B. Attach Withholding Tax Notifications.</p>
28	<p>Did the company receive any income from a partnership, estate or trust for which Withholding Tax was withheld or deducted? Where tax has been withheld or deducted from these payments, the company will be credited for the tax paid (see Question 41). Make sure the income is included at Other Income (Box 22G) and complete Box 28A and Box 28B. Attach Withholding Tax Notifications.</p>
30 to 30B	<p>Did the Company receive any income from Overseas? This income must have been included in Gross Income at item 21A. Where the income received or the tax paid is in a currency other than the Australian dollar, the amounts must be translated to Australian dollars at the Reserve Bank of Australia mid-exchange rate applying between the foreign currency and Australian dollars on the date the amount is taken into account for tax purposes. With the prior written permission of the Commissioner, amounts taken into account in calculating the business income and deductions may be translated to Australian dollars at the Reserve Bank of Australia average exchange rate for the tax year between the foreign currency and Australian dollars.</p> <p>- Print in Box 30A the Total Overseas Tax Paid. Attach Foreign Tax Certificates. The Kiribati Tax Division will calculate any credit that you are entitled to. If you wish, you can calculate it yourself at Question 39.</p> <p>- Print in Box 30B the Total Overseas Income after Losses Brought Forward. Note the following:</p> <p>a. If a net loss is incurred for current year Overseas Income, show \$0.00 at Box 30B. Any net loss must be carried forward to future years, and can only be deducted against future foreign income.</p> <p>b. In calculating Total Overseas Income after Losses Brought Forward, if the current year amounts are positive, losses brought forward from the previous 3 years may be claimed, subject to the limitations on carry forward losses where there is a change in beneficial ownership of the company (see instructions at Item 32).</p> <p>c. If losses are being claimed, attach a schedule showing the current year Overseas Income and the previous year Overseas Losses now claimed (the years and amounts claimed), to calculate the amount at Box 30B.</p>
32	<p>Was there a change of 50% or more in the underlying ownership or control of the company? If so, under section 72 of the Income Tax Act 2023, the company will not be able to claim carry forward losses or carry forward foreign losses unless the company -</p> <p>(a) continues to conduct the same business as it carried on in the loss year, in all the tax years between the loss year and the year in which the loss is to be claimed; and</p> <p>(b) does not engage in any new business or investment with the principal purpose of taking advantage of the loss.</p> <p>If there was not a change of 50% or more in the underlying ownership or control of the company, at Question 32, tick the 'No' box. If there was a change of 50% or more, tick the 'Yes' box and attach a schedule showing:</p> <p>- for each change, the date and the details of the change in ownership or control. Note that the company is required to notify the Commissioner in writing within 15 days of the change occurring.</p> <p>- a statement as to whether the same business was continued.</p> <p>- if the company has engaged in any new business or investment, states the principal purpose of commencing the new business or investment.</p> <p>The Kiribati Tax Division may contact you to discuss if claims for losses are affected by a change in ownership or control.</p>

33	<p>Repatriated Profits: If you are a non-resident company with a Kiribati permanent establishment you are liable for an additional amount of tax on the repatriated profit of the permanent establishment for the year. Attach a schedule showing the company's repatriated profit and enter the company's repatriated profit in box 33. The repatriated profit is calculated using the following formula:</p> $(A + (B - C)) - D$ <p>A is the total cost of assets, net of liabilities, of the permanent establishment at the beginning of the tax year; B is the net profit of the permanent establishment for the tax year calculated in accordance with financial reporting standards; C is the income tax payable on the chargeable income of the permanent establishment for the tax year; D is the total cost of assets, net of liabilities, of the permanent establishment at the end of the tax year.</p>
34	<p>Balance Sheet Items: These items are required so that the Kiribati Tax Division can have the full financial position of the company. They may reduce the need for queries or audit action.</p> <p>The amount at Box 34L (Total Assets) must equal the amount at Box 34S (Total Liabilities and Owners Equity). Box 34L shows the assets the company has. Box 34S shows how the company has funded those assets. The two will always be equal.</p>
35	<p>Declaration by Company Representative: The Company Representative, as named at Box 13, Page 1, must sign and date the declaration, otherwise the company's return will not be accepted. Note that where a tax agent prepares the return for the company, the Company Representative is still required to sign and date the declaration.</p>
36	<p>WHAT TO DO NEXT: Attach the supporting documents and schedules where required and tick the applicable Boxes. If these are not provided, this may lead to audit action and delays in any refunds that may apply.</p>
37 to 46M	<p>Tax Calculation and Provisional Tax. These questions are voluntary. The Kiribati Tax Division will calculate your Tax Payable, any Refund due, and any Provisional Tax Payable. However, these questions are provided here if you wish to calculate these yourself. Note that the Kiribati Tax Division will check your calculations.</p>
37	<p>Is the company associated with other companies that have chargeable income in Kiribati? Where the total chargeable income of companies which are associates exceeds \$50,000 (disregarding any tax loss incurred by any of the companies), the tax rates set out in Schedule 1, Part II of the Income Tax Act, 2023 are applied to that total, and the average rate of tax on that total is then applied separately to the chargeable income of each company. This does not apply to corporations wholly or partly controlled by the Republic of Kiribati unless the Minister directs the Commissioner for it to apply.</p> <p>The average rate of tax means the income tax payable on the total chargeable income of the companies before allowance - Where this does apply, to work out the tax payable for the company where it is associated with other companies, calculate the average rate of tax on the total income of all the associated companies. Then multiply the amount at Box 26 (Chargeable Income) by the average rate of tax. Print the answer at Box 38. (Total Tax Payable).</p>

	<p>- Example: Company A, Company B and Company C are associates. The total chargeable income of the companies is \$60,000.00 (A \$30,000 + B \$20,000 + C \$10,000). The tax on \$60,000.00 is \$16,000.00 (\$12,500.00 + 35% x \$10,000.00). This is a rate of $16,000.00/60,000.00 \times 100 = 26.67\%$. The tax rate of 26.67% would be applied to the chargeable income of each company. For the tax return of Company A, if the chargeable income of Company A was \$30,000.00, applying the average tax rate of 26.67% would give Total Tax Payable (Box 38) of $30,000.00 \times 26.67\% = \\$8,001.00$.</p>
38	<p>Total Tax Payable: Company not associated with other companies</p> <p>If the company is associated with other companies, follow the instructions above for Question 37. If the company is not associated with other companies follow the following instructions:</p> <p>If the amount in Box 26 is a loss, the company's Total Tax Payable is NIL, so print \$0.00 in Box 38.</p> <p>However, if the amount in Box 26 is a positive amount, the tax rates are:</p> <ul style="list-style-type: none"> - not more than \$25,000.00: 20%. Use Table A and print your calculation in Box 38. - more than \$25,000.00, but not more than \$50,000.00: \$5,000.00 plus 30% on that portion above \$25,000.00. Use Table B and print your calculation in Box 38. - more than \$50,000.00: \$12,500.00 plus 35% on that portion above \$50,000.00. Use Table C and print your calculation in Box 38.
39	<p>Foreign Tax Credit: If a resident company has received income from overseas and paid overseas tax on it, The company may be allowed a tax credit an amount equal to the lesser of:</p> <ol style="list-style-type: none"> a. The foreign income tax paid; or b. The Kiribati income tax payable, by applying the average rate of Kiribati income tax applicable to the company for the year to the net foreign income of the company <p>A foreign tax credit is only allowed if the company has paid the foreign tax within 2 years after the end of the tax year in which the income was derived (or such further time as the Commissioner allows) and the company has receipts and any To calculate the foreign tax credit, follow these steps:</p> <p>Step 1): Calculate the average rate of Kiribati income tax. This is the percentage that the Kiribati income tax, before the foreign tax credit, is of Chargeable Income. To calculate this, divide the Total Tax Payable (the amount at Box 38) by the Chargeable Income (the amount at Box 26), and multiply by 100. For example, if the amount at Box 38 is \$2,000.00, and the amount at Box 26 is \$15,000.00, then $2,000.00 \div 15,000.00 = 0.1333$. Multiply this by 100, to give 13.33%. This is the average rate of Kiribati income tax.</p> <p>Step 2): Calculate the Kiribati income tax on the net foreign income. This will be the amount at Box 30B (Total Overseas Income after Losses Brought Forward) multiplied by the average rate of Kiribati income tax calculated at Step 1. For example, if the amount at Box 30B is \$1,000.00, and the average rate of Kiribati income tax calculated at Step 1 is 13.33%, then the Kiribati income tax on the foreign income is $1,000.00 \times 13.33\% = \\133.30.</p> <p>Step 3): Calculate the foreign tax credit. For example, if the amount written at Box 30A (Total Overseas Tax Paid) was \$140.00, as this amount is greater than the Kiribati income tax of \$133.30, only \$133.30 foreign tax credit can be claimed. If the amount written at Box 30A (Total Overseas Tax Paid) was \$120.00, as this amount is less than the Kiribati income tax of \$133.30, a foreign tax credit of the full amount of foreign tax paid (\$120.00) can be claimed. Print your answer in Box 39.</p>
41	<p>Credits for Tax Withheld or Deducted: These reduce the company's Tax Payable. If the company has Credits for Tax Withheld or Deducted, make sure you have answered Question 29 (page 3 of this tax return). Copy the amount in Box 29 (page 2) to Box 41 (Page 7).</p>

43	Provisional Tax Paid for This Year. Print in Box 43 any Provisional Tax the company has paid for this year, as it will reduce the Net Tax Payable for this year. See instructions for Question 44 also.
44 to 44B	<p>Refund or Tax to Pay: This question takes into account the company's Net Tax Payable for the year (Box 42) and compares it to the Provisional Tax Paid for This Year (Box 43):</p> <p>- If the amount at Box 42 is \$0.00 or a negative amount, this means that the company is entitled to a refund of the negative amount. If the company has also paid Provisional Tax for This Year (Box 43), that amount will also be refunded. Add the amount at Box 42 (ignoring the negative sign) to the amount at Box 43. Print your answer at Box 44A. At Box 44B, tick 'Refund'. The amount at Box 44A is the total amount refundable to the company.</p> <p>- If the amount at Box 42 is a positive amount and larger than the amount at Box 43, this means that the difference between the two amounts is Tax to Pay. The Provisional Tax Paid for This Year (Box 43) was not enough to cover the Net Tax Payable for This Year (Box 42). Deduct the amount at Box 43 from the amount at Box 42. Print your answer at Box 44A. At Box 44B, tick 'Tax to Pay'. The amount at Box 44A is the remaining Tax to Pay for this year.</p> <p>- If the amount at Box 42 is a positive amount, and smaller than the amount at Box 43, this means the Tax Payable for this year is less than the Provisional Tax Paid for This Year. The difference is refundable to the company. Deduct the amount at Box 42 from the amount at Box 43. Print the answer at Box 44A. At Box 44B, tick 'Refund'. The amount at Box 44A is refundable to the company.</p>
45 to 45G	<p>Refunds and/or Transfers. If you ticked 'Refund' at Box 44B, there are 3 options:</p> <p>Option 1): Apply some or all of the refund to paying Provisional Tax for next year. If you choose this option, at Box 45A print the year following the year of this current return. Then in Box 45B print the amount that you are applying to the company's Provisional Tax.</p> <p>Option 2): Apply some or all of the refund to paying another tax type or another tax period. For example, the refund could be used to pay VAT. If you choose this option, in Box 45C print the amount you are applying to this payment. In Box 45D print the tax type and in Box 45E print the period.</p> <p>Option 3): Apply some or all of the refund to take as cash, cheque, Telmo or to be paid to the company's bank account recorded on page 1 at Boxes 17, 18 and 19. If you choose this option, at Box 45F print the amount you want to be paid to the company and tick the appropriate box to indicate how you want the refund to be paid.</p> <p>Add Boxes 45B, 45C, and 45F, and print the total at Box 45G. The total at Box 45G must equal the amount at Box 44A.</p>
46 to 46G	Provisional Tax 31 December: Provisional tax is payable where a taxpayer derives income which is not subject to withholding of tax. These questions determine whether you have a provisional tax liability for next year.
46A	Provisional tax is paid for next year. In Box 46A print the year following the year of this current return.
46D	<p>Is the amount in Box 42 a positive amount? Place a Tick in either the No or Yes Box:</p> <p>- If you ticked the No Box (the amount in Box 42 is negative), You will need to lodge provisional tax returns to calculate your instalments. For most taxpayers, provisional tax instalments are calculated based on the net tax payable in the previous income year. However because you were in a net loss position at the end of the tax year, provisional tax is calculated as 2% of your gross instalment income for each instalment period next year. In these circumstances you must lodge Provisional Tax Returns in the Approved Form for each instalment period next year.</p> <p>- If you ticked the 'Yes' Box (the amount in Box 42 is positive), go to Calculation of Provisional Tax (Boxes 46E to 46J).</p>
46E	<p>Provisional Tax Base. Provisional Tax is calculated based on the company's net tax payable after credits for tax withheld and foreign tax. Copy the amount from Box 42.</p> <p>Complete Boxes 42F to 42H to work out the company's Provisional tax instalments</p>
46F to 46H	<p>Provisional Tax Instalments: Provisional Tax is paid in three instalments, due 31 July and 31 October in the year following the current year, and 31 January in the subsequent year. Each instalment is 27.5% of the amount shown in Box 42E. Work out 27.5% of the amount in Box 46E, and print it in each of Boxes 46F, 46G and 46H.</p> <p>Example: if the amount in Box 46E is \$10,000.00, then 27.5% of \$10,000.00 is \$2,750.00. This means that each instalment will be \$2,750.00. Therefore, for this example, you would print in Box 46F \$2,750.00, in Box 46G \$2,750.00, and in Box 46H \$2,750.00.</p>

47

Repatriated Profits Tax: A non-resident company with a Kiribati permanent establishment is liable for an additional amount of tax on the repatriated profit of the permanent establishment for the year. Work out 30% of the amount in Box 33 and print it in Box 47. This is the amount of repatriated profits tax that the company has to pay for the current tax year. Repatriated profits tax is due to be paid on the date that the company's income tax is due.