

# **Profile——The Independent State of Samoa (Samoa for short)**

## **I. Jurisdiction Background**

The Independent State of Samoa (Samoa for short) is located in the south-central Pacific Ocean to the northeast of New Zealand. It is composed of groups of islands and islets, with Apia as its capital. The Samoan is the official language, with English as a commonly used one. Samoa is rich in natural resources, particularly forests and aquatic resources. The majority of Samoans are of Polynesian ethnicity, and most follow the Christian faith.

## **II. Organizational Structure**

The Ministry of Customs and Revenue (MCR) plays a key role in revenue collection, trade facilitation, and border protection in Samoa. The Revenue Division under MCR is accountable for collecting the Government's revenue resulting from the legislation and regulations the Ministry implements, e.g. from taxation, duties, excise etc. Its main role is to provide quality revenue collection to be more effective and efficient, and more transparent and accountable in administration of services. There are three main services that make up the Revenue Division, i.e. Inland Revenue Services (IRS), Customs Services, and Shared Services. Under the IRS, there are Audit & Investigation Services, Taxpayer Services and Collection, Recovery & Enforcement Services.

## **III. Current Tax System**

The taxes applicable within Samoa are categorized into two principal types, i.e. value added goods and services tax (VAGST) and income tax. Income tax imposed on businesses such as companies, individuals, or sole traders, partnerships, and trusts, as well as on employee salaries and wages. Excise tax is also imposed on domestic and imported products.

## **IV. Overview of tax preference policies**

Incentives offered in Samoa are generally targeted at specific sectors of the economy and are subject to strict rules and conditions. Samoa provides tax incentives to tax resident investors in the tourism sector, including exemptions from import duties and certain tax holidays. Conditions like minimum investment amount, job creation requirements, and other performance benchmarks are associated with these incentives.

## **V. Tax Collection and Administration**

The Inland Revenue Services under the MCR is responsible for domestic tax collection and administration. It is also in charge of the registration of business license, which is required for all entities engaged in business activities. Provisional tax assessed based on prior year's

taxable income is required for businesses. The Tax Invoice Monitoring System (TIMS) was officially launched in 2020 to encapsulate all transactions transpiring within every business entity. The TIMS system holds significance not only for the department of revenue but also for the business community, developers of invoice systems, and consumers.

## **VI. Taxpayer Services**

Effective client services with active compliance management have been one of the key strategic areas of the MCR. The MCR has prioritized the various measures to promote the use of relevant, feasible and modern tools to serve customers, to manage and promote effective communication including feedback on issues raised by stakeholders and to increase community confidence in the Ministry administration. The Samoa eTax (SET) allows taxpayers to manage taxes online including filing a return, paying taxes and viewing statements.

## **VII. Tax Legislation Process**

Samoa's tax legislation includes a series of primary legislations, subsidiary legislations, and statutory orders at different levels to meet various requirements of economic development and tax administration. Major primary legislations include the Excise Tax Act 1984, Income Tax Act 2012, Tax Administration Act 2012, Tax Information Exchange Act 2012, and Value Added Goods and Services Act 2015. Periodical amendments have been made to these Acts.

## **VIII. Future Tax Reform Plan**

Under the first "Samoa Development Pathway" for the fiscal years from 2021/22 to 2025/26 launched by the Government of Samoa, the legislation relevant to several key branches of government including taxation has been emphasized. In addition, the government is committed to strengthening relevant systems and processes, including those that have a bearing on the quality of services delivered by key institutions.

## **IX. International tax cooperation**

Samoa is currently engaging in exchange of information upon request, or "EOIR," as well as automatic exchange of information, or "AEOI." In 2021, Samoa signed up to the Base Erosion and Profit Shifting (BEPS) Inclusive Framework, demonstrating its commitment to tax transparency. It has entered into a tax treaty with New Zealand. Samoa is a Council Member of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM).

## **X. Others**

None.