

REPUBLIC OF NAURU
BUSINESS TAX (AMENDMENT) BILL 2016

EXPLANATORY MEMORANDUM

The *Business Tax (Amendment) Bill 2016* is a Bill for the *Business Tax (Amendment) Act 2016*.

EXPLANATION OF CLAUSES

Clause 1 provides that, once enacted, the short title of the Bill will be the *Business Tax (Amendment) Act 2016*.

Clause 2 sets out when the Bill's provisions will commence.

Clause 3 is the enabling provisions for the amendment of the *Business Tax Act 2016*.

Clause 4 amends section 48 of the Act by omitting the current subsection (1) and replacing it with a new subclause. The new subclause amends the transitional provision by protecting short term agreements entered into by Government rather than all agreements. Any agreement entered into by Government in the period 24 months prior to the commencement date of the Principal Act is exempt from tax to the extent that the agreement provides.