

Exchange Control Relaxations

5 May 2023

The Reserve Bank of Fiji (**RBF**) has issued a Press Release (copy attached) announcing the relaxation of certain exchange control requirements, effective from **1 June 2023**.

Some of the changes include:

- Further increases in the delegated limits to commercial banks and foreign exchange dealers;
- Re-delegation of certain capital transactions; and
- Streamlining of documentary requirements for offshore payments.

More details of the exchange control changes are provided in the attachment.

Let's talk

Please contact any of our following Partners or Directors, if you wish to discuss how the above or any other matters may impact your business.



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RESERVE BANK OF FIJI

PRESS RELEASE



Press Release No. : 07/2023

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RBF ANNOUNCES FURTHER EXCHANGE CONTROL RELAXATIONS

The Board of the Reserve Bank has approved further relaxation of exchange controls, effective from 01 June 2023.

The Governor, while announcing the new measures, highlighted that the changes are in line with the current strong performance of the Fijian economy and its favorable growth prospects moving forward.

Mr Ali said that over the years, changes to exchange controls were made progressively in a sequenced programme, simultaneous with other economic and financial reforms.

He added that tightening exchange controls at the onset of the COVID-19 Pandemic in 2020 enabled the Reserve Bank to maintain foreign reserves at comfortable levels, restored confidence, facilitated business operations and assisted economic recovery.

The changes include further increases in the delegated limits to commercial banks and foreign exchange dealers, the re-delegation of certain capital transactions that were pulled back in 2020 and the streamlining of documentary requirements for offshore payments. These changes would facilitate operational efficiency for businesses and personal transactions.

The Attachments provide more details of the exchange control changes.

For any further queries, please contact the Exchange Control Unit of the Reserve Bank of Fiji on email: eservice@rbf.gov.fj

RESERVE BANK OF FIJI

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ATTACHMENT I**CHANGES TO EXCHANGE CONTROL TO BE EFFECTIVE FROM 01 JUNE, 2023**

Type of Payment	Current Delegation (Amount in FJD)	New Delegation (Amount in FJD)
1. Credit Cards <ul style="list-style-type: none">• Credit Card Payments.• Corporate Credit Cards.	<ul style="list-style-type: none">• \$5,000 per month.• \$10,000 per month.	<ul style="list-style-type: none">• \$10,000 per month.• \$20,000 per month.
2. Emigration	<ul style="list-style-type: none">• \$150,000 per annum.	<ul style="list-style-type: none">• \$250,000 per annum.
3. Non-Resident Transfers Offshore <ul style="list-style-type: none">• Applies to Dual citizens and non-residents holding resident accounts.	<ul style="list-style-type: none">• None.	<ul style="list-style-type: none">• \$250,000 per annum.
4. Deposits into External Account <ul style="list-style-type: none">• Proceeds of sale of household items, personal effects and motor vehicles.• Insurance maturity proceeds.	<ul style="list-style-type: none">• Not delegated.	<ul style="list-style-type: none">• \$100,000 per annum.
5. Withdrawal of Investment <ul style="list-style-type: none">• Sale of shares in local company.• Sale of company assets.	<ul style="list-style-type: none">• Not delegated.	<ul style="list-style-type: none">• \$250,000 per annum.
6. Profit	<ul style="list-style-type: none">• Not delegated.	<ul style="list-style-type: none">• \$250,000 per annum.
7. Loan Repayment	<ul style="list-style-type: none">• \$50,000 as per repayment schedule.	<ul style="list-style-type: none">• \$250,000 as per repayment schedule.
8. Foreign Currency Loans offered by local banks	<ul style="list-style-type: none">• \$2,000,000 per annum.	<ul style="list-style-type: none">• \$10,000,000 per annum.
9. Travel Allowance	<ul style="list-style-type: none">• \$5,000 per trip on a one-way ticket.	<ul style="list-style-type: none">• \$10,000 per trip on one-way ticket for travelers on overseas valid work permits.
10. Education-Student Allowance	<ul style="list-style-type: none">• \$20,000 per annum.	<ul style="list-style-type: none">• \$50,000 per annum.
11. Offshore investment <ul style="list-style-type: none">- Companies- Non-Bank Financial Institutions.	<ul style="list-style-type: none">• Suspended.	<ul style="list-style-type: none">• Requires Reserve Bank approval.

ATTACHMENT II

CHANGES TO DOCUMENTARY REQUIREMENTS AND OTHER POLICY GUIDELINES

Payment	Current Limit and Documentary requirements (Amount in FJD)	New Requirements (Amount in FJD)
Opening of Foreign Currency Accounts by Businesses	<ul style="list-style-type: none"> • \$100,000. • 6-month Cash flow forecast. 	<ul style="list-style-type: none"> • Remove the requirement for a 6-month forecast.
Education allowance paid directly to the student	<ul style="list-style-type: none"> • Enrolment letter on letterhead or current letter from the Institution. • Statement of expenses for the current year. • Tax clearance certificate for amounts over \$10,000. 	<ul style="list-style-type: none"> • Remove the requirement for a statement of expenses for amounts within the delegated limit.
Profits	<ul style="list-style-type: none"> • Tax clearance certificate for amounts above \$10,000. • Audited accounts for amounts above \$0.5m per amount to be distributed. • Unaudited accounts for amounts of \$0.5m and below. • Directors' resolution approving the dividend payment. 	<ul style="list-style-type: none"> • Remove the requirement for audited accounts. • Financial accounts to be provided • Include foreign passports (applicable to former Fiji citizens or dual citizens).
Gifts	<ul style="list-style-type: none"> • TIN letter or FRCS joint card; and • Evidence of relationship (where applicable). 	<ul style="list-style-type: none"> • Remove documentary requirements for amounts within the delegated limit.
Maintenance	<ul style="list-style-type: none"> • TIN letter or FRCS joint card; and • Evidence of relationship (where applicable). 	<ul style="list-style-type: none"> • Remove documentary requirements for amounts within the delegated limit.
Wedding Expenses	<ul style="list-style-type: none"> • Documentary evidence of the statement of expenses, wedding invitation card, invoices etc. 	<ul style="list-style-type: none"> • Remove documentary requirements for amounts within the delegated limit.
Deposits into External Accounts <ul style="list-style-type: none"> • Salaries & wages from employment in Fiji. 	<ul style="list-style-type: none"> • Pay slip which should indicate that tax has been deducted or any other formal arrangement made between the company and Bank in terms of payment of staff salaries. 	<p>Amend description to "Payments made by the company under the employment contract e.g. salaries/wages, relocation costs, allowances etc."</p>
Deposits into External Accounts <ul style="list-style-type: none"> • Living allowance/fees etc. from local sources. 	<ul style="list-style-type: none"> • Confirmation from the organisation on the purpose of payment and that the account holder is employed by the organisation. 	<ul style="list-style-type: none"> • Amend description to "Living allowances for staff and volunteers employed by religious and charitable organisations." • Remove documentary requirements for amounts within the delegated limit.