

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK RELAXES EXCHANGE CONTROLS

The Reserve Bank of Fiji has further relaxed exchange controls as announced in the National Budget Address today by the Prime Minister and Minister for Finance, Commodore Voreqe Bainimarama.

The Governor of the Reserve Bank of Fiji (RBF), Barry Whiteside highlighted that the increased delegated limits mean that the Bank is confident about the outlook on the level of foreign reserves, which is currently around \$1.5 billion. He added that the measures announced would result in improved efficiency for businesses as they will no longer be required to lodge their applications with the RBF.

Mr. Whiteside said that apart from increased delegated limits on a range of transactions, the RBF has also allowed commercial banks to write more forward contracts for importers as well as re-introduce offshore investments for individuals up to \$10,000 per family per annum.

The attached document provides more details of the changes which will become effective from 1 January 2012.

If you have any enquiries, please call the Exchange Control Unit at the Reserve Bank of Fiji.

Reserve Bank of Fiji

Category of Payments	Changes Effective from January 2012
1. Offshore Investment <ul style="list-style-type: none"> • FNPF • Non-Bank Financial Institutions (NBFIs) • Companies • Fiji residents 	<ul style="list-style-type: none"> • FNPF, NBFIs and Companies require Reserve Bank approval • For individuals, delegate up to \$10,000 each or per family per annum
2. Emigrant Transfers	<ul style="list-style-type: none"> • Requires Reserve Bank approval
3. Export of Cash	<ul style="list-style-type: none"> • Increase delegated limit to the equivalent of F10,000 in foreign currency inclusive of F\$500
4. Airline Ticket Sales [applicable only to overseas airlines with offices or agents in Fiji]	<ul style="list-style-type: none"> • Increase delegated limit up to \$1,000,000 per application
5. Forward Cover Contracts	<ul style="list-style-type: none"> • Commercial banks are allowed to write net forward sales contracts up to \$20m per bank • Commercial banks will not be permitted to purchase foreign currency from the Reserve Bank to fund their sales contracts
6. Charges/Fees/Services <ol style="list-style-type: none"> a) Freight & Shipping b) Other Transport Charges c) Royalty & Commission d) Patents, Copyright e) Brokerage & Other Charges to agents and representatives outside Fiji f) Movie/Film Hire, News Service g) Repair – domestic air/shipping, other h) Technical, Professional & Management Fees i) Advertising j) Office Expenses k) Visa Application l) Re-imburement/refund m) Software, etc n) Other *does not include commercial banks and FX Dealers' head office expenses or reimbursement charges	<ul style="list-style-type: none"> • Increase delegated limit up to \$500,000 per invoice
7. Import Payments <ul style="list-style-type: none"> • Advance payment • Payment for merchanted goods • Payment to 3rd parties for goods already received • Prepayments of term bills for goods already received 	Increase delegated limits as follows: <ul style="list-style-type: none"> • \$500,000 per invoice • \$100,000 per invoice • \$100,000 per invoice • \$1 million per invoice

Category of Payments	Changes Effective from January 2012
<p>8. Loan Repayment</p> <ul style="list-style-type: none"> • Principle and Interest (excluding up-front fees) 	<ul style="list-style-type: none"> • Increase delegated limit up to \$500,000 per amount due as scheduled
<p>9. Medical Expenses</p> <ul style="list-style-type: none"> • Paid directly to the patient 	<ul style="list-style-type: none"> • Increase delegated limit to \$5,000 per applicant per annum. This is in addition to the travel allowance of \$10,000 per trip.
<p>10. Offsetting of Foreign Exchange Earnings against Foreign Currency Bills Payable</p> <ul style="list-style-type: none"> • Bills Other than Merchandise Imports 	<ul style="list-style-type: none"> • Delegate up to \$100,000 per invoice
<p>11. Subscriptions to clubs, societies and trade organisations including entrance fees.</p>	<ul style="list-style-type: none"> • Increase delegated limit up to \$10,000 per annum
<p>12. Profit declared and distributed to non-resident shareholders/partners/sole proprietors</p> <p>a) Capital</p> <p>b) Dividend or Operating Profit</p>	<ul style="list-style-type: none"> • Requires Reserve Bank approval • Requires Reserve Bank approval

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