

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK OF FIJI ANNOUNCES AMNESTY PERIOD FOR EXPORTERS

Today the Governor of the Reserve Bank of Fiji (RBF), the Chief Executive Officer of the Fiji Islands Revenue and Customs Authority (FIRCA) and the Director of Financial Intelligence Unit (FIU) signed a Memorandum of Agreement (MOA) to strengthen collaboration between RBF, FIRCA and FIU in the sharing of information under their respective legislations to detect and investigate discrepancies relating to transfer pricing, false documentation, retention of export proceeds overseas and tax and customs matters.

The Governor, Mr. Sada Reddy, also announced today the introduction of an Amnesty period for exporters who have yet to fully reconcile their outstanding exports receipts with the RBF. The Amnesty comes into effect immediately and ends on 30 October, 2010.

Under the MOA the three Agencies will also ensure that both Exporters and Importers do not engage in transfer pricing.

Under the Exchange Control Act, which is administered by the Reserve Bank, exporters are required to repatriate all proceeds from their exports to Fiji within 6 months of the date of shipment.

In this regard, the Governor Reddy added that the amnesty will allow exporters that have fallen behind in confirming the receipts of their export proceeds, to regularise this with the RBF. Exporters are directed to furnish details of their outstanding export details by either providing bank confirmation of the export proceeds, or certification by a Chartered Accountant that funds have been received in Fiji.

Mr. Reddy also strongly advised that exporters correct and amend their income tax return to correctly reflect any under declared export proceeds to FIRCA during this period.

Mr. Reddy stressed that exporters that fail to comply within the amnesty period will face legal repercussions. Under the Exchange Control Act, failure to comply with the directive can, upon conviction, result in imprisonment or a fine, or both. The Governor added that "export receipts are too crucial for our balance of payments and our economy."

All enquiries relating to Export Proceeds and Amnesty period are to be made to the Exchange Control Unit of the Reserve Bank of Fiji and those relating to understating of export proceeds in income tax returns to the Taxation Division of FIRCA.

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NOTICE OF AMNESTY PERIOD TO EXPORTERS ON REPATRIATION OF ALL EXPORT PROCEEDS TO FIJI

LEGAL REQUIREMENT FOR EXPORT PROCEEDS

The Reserve Bank of Fiji administers the Exchange Control Act and is offering an amnesty period to all exporters who have yet to furnish relevant export proceeds information and repatriation of export proceeds to Fiji as required under Section 25 of the Exchange Control Act, without penalty or criminal prosecution.

Under Section 25 of the Exchange Control Act, exporters are required to repatriate all proceeds from their exports to Fiji within 6 months, unless the Reserve Bank of Fiji specifically grants an extension of this period or allows exporters to retain their proceeds offshore.

AMNESTY PERIOD

The amnesty comes into effect immediately and ends on 30 October, 2010.

To be granted amnesty, exporters must:

1. Furnish the Reserve Bank of Fiji in writing no later than 30 October 2010, the following information:
 - a. Confirmation by commercial banks of the receipt of all outstanding export proceeds in Fiji or Certification by a Chartered Accountant in Fiji of the receipt of all outstanding export proceeds in Fiji.
2. Regularise all reports, accounts and returns which maybe in breach of the requirements of the Fiji Islands Revenue and Customs Authority (FIRCA).
3. Immediately cease the practice of transfer pricing.

Exporters who are granted amnesty will be protected from criminal prosecution and any administrative penalty by the Reserve Bank.

FURTHER INFORMATION

Further information can be obtained from Ms Rigamoto Motufaga on 3223 368 or email rigamoto@rbf.gov.fj and Mr. Ariff Ali on 3223 359 or email ariff@rbf.gov.fj

ISSUED PURSUANT TO SECTION 1(1) OF THE FIFTH SCHEDULE OF THE EXCHANGE CONTROL ACT CAP 211, REV. 1985.

14 April, 2010