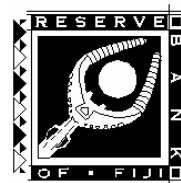


# RESERVE BANK OF FIJI



## *PRESS RELEASE*

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**Press Release No : 34/2008**

**Phone : (679) 3313 611**

**Date : 30/12/2008**

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### **FOREIGN CURRENCY ACCOUNTS SCHEME IN FIJI**

As part of the initiative to assist Fiji's balance of payments, the Interim Prime Minister and Minister for Finance announced the opening of Foreign Currency Accounts Scheme in Fiji for non-residents. This new initiative by the Government of Fiji will be effective from 1 January 2009.

The Scheme offers tax-exemption on interest earned on term deposits held with local banks and deposit taking institutions. Under the Scheme, non-residents can either hold foreign currency denominated deposits or Fiji dollar accounts. However, on foreign currency deposits, investors with deposits of more than the equivalent of F\$300,000 will be eligible for tax exemptions on the interest income. However, participants are encouraged to hold funds in Fiji dollar term deposits as there is no threshold to qualify for tax free exemption on interest income. Details of the Scheme is attached.

The Scheme is expected not only to benefit participants but also the country in terms of the expected foreign exchange that would be brought in.

All enquiries can be forwarded to the commercial banks and the Reserve Bank of Fiji.

**RESERVE BANK OF FIJI**

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## FOREIGN CURRENCY ACCOUNTS SCHEME IN FIJI

### Eligibility

The programme is open to citizens of all countries, including Fiji residents who have emigrated.

### Foreign Currency Accounts

**Amount:** Any amount maybe placed in fixed deposit

**Source of Funds:** From external sources in US\$, JPY, EURO, AU\$, NZ\$ and GBP

This may include funds from Fiji sources e.g. participant's own funds derived from savings, dividends etc. where exchange control approval has been granted for the purchase of foreign currency

**Tax Exemption:** Interest income for deposits above F\$300,000 will be exempt from local tax, however, participants in the "Foreign Currency Accounts Scheme" must apply to FIRCA for a Certificate of Exemption from income tax

Participants are required to renew this Certificate annually

Applications are to be made on the relevant form, "Application for Certificate of Exemption from Resident Interest Withholding Tax" which is available on FIRCA's website: [www.frca.org.fj](http://www.frca.org.fj). The application form is to be submitted together with a copy of the participant's most recent bank statement of his bank account in Fiji.

**Other Incentives:** Deposits can be used to secure loans from local lenders, however, the loans must be used in Fiji

### Fiji Dollar External Accounts (foreign currency is converted into FJDs)

**Amount:** Any amount maybe placed in fixed deposit

**Source of Funds:** From external sources in US\$, JPY, EURO, AU\$, NZ\$ and GBP

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This may include funds from Fiji sources e.g. participant's own funds derived from savings, dividends etc. where exchange control approval has been granted for the purchase of foreign currency;

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Interest income will be exempt from local tax however, participants in the Scheme must apply to FIRCA for a Certificate of Exemption from income tax.

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## **Other Incentives:**

Deposits can be used to secure loans from local lenders, however, the loans must be used in Fiji

## **Lodgement of Applications**

### **Commercial Banks:**

Applicants to apply on relevant application form to commercial banks and submit with the required documentation

### **Commercial Banks**

Account opening must meet the requirements of commercial banks and credit institutions.

## **Further Information and Enquiries:**

Further information and enquiries regarding the Scheme can be made to the Reserve Bank of Fiji on:

Telephone: (679) 3313 611

Facsimile: (679) 3301688

Website: [www.rbf.gov.fj](http://www.rbf.gov.fj)

RESERVE BANK OF FIJI

December 2008