



Flash report

4 September 2007

FIJI ISLANDS

On 4 September 2007 the Reserve Bank of Fiji announced changes to exchange control policies with regards to local borrowing by non-resident companies and individuals.

On 21 August 2007 the Fiji Islands Trade and Investment Bureau issued a circular to introduce new and improved measures to safeguard the interest of all stakeholders.

This flash report summarises the newly announced measures.

Part A: Reserve Bank of Fiji

The Reserve Bank of Fiji has made changes to the exchange control policy it announced in March 2007. The amended policies come into effect from 1 January 2008.

Local borrowing by non-resident companies

Non-resident controlled companies with 100 percent non-resident ownership are **no longer required** to refinance 50 percent of their existing capital expenditure facilities from offshore by the end of December 2008, as previously required.

Foreign owned companies shall be allowed to borrow locally up to a maximum percentage of their total borrowings based on their shareholding structure under the debt to equity ratio guideline of 3:1.

The following shall apply to all new borrowings by non-resident companies:

Shareholding structure	New maximum percentage
• 51% - 70% non-resident ownership	• Upto 75% local financing
• 71% - 90% non-resident ownership	• Upto 65% local financing
• 91% - 100% non-resident ownership	• Upto 50% local financing

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Reserve Bank of Fiji measures

Fiji Islands Trade and
Investment Bureau measures

Local borrowing by non-resident individuals

Non-resident individuals are required to provide 100 percent offshore finance for the purchase of properties, except those in respect of already approved tourism related projects.

For already approved tourism projects, the current debt to equity ratio guidelines remain as 3:1 for new property acquisitions and 1:1 for acquisitions of existing properties.

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Part B: Fiji Islands Trade and Investment Bureau

Foreign Investment Registration Certificate (FIRC) Application

- The FIRC is a legal document that must be completed, signed and submitted with the relevant application fee. The Bureau shall not process incomplete forms.
- Entities listed as shareholders must include the following details:
 - ◇ Registration date
 - ◇ Registration number
 - ◇ Country of registration
 - ◇ Directors' information
- Foreign investors' contact details must be provided, to facilitate the Bureau's direct contact with the investors.
- New checklist requirements include:

- ◇ Personal detail page of passport of foreign investor
- ◇ Activities that require minimum local equity are required to provide a legally signed Statutory Declaration by the resident shareholder(s) and a Management/Shareholders Agreement. These documents would assist the Bureau in addressing the issue of bogus/convenience partnerships.
- ◇ Reserve Bank of Fiji approval letter where there is a change in the shareholding structure
- ◇ Resume/Curriculum Vitae of the new shareholders/directors where there is a change in the shareholding structure

Foreign Investment Survey (FIS) Form

- The Bureau dispatches FIS forms annually for the purposes of capturing the progress of project implementation. Investors are encouraged to complete and return the FIS forms.

Investment Facilitation Unit

- The Investment Facilitation Unit's role is to facilitate implementation of approved projects, and to assist as a mediator between the investor and any government agency that is holding or delaying the issuance of the relevant permits/licenses required for the project to commence trading.

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