2012 NATIONAL BUDGET

25th November 2011

"EMPOWERED FIJIANS AND A MODERN ECONOMY"

The National Budget for 2012 was presented by the Minister for Finance and National Planning this morning with the objectives of:

1. Fostering sustainable growth and investments; and
2. Achieving fiscal sustainability

Government's Budget Strategy was presented as follows:-

1. Supporting key sectors and industries that will create growth and investment – both through expenditure allocations and provision of incentives/concessions to attract investment;
2. Channeling more funds towards capital projects and facilitating implementation of public infrastructural projects;
3. Fast tracking structural reforms – Land Reforms, Public Enterprise Reform, Sugar Reforms;
4. Gradual reductions in Budget Deficits over the medium terms;
5. Prudent debt management; and
6. Focus on Education and Health

CONTENTS

PAGE NUMBERS

Disclaimer

The contents of this publication have been extracted from the Budget Address and Revised Budget Estimates provided to us by the Ministry of Finance & National Planning. Accordingly, whilst every care has been taken in the preparation of the publication no responsibility is accepted for persons acting on this information without prior consultation.

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Budget Highlights and Changes

- 3% pay increase across to Civil Service
- 3% pay increases for all nurses and Doctors
- 9% pay increase for Fiji Police work force
- 11 brackets for Income tax for Individuals
- 20% Fringe benefit tax payable by the Employers
- Only 50% of the Employer's Contribution is allowable (i.e. 50% of 8%)
- Reduction in corporate tax rate from 28% to 20%
- 90% Advance corporate tax payable during the taxable year
- Additional tax for Social responsibility for high earning individuals ($270,000 plus)
- No vat returns required for entities with turnover up to $100,000 per annum
- Only one annual VAT return for entities (SMEs) up to $300,000 turnover to be submitted
- VAT refunds to processed within three months
- Individuals can claim VAT paid on Home Building up to $120,000
- Tax department approval required for sale and transfer of Shares and Assets by all foreign Companies
- SPSX Listing does not require local equity anymore
- Facility available to SMEs through RBF to support bank loans
- 2% levy on credit card statement balance payable monthly to FRCA through the banks
- Departure tax increase to $150
- $7,500 customs levy payable on luxury vehicles with cylinder capacity between 2500cc and 3000cc; and
- $20,000 on cylinder capacity exceeding 3000cc
- HTT now becomes STT (5% Rate remains)
- STT now includes other ancillary tourism activities
- Carried Forward losses reduced to 4 years
- 1% telecommunication levy on landline and Mobile calls
- Garnishee (for tax collection) will include joint bank accounts with Spouse and/or Children
- 40% investment allowance available to all businesses in Vanua levu for extension and renovation with a minimum qualifying capital expenditure of $50,000
- No duty payable for importation of manufacturing plant and equipment during 2012
- Relaxations to Exchange controls through further delegation to commercial bank
- Top-up offered to current 11,465 pensioners, protecting the most vulnerable and maintaining sound financial status of the Fund

BUDGET ESTIMATES

The comparative budget estimates are:-

	Budget	Revised Estimate	Actual	Actual
	2012	2011	2010	2009
	$ (million)	$ (million)	$ (million)	$ (Million)
Revenue				
Direct Taxes	477.43	451.38	435.53	451.94
Indirect Taxes :				
VAT	669.18	599.43	428.65	351.08
Customs	366.71	345.42	344.53	332.39
Service Turnover Tax (STT)	56.98	37.47	26.34	24.96
Water Resource Tax	37.83	34.81	0.53	0.30
Departure Tax	94.1	62	0.00	0.00
Stamp Duty	17.66	12.31	0.00	0.00
Fish Levy	2.32	0.7	0.00	0.00
Telecommunication Levy	2	0.00	0.00	0.00
Credit Card Levy	3	0.00	0.00	0.00
Third Party Insurance Levy	2	0.00	0.00	0.00
Total Tax Revenue	1729.19	1543.52	1235.58	1160.67
Fees, Charges, Fines & Penalties	87.49	93.47	121.64	97.62
Sales Revenue	0.00	0.29	0.04	0.06
Grant in Aid	17.97	7.74	8.60	6.23
Reimbursement & Recoveries	13.05	12.66	11.05	14.90
Other Revenue and Surpluses	31.93	36.13	44.77	24.77
Dividends from Investments	27.36	29.21	26.22	22.83
Interest from Bank Balances	0.41	0.39	0.4	0.00
Interest on Term Loans and Advances	0.50	0.00	10.34	30.75
Sales of Government Assets	34.90	0.17	0.00	0.00
Return of surplus capital from Investment	0.00	0.00	0.02	6.97
Total Non Tax Revenue	213.60	180.06	222.68	204.13
TOTAL REVENUE	**1942.80**	**1723.58**	**1458.26**	**1364.80**
Expenditure				
Operating	1462.44	1383.9	1287.16	1258.15
Capital	554.43	525.52	382.89	335.01
Value Added Tax	61.05	52.28	0.00	0.00
TOTAL EXPENDITURE	2077.92	1961.70	**1670.05**	**1593.16**
Net Budget Deficit	(135.12)	(216.04)	(211.80)	(228.36)
Debt Repayments – Principal	(203.31)	(518.76)	(278)	(267)
GROSS DEFICIT	**(338.43)**	**(734.80)**	**(489.80)**	**(495.36)**
Net Deficit as a Percentage of GDP	**-1.9%**	**-3.5%**	**-3.6%**	**-3.8%**

PRIORITY SECTORS

Some of the key priority sector expenditure allocations are: -

Sugar

- $40.9 million to Fiji Sugar Corporation for Financial Restructure.
- $5.0 million subsidy to SPFL
- $900,000 to Sugar Research Institute of Fiji
- $500,000 grant to Sugar Tribunal
- $700,000 for the purchase of farming equipment and machinery
- $29,400 to International Sugar Council

Finance

- $37 million as operating grant to FRCA
- $3.8 million as capital grant to FRCA
- $1.0 million for Fiji Government ICT Infrastructure Upgrade
- $1.0 million for Fiji Government Application System

Defence, National Security and Immigration

- $0.5 million as Integrated Border Management System
- $0.25 million for Detention Centre in Nadi

Agriculture

- $7.0 million for Drainage and Flood Protection.
- $1.0 million for the Export Promotion Programme
- $1.0 million as Food Security Programme
- $600,000 for Rice Revitalization Program.
- $370,000 for Coconut Development Programme.
- $1.75 million to Rural and Outer Island Agriculture Development Programme,
- $1.28 million as operating grant to Biosecurity of Fiji and $2.16 million as capital grant
- $0.5 million for maintenance of Completed irrigation Schemes
- $0.25 million for upgrading of Animal Health and Production Regulatory Unit Building.
- $1.5 million Livestock rehabilitation
- $2.0 million Dairy Development Programme

Forestry

- $150,000 for the Sandalwood Development Programme
- $400,000 for upgrading of Forestry Institutional Infrastructure.
- $300,000 for the “Reducing Emissions From Deforestation and Forest Degradation Plus Policy or REDD

Fisheries

- $100,000 for Fisheries and Forestry Commodity Development Project
- $250,000 for Pearl Oyster Research and Development
- $500,000 for Fisheries Resources Inventory Survey
- $500,000 for Coastal Fisheries Development
- $250,000 for Aquaculture Development

- $100,000 for Brackish Water Development
- $200,000 for Seaweed Development Programme

Land Reform

- $5.0 million for Land Bank Investment
- $0.8 million for Mineral Investigation

Infrastructure

- $46.0 million as operating grant and $40.5 million as capital grant to Water Authority of Fiji.
- $14.0 million Periodic Maintenance and road rehabilitation Works
- $3.0 million for upgrading of Outer Island stations.
- $4.5 million for the Fiji Road Upgrading Project III
- $5.0 million for the commencement of an international seaport in Labasa
- $1.8 million for the upgrading of Labasa Airport
- $1.0 million for the upgrading of rural airstrips.
- $10.0 million for Rural Electrification Project
- $1.0 million for Northern Development Programme

Tourism

- $23.5 million marketing grant to Tourism Fiji.

Education

- $257 million to Ministry of Education:
    - $1.0 million for Fee Free Education for classes 1 to 8.
    - $36.0 million grant to the University of the South Pacific, $3.0 million to the University of Fiji and $28.0 million to Fiji National University to support its capital development and operations
    - $2.3 million to FNU to provide vocational and job training.
    - $10.0 million for Scholarships for Ministry of iTaukei Affairs
    - $1.3 million has been allocated for early childhood education

Health

- $143 million to Health Ministry:
    - $4.3 million for purchase of medical equipment.
    - $1.0 million for maintenance of health centers and nursing stations.
    - $800,000 for non communicable diseases comprising $400,000 for the NCD best-buy initiative and $400,00 for NCD prevention.
    - $1.53 million for Bio Medical Equipment in Urban Hospital
    - $1.35 million for Magnetic Resonance Imaging.

Social Welfare, Women & Poverty Alleviation

- $15.0 million for Family Assistance
- $4.4million for Care and Protection Allowance
- $8.64 million for Food Voucher Programme
- $4.0 million for Food Voucher Programme - New Scheme.
- $550,000 for Women’s Plan of Action

- $160,000 foe Fiji Women's Federation.
- $96,000 for Women's Resource Centre.

Housing Programme

- $1.0 million for squatter upgrading and resettlements
- $1.0 million for subsidies to the Public Rental Board.
- $0.6 million to HART
- $0.5 million sustainable Rural Housing/ Income generating Project
- VAT Refund claim up to the value of $120,000 for the construction of the home for the purpose of living.
- $1.0 million for rural Housing Assistance

Disaster Management

- $1.0 million to Disaster Rehabilitation Fund
- $10,000 to Disaster Management Services.

Culture and Heritage

- $250,000 to the National Trust
- $150,000 grant to Fiji Arts Council
- $280,000 to Fiji Museum.

Sports

- $3.0 million to Fiji Sports Council for upgrade of existing sports infrastructure.
- $150,000 for Rural Sporting Facilities.

Law and Order

- $83.0 million to the Fiji Police Force:
    - $1.0 million for upgrading of Police Stations and Housing
    - $0.9 million for operational costs of the Police Force

- $109.5 million to the Fiji Military Force:
    - $2.0 million for Life Extension Programme
    - $0.55 million for Infrastructure upgrade

- $8.0 million to FICAC
- $ 4.0 million for the completion of the new Suva Remand Centre
- $0.29 million for Cadet programme
- $2.0 million for the extension for the Lautoka High Court
- $300,000 for computerization of the Office of Registrar of Titles.

General Elections

- $5.9 million for electronic voter registration

SUMMARY OF REVENUE POLICIES

INCOME TAX ACT

- ✓ **Corporate Tax Rate**
    - The Company (Corporate) tax rate will be reduced from 28% to 20% from 1 January 2012

- ✓ **PAYE Tax Rates**
    - Income tax threshold will be increased from $15,000 to $15,600
    - The marginal income tax rate for lower band will be reduced from 25% to 7%; the rate for middle income tax band will be reduced from 31% to 18%, and the income tax marginal rate for the top band will be reduced from 31% to 20% in line with the company tax rate
    - A Social responsibility Levy will be applied on full chargeable income, starting at 23% for the income tax band $270,000 to $300,000
    - The levy rate will increase by 1% for every income tax band thereafter.

Chargeable Income ($)	Tax Payable ($)	Social Responsibility levy
0 – 15,600	Nil	Nil
15,601 – 22,000	7% of excess over $15,600	Nil
22,001 – 50,000	448 + 18% of excess over $22,000	Nil
50,001 – 270,000	5488 +20% of excess over $50,000	Nil
270,001 – 300,000	49,488 + 20% of excess of over $270,000	23%
300,001 – 350,000	55,487 + 20% of excess of over $300,000	24%
350,001 – 400,000	65,487 + 20% of excess of over $350,000	25%
400,001 – 450,000	75,487 + 20% of excess of over $400,000	26%
450,001 – 500,000	85,487 + 20% of excess of over $450,000	27%
500,001 – 1,000,000	95,487 + 20% of excess of over $500,000	28%
1,000,000 plus	195,486 + 20% of excess of over $1,000,000	29%

2012 PAYE tax Table

- ✓ **South Pacific Stock Exchange (SPSE) Incentive**
    - The 40% local equity requirements for foreign incorporated companies listed on the SPSE will be removed

- ✓ **Accelerated Depreciation Allowance**
    - This incentive will be extended 2014

- ✓ **40% Investment Allowance**
    - A 40% investment allowance (excluding cost of labor) for extension and renovation expenses will be introduced with a minimum qualifying capital expenditure of $50,000. This will only be made available to existing businesses in Vanua Levu.

- ✓ **Advance Company (Corporate) tax payments**
    - Effective from 2012, advance payment of corporate taxes by Companies will be increased from 33% to 90% by end of the current fiscal year.
    - For Companies having calendar year as balance date; 30% to be paid in June; 30% to be paid in September; and 30% to be paid in December, while the remaining 10% is to be paid in February the following year.

- ✓ **Removal of Housing Interest Allowance**
  - The $400 interest allowance on housing normally deductable under the PAYE tax computation will be removed

- ✓ **Tax Deduction on FNPF Employer Contribution**
  - Tax deduction to Employers for Employee FNPF contributions only to be allowable up to 50%

- ✓ **Carried Forward of Business Losses**
  - All carried forward of losses to be reduced to 4 years

- ✓ **Fringe Benefits Tax**
  - A new fringe benefit tax regime will be introduced at a rate of 20% in 2012

- ✓ **Transfer Pricing**
  - Section 31 of the ITA will be amended to provide for the introduction of the Income tax (Transfer Pricing) Regulations in 2012

- ✓ **Buying and Selling of Shares for Properties in Fiji**
  - A foreign company which owns land or assets in Fiji cannot transfer owner of the subject land or assets by way of sale of shares unless sale of those shares are approved by the Tax Department (FRCA)

- ✓ **Fringe Benefits Tax**
  - A new fringe benefit tax regime will be introduced at a rate of 20% from 1 January 2012

OTHER TAXES

- ✓ **Hotel Turnover tax (HTT)**
  - The Hotel Turnover Tax (HTT) will be renamed as Services Turnover Tax (STT)
  - The STT remains same at 5%
  - The new STT will also apply to other tourism related services:
    - Rental Car Operators
    - Inbound Tour Operators
    - Home Stay Operators
    - Events Management Operators
    - Recreation, Entertainment and Cinema Operators
    - Bar and Night Club Operators
    - Bistro, Coffee Shops & Restaurants with Annual Gross Turnover of $1.5 million and above; and
    - All water sports, underwater activities, skydiving, hot air balloon rides, river safaris, aircraft charter or hire, including helicopters with annual gross turnover in excess of $300,000

- ✓ **Departure tax**
  - The Departure tax will be increased from $100 to $150

VALUE ADDED TAX DECREE

- ✓ **Value Added Tax (VAT) Threshold**
  - For registration purposes, VAT threshold will increase from $50,000 to $100,000

- ✓ **Small and Micro Enterprises (SMEs)**
  - SMEs will be required to lodge only one VAT return in a year
  - This will be applicable only to entities with gross annual turnover of $300,00 and below

- ✓ **VAT on Dwelling House**
  - Reinstate repealed section 70(2) of the VAT decree to effect the re-introduction of VAT dwelling house claims
  - The expenditure threshold for VAT dwelling house is $120,000
  - This includes construction of first time residential housing and excludes renovations and purchase of land

- ✓ **VAT Refund**
  - FRCA and Ministry of Finance will expedite payment of VAT refunds.

OTHER NEW TAX MEASURES

- ✓ **Telecommunication Levy**
  - A 1% levy will be imposed on all voice call charges. This includes;
    - Landline phone bills or land line top up cards;
    - Mobile phone post- pay bills; and
    - Mobile phone top up cards or pre- pay bills
    - The levy will be collected by service providers and remitted to FRCA on a monthly basis.

- ✓ **Credit Card Levy**
  - A 2% levy will be imposed on all Credit Card purchases and payments. This will be levied each month on the statement balance.
  - The Reserve Bank of Fiji will draw up guide lines for financial institutions for smooth administration of the tax
  - The levy will be collected by the financial institutions and remitted to FRCA on a monthly basis

- ✓ **Third Party Insurance Levy**
  - A 20% levy will be imposed on Third Party premiums.
  - This levy will be collected by Insurance Companies and remitted to FRCA on a monthly basis

- ✓ **Luxury Car Free (new and used)**
  - A new customs levy of $7,500 will be imposed on luxury cars of a cylinder capacity exceeding 2500cc but not exceeding 3000cc, upon point of sale. This excludes single and twin cabs.

- A new customs levy of $20,000 will be imposed on luxury cars of a cylinder capacity exceeding 3000cc, upon point of sale.

✓ **Home Stays**
- FRCA will strengthen compliance on home stay operators.

✓ **Gold Card System**
- An incentive system will be introduced for best and compliant taxpayers

✓ **Decentralization of FRCA Offices**
- FRCA will open new offices in Rakiraki and Sigatoka from 2012

✓ **Upgrade of Tax Portal**
- Tax portal to be upgraded in 2012 to increase efficiency in FRCA

✓ **New Income Tax Decree**
- The new **Income Tax Decree** will come into effect on January 1, 2013

✓ **PAYE as Final Tax**
- To be effective from 2013
- All the taxable allowance (except FNPF) will be removed in line with reduced tax rate in 2012

✓ **Self Assessment**
- Self Assessment will be introduced in 2013

✓ **Presumptive Tax**
- Presumptive tax will be introduced in 2013

✓ **Tax Penalties**
- Tax penalties will be increased in 2012

✓ **Garnishee of Joint Accounts**
- Issuing of garnishee on bank joint accounts with spouse or children will be effected, provided the source of income is determined to be the income of the tax payer.

CUSTOMS TARIFF ACT (CTA)

Table 1: 2012 Fiscal Duty Changes

Items	Fiscal Duty
1. Canned Fish	✓ Increase Fiscal Duty from 15% to 32%
2. Electrical Mounting Blocks	✓ Increase Fiscal Duty from 5% to 15%
3. Exercise Books	✓ Increase Fiscal Duty from 15% to 32%
4. Imported Cigarettes and Alcohol	✓ Increase Fiscal Duty by 3%
5. Blank DVDs and CDs	✓ Introduce a specific duty rate of $1.00 on blank CDs & DVDs
6. Palm Oil	✓ Increase Fiscal Duty from 15% to 32%
7. Mono Sodium Glutamate (MSG)	✓ Increase Fiscal Duty from 5% to 32%
8. Machinery used in the manufacture of goods	✓ Reduce Fiscal to 0%
9. Knitted fabrics	✓ Reduce Fiscal Duty from 32% to 5%
10. New road tractors for semi trailers of heading 8701 and trailers of heading 8716	✓ Reduce Fiscal Duty from 32% to 5% excluding agricultural tractors, which is 0%; ✓ Includes prime movers; and ✓ Self Loading and Other trailers for transport of goods
11. New trucks (goods vehicles) of Gross Vehicle Weight exceeding 3 tonnes	✓ Reduce Fiscal Duty from 32% to 5%
12. New Special type vehicles of heading 8705	✓ Reduce Fiscal Duty from 32% to 5%
13. Fruits and vegetables not grown or produced in Fiji	✓ Reduce Fiscal Duty from 32% to 5%
14. Raw materials (manufacturers outside of Viti Levu)	✓ Reduce Fiscal Duty on raw materials to 0% for all manufacturers based outside of Viti Levu
15. Chicken Mesh hexagonal wire netting	✓ Reduce Fiscal Duty from 32% to 5%
16. Musical Instruments	✓ Reduce Fiscal Duty from 5% to 0%
17. Sports Equipment under heading 9506	✓ Reduce Fiscal Duty from 5% to 0% ✓ This includes energy supplements-beverages in liquid and powder form
18. Agricultural Inputs	✓ Reduce Fiscal Duty to 0% ✓ Seeds of a kind for sowing of heading 12.09, insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant growth regulators, pure-bred breeding animals falling under heading 0101,0102,0103 and 0104

Table 2: 2012 Import Excise Changes

Items	Fiscal Duty
1. New trucks (goods vehicles) of gross vehicle weight exceeding 3 tonnes	✓ Reduce Import Excise Duty from 15% to 5%
2. Musical Instruments	✓ Reduce Import Excise from 10% to 0%
3. Nails	✓ Impose 10% Import Excise
4. Nylon Ropes	✓ Impose 15% Import Excise

Table 3: 2012 Local Excise Changes

Items	Fiscal Duty
1. Cigarette, Tobacco and Alcohol	✓ Increase Excise Duty from by 3%

Table 4: 2012 Excise Rates

Description	2011 Rates	2012 Rates
1. Ale, beer, Stout and other fermented liquors of an alcoholic strength of 3% or less	$1.39 per Litre	$1.43 per litre
2. Ale, beer, Stout and other fermented liquors of an alcoholic strength of 3% or more	$1.62 per Litre	$1.67 per Litre
3. Potable Spirit not exceeding 57.12 GL	$30.54 per Litre	$31.46 per Litre
4. Potable Spirit exceeding 57.12 GL	$53.49 per Litre	$55.09 per Litre
5. Wine : Still Sparkling	$2.16 per Litre $2.46 per Litre	$2.22 per Litre $2.53 per Litre
6. Other fermented beverages: Still Sparkling	 $2.16 per Litre $2.46 per Litre	 $2.22 per Litre $2.53 per Litre
7. Ready to Drink Mixtures of any alcoholic Beverages of any alcoholic strength by volume of 11.49% or less	$1.00 per Litre	$1.03 per Litre
8. Cigarettes from Local tobacco per 10 sticks	93.86 Cents	96.68 Cents
9. Cigarette s from Imported tobacco per 10 sticks	140.81 cents	145.03 cents
10. Manufactured tobacco containing tobacco grown outside Fiji	$81.13 per kg	$83.56 per kg
11. Manufactured tobacco containing tobacco grown in Fiji	$47.66 per kg	$49.09 per kg
12. Manufactured tobacco containing tobacco grown in foreign and tobacco grown in Fiji: Foreign portion Local portion	 $81.13 per kg $47.66 per kg	 $83.56 per kg $49.09 per kg

Table 5: Amendments to Part II of the Customs Tariff Act

Policy	Description
1. Code 117 (ii) [(Knitted fabric accepted by the Comptroller as not being manufactured in Fiji to a specification which he/she considers reasonable (heading 3002, 6003, 6004, 6005 and 6006)]	✓ Delete the content of code 117 (ii) in line reduction in fiscal duty from 32% to 5% for knitted fabrics

Table 6: Amendments to Part III of the Customs Tariff Act

Policy	Description
2. Creation of codes in Part III of the Tariff	✓ Creation of codes in Part III of the Tariff to accommodate certain goods currently approved under Section 10- existing requirements and qualifying conditions will apply

OTHER CUSTOMS CHANGES
Table 7: Legislative Changes

Policy	Description
1. Garnishee Bank Accounts for Duty owed	✓ To recover duty owed, garnishee order will be issued on the Importers' bank account or joint account is determined to be the income of the Importer only and not the other party of the joint account.

CHANGES TO SECTION 10 CONSSIONS
Table 8: Section 10 Changes

Policy	Descriptions
13. Palm Oil	✓ Remove Section 10 concession
14. Styrofoam lunch boxes	✓ Remove Section 10 concession
15. Tubes, bulbs used for motor vehicles, torches and flash lights	✓ Remove Section 10 concession
16. Duty rate on Agricultural Machinery and Equipment	✓ Agriculture & Dairy – Duty free concession on all specialized agricultural machinery and equipment and other agricultural related inputs
17. Duty on specialized equipment and machinery	✓ Fisheries & Forestry – Duty free concessions on specialized equipment and Machinery
18. Exercise Books	✓ Remove Section 10 concession

CHANGES TO EXCHANGE CONTROL POLICY (EFFECTIVE FROM 1 JANUARY 2012)

PAYMENTS	Current Delegated Limits	Revised Delegated Limits
1. Offshore Investment ✓ FNPF ✓ Non-Bank Financial Institutions (NBFIs) ✓ Companies ✓ Fiji Residents	✓ Suspended	✓ FNPF,NBIFs and Companies require Bank approval ✓ For individuals, delegate up to $10,000 each or per family per annum.
2. Emigrant Transfers	✓ Requires reserve bank approval	✓ Requires reserve bank approval
3. Export of cash		✓ Increase delegate limit to the equivalent of F 10,000 in foreign currency inclusive of $500
4. Airline Ticket Sales (applicable only to overseas airlines with offices or agents in Fiji)	✓ Up to $100,000 per invoice	✓ Increase delegated limit up to $1,000,000 per application
5. Forward Cover Contracts		✓ 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 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-imbursement/refund m. Software, etc n. Other *** Does not include commercial banks and FX Dealers' head office expenses or reimbursement charges	✓ Up to $100,000 per invoice	✓ Increase delegated limit up to $500,000 per invoice
7. Import payments ✓ Advance payment ✓ Payments for merchanted goods	✓ Up to $200,000 per invoice ✓ Up to $50,000 per invoice	Increased delegated limit as follows: ✓ $500,000 per invoice ✓ $100,000 per invoice

PAYMENTS	Current Delegated Limits	Revised Delegated Limits
✓ Payment to third parties for goods already received ✓ Prepayments of term bills for goods already received.	✓ Requires RBF approval ✓ Requires RBF approval	✓ $100,000 per invoice ✓ $1 million per invoice
8. Loan repayment ✓ Principle and interest (excluding upfront fees)	✓ Up to $100,000 per amount due per annum	✓ Increase delegated limit to $500,000 per amount due as scheduled.
9. Medical expenses ✓ Paid directly to the patient	✓ Up to $1,000 per applicant per annum	✓ Increase delegate limit to $5,000 per applicant per annum. This is in addition to the travel allowance of $10,000 per trip.
10. Offsetting of foreign Exchange Earnings against Foreign Currency Bills Payable ✓ Bills other than Merchandise Imports	✓ Requires RBF approval	✓ Delegate up to $100,000 per invoice.
11. Subscriptions to clubs, societies and trade organizations including entrance fees.	✓ Up to $500 per subscription per annum	✓ Increase delegated limit up to $10,000 per annum
12. Profit declared and distributed to non-resident shareholders/partners/sole proprietors ✓ Capital ✓ Dividend or operating profit	✓ Requires RBF Approval ✓ Restricted to $F1m per annum ✓ Restricted to any one calendar year's profit not yet restricted.	✓ Requires Reserve Bank approval ✓ Requires Reserve Bank approval

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