



FOREIGN EXCHANGE CONTROLS INFORMATION BOOKLET



**Financial Markets Department
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A. INTRODUCTION

Exchange Control covers the regulation of foreign exchange transactions between Samoa and the rest of the world, including the buying and selling of foreign currency in Samoa. These regulations assist the Central Bank of Samoa to monitor capital inflows and control capital outflows.

Statutory Requirement

Authority to administer exchange control is vested with the Central Bank of Samoa under the Central Bank Regulation, which exercises the powers delegated to it under the Central Bank of Samoa Act (2015).

Delegation of Authority

Some of the powers delegated by the Minister of Finance, in particular the authority to buy and sell foreign currencies, are delegated by the Central Bank of Samoa to authorised foreign exchange dealers. These are referred to as Delegated Authority.

Processing of Applications

The delegated authority allows authorised foreign exchange dealers to approve applications for overseas payments by customers that are within the specified delegated authority and limits. These payments mostly relate to the payment of goods and services exchanged between Samoa and the rest of the world and payment of income to non-residents. There are, however, some types of transactions that may fall in this category that are not delegated to the authorised foreign exchange dealers. These include payments of insurance and reinsurance premiums by insurance companies and commercial banks, as well as management and professional fees.

All applications which do not fall within the scope of the delegated authority of authorised foreign exchange dealers require approval from the Central Bank of Samoa. In addition, where an applicant does not meet all the stated requirements for a particular transaction, the authorised foreign exchange dealer should also seek prior approval from the Central Bank of Samoa.

Inconsistencies

In the event of any inconsistency between the CBS Exchange Control Regulation (1999) and the exchange control notices, CBS Exchange Control Regulations will prevail. The CBS Exchange Control Regulation is also to be read in conjunction with other relevant CBS legislations, such as the Financial Institutions Act 1996. Likewise, the CBS Exchange Control Regulation (1999) is

subject to prevailing Anti -Money Laundering and Counterterrorism Financing (AML/CFT) Requirements in relation to the Money Laundering Prevention Act 2007 (and related Amendment Act 2018).

Authorised Foreign Exchange Dealers (AFEDs)

For the purposes of Exchange Control Regulations, authorised foreign exchange dealers include commercial banks, money transfer operators and money changers who have been issued licenses by the Central Bank of Samoa to conduct their respective foreign exchange businesses in Samoa.

Licensing of Foreign Exchange Dealers

Any person intending to set up a foreign exchange business in Samoa is required to apply first to the Central Bank of Samoa through the Financial Supervision and Regulatory Services Department.

To establish such an operation, applicants must meet all the requirements stipulated by the Central Bank of Samoa. The operation of authorised foreign exchange dealers is licensed and supervised by the Central Bank of Samoa within a regulated framework.

The following authorised foreign exchange dealers are licensed to deal in foreign exchange:

a. Authorised Banks

- 1) ANZ Bank (Samoa) Ltd
- 2) Bank South Pacific (Samoa) Ltd
- 3) National Bank of Samoa
- 4) Samoa Commercial Bank Ltd
- 5) Other banks authorized by the Central Bank from time to time.

b. Authorised Money Transfer Operators & Money Changers

- 1) Digicel Samoa Financial Services Ltd
- 2) Fexco (Samoa) Ltd
- 3) Frankie Money Transfer
- 4) Ink Patch Money Transfer
- 5) Imex Money Transfer
- 6) KlickEx (Samoa) Ltd
- 7) Pacific Ezy Money Transfer
- 8) Pacific Way Ltd
- 9) Samoa Finance Co. Ltd
- 10) Samoa Money Transfer
- 11) Samoa Post

- 12) South Pacific Business Development (SPBD) Fund
- 13) Vodafone Samoa M-Tala
- 14) Other Institutions/business entities authorized by the Central Bank of Samoa from time to time.

c. Authorised Money Changers (only)

- 1) Samoa Foreign Exchange

The Authorised Foreign Exchange Dealers may, according to their issued license:

- (i) transact (that is, receive and make payments between Samoa and the rest of the world in all foreign currencies); and/or
- (ii) exchange (buy and sell) foreign currencies; and/or
- (iii) approve application on the appropriate form where required, and where they are authorized to do so.

In contrast to authorised commercial banks, the operations of authorised money transfer operators and money changers are limited in the types of transactions that can be carried out. Where authorised money transfer operators may conduct some foreign exchange transactions similar to authorised commercial banks (such as being authorised to make payments between Samoa and the rest of the world), those who are only issued with money exchange licenses are only permitted to buy and sell foreign currency.

Processing Time for Exchange Control Approvals

Payments that have not been delegated to the Authorised Foreign Exchange Dealers require prior approval from the Central Bank of Samoa. In such cases, customers may lodge their applications through the authorised foreign exchange dealers, specifically the authorised banks and authorised money transfer operators, or professional institutions (law/accounting/real estate firms) or directly at the Exchange Control Unit of the Central Bank of Samoa.

Applications submitted with the relevant documentations generally take up to 3 days to process. This processing time is shortened tremendously when verification or supporting documents are intact.

Exchange Control Approval

Approval on the exchange control form will appear as a permit number and one (1) 'Authorised Bank Signatory'. An approval letter will have the phrase "Central Bank Approval" in the body of the text.

The Central Bank of Samoa, under the Exchange Control Regulation 1999, has the right to grant wholly or partly on any payment that it approves. Similarly, the Central Bank of Samoa

has the discretion to refuse any application.

B. DETERMINATION OF RESIDENCY

For the purpose of Exchange Control,

(i) **A Resident** is:

- A Samoan citizen who resides permanently in Samoa and has not obtained permanent residency to reside overseas.
- A Samoan citizen who is temporarily residing overseas (for education, working in Samoan embassy offices abroad or seasonal work) and has no intention of obtaining permanent residence in those countries;
- A non-Samoan citizen who has been granted a permit by the Immigration Department to reside in Samoa for a period of more than one year on assured income (except in special circumstances noted below);
- A married couple where one of the spouses is a resident of Samoa, who have designated their accounts to Samoan resident status;
- A business entity (partnerships, companies, branch operation, sole trader) that is incorporated or registered under the laws of Samoa, whose head office or center of administrative management is in Samoa.

(ii) **A Non-Resident** is:

- A person or business entity that does not qualify under the above definition.
- A non-Samoan citizen who resides in Samoa as representative of their countries in embassies, legations, consulates and offices of High Commissioners, members of the Diplomatic Corps, and High Commissioners, or international civil servants.

C. GENERAL EXCHANGE CONTROL POLICY OUTLINE

Exchange Control plays a complimentary role to monetary policy and supervision of the financial system by the Central Bank of Samoa, to ensure that the country's foreign exchange reserves are used for legitimate purposes and maintained at a sustainable level.

The Central Bank of Samoa has progressively relaxed its exchange control policies over the years since the liberalization of the financial system in January 1998. Since 2014, the Central Bank regularly reviews its exchange control policy guidelines from time to time, to reflect the prevailing financial and liquidity conditions in the domestic economy.

In general, the transferability of funds for current account transactions between Samoa and

the rest of the world have largely eased over the years. A few administrative or quantitative controls (i.e., delegated authorized limits to the AFEDs), remain relevant, although these have also gradually been relaxed in view of changing economic and financial conditions from time to time. Capital account-related transactions between Samoa and the rest of the world continue to require prior CBS approval.

For the purposes of this Information Booklet, the following exchange control policy guidelines will be highlighted under the following Sections:

- i. Types of Bank Accounts
- ii. Domestic Dealings in Foreign Currency Notes
- iii. Export Procedures and Receipts
- iv. Repatriation of Capital and Income
- v. Offshore Investment
- vi. Insurance Payments
- vii. Management fees/Professional services fees, including consultancy fees
- viii. Emigration Allowance
- ix. Foreign currency loans and/or offshore borrowing
- x. Exchange Control Transactions and Delegated Limits

I. TYPES OF BANK ACCOUNTS

External Accounts are accounts in Samoan currency (i.e., Tala) held by individuals, organisations or entities that are regarded as non-resident with authorised banks under Exchange Control purposes. External Accounts may be credited with funds sourced from the following:

- * interest payable on the account;
- * payments from other External Accounts;
- * payments by residents of Samoa for which permissions have been given either under a delegated authority given to the banks in an Exchange Control notice or specifically by the Central Bank;
- * the proceeds of sale of foreign currency by the account-holder sourced externally or remaining from travel funds;
- * the proceeds of Samoan currency notes received from the account-holder when he is leaving Samoa after a temporary visit provided the authorised bank maintaining the account is reasonably satisfied that the notes were obtained in Samoa by the sale of foreign currency or by the debit of an External Account or were brought into the country by the traveler.
- * Salaries and wages due from employment in Samoa.

External Accounts may be debited with:

- 1) payments to residents of Samoa;
- 2) payments to other External Accounts;
- 3) payments in cash in Samoa;
- 4) cost of foreign exchange facilities for travel purchased in accordance with EC Notice 9;
- 5) cost of foreign currency purchased by the account -holder in accordance with Notice EC Notice 5; and;
- 6) payment in foreign currency to non-residents;

Banks are authorized to debit an External Account without any limits within their delegated authority, except for capital transactions which still requires CBS approval.

Exemption

Office Accounts of Diplomatic Corps e.g. Embassies, Legations, Consulates and Offices of High commissioners and Offices of United Nations Agencies may be credited with resident Samoan Tala without restriction.

Foreign Currency Deposit Accounts (FCDA)

These refer to foreign currency denominated accounts (e.g. US dollars, Australian dollars etc.) held with authorised commercial banks, in the names of individuals or firms who are residents and non-residents of Samoa. Whereas non-residents can apply for FCDAs with authorised commercial banks, CBS approval is required for those who are residents of Samoa.

Effective 1st August 2021, resident applicants may first approach their commercial bank of choice to apply for their FCDA. It is the commercial bank's responsibility to firstly assess their client's FCDA application in view of their due diligence and internal processes, before subsequently referring the FCDA application and assessment to the CBS for final consideration and approval. The CBS approval process will include the authorization of the FCDA application form and a CBS approval letter. The approved resident holder of the FCDA is required to submit a monthly FCDA report to CBS, either electronically to the Exchange Control group email OR hand delivered to the Exchange Control Unit at Level 1 of the CBS Building.

For residents of Samoa, the ONLY eligible persons that CBS will grant the opening and maintenance of a foreign currency deposit account with Authorised Banks are those who are:

- a. earners of foreign exchange; AND
- b. have a genuine need to use foreign exchange to settle overseas commitments.

For both FCDA of residents and non-residents, CASH is not an acceptable source of funding. The

only exceptions whereby foreign cash may be allowed as a source of funding are resident FCDA holders who operate as Hotels and as Money Changers (the latter being licensed with CBS – refer list in page 3 and 4).

Residents who require a foreign currency deposit account need to submit an application through their designated commercial bank. Following the initial account request assessment by the designated commercial bank, it is their responsibility to provide relevant supporting documents to the Central Bank of Samoa, which includes, but not limited to the following:

- 1) A letter of request addressed to the Governor of the Central Bank of Samoa, which will provide the bank's assessment of applicant's request;
- 2) An authorised and valid form of identification (such as a passport);
- 3) Copy of valid business license (if applicant is a business entity)
- 4) Valid business registration or memorandum of incorporation (in the case of organisations) from the Ministry of Commerce, Industry and Labour; and;
- 5) Evidence or confirmation of funds that will source the account – this will be dependent on the type of applicant (individual or business entity);
- 6) any other information as necessary.

Foreign Currency Deposit Accounts may be credited with funds sourced from the following:

- * Any interest accruing thereon;
- * Payments in foreign currency made by non-residents for settlement of a trade transaction, for fees and services rendered and for such other receipts as approved by the Central Bank;

FCDA, in conformity with the EC regulations, may be debited with;

- 1) payments to non-residents for imports of goods and services; and
- 2) foreign exchange requirements for overseas travel;
- 3) foreign exchange requirements for other purpose as specified on account holders' approved FCDA application; and/or;
- 4) any other payments as approved by CBS. **All** Resident holders of FCDAs are required to submit a monthly report to CBS by the fifth (5th) working day of the subsequent month. Any misuse of these foreign currency accounts, other than their approved purposes, will result in the closure of these accounts with authorized banks.

If, for any reason, there is a need for a change in the terms and conditions as set out in the initial CBS approved FCDA, the banks and their clients are to kindly inform and request an approval from the Central Bank, prior to the proposed change taking effect.

Closure of Foreign Currency Deposit accounts for non-residents – where a non-resident has ended his/her employment contract in Samoa and seeks to close and remit funds from their foreign currency deposit account with a local authorized bank to their home country, the following is advised:

- For amounts up to SAT\$50,000 (or equivalent of foreign amount) – delegated authority has been granted to the authorized banks;
- For amounts of SAT\$50,000 and more (or equivalent of foreign amount) – prior CBS approval is required.

Closure of Foreign Currency Deposit accounts for residents – where a resident may request to close their foreign currency account with any of the local authorized banks, for any reason and/or seeks to transfer abroad or change foreign currency funds to Samoa Tala, the following is advised:

- For amounts up to SAT\$50,000 (or equivalent of foreign amount) – delegated authority has been granted to the authorized banks;
- For amounts of SAT\$50,000 and more (or equivalent of foreign amount) – prior CBS approval is required.

II. DOMESTIC DEALINGS IN FOREIGN CURRENCY NOTES

The general public is reminded that the purchase and sale of foreign currency notes for/with Samoan Tala can only be transacted with authorised banks and money changers as licensed by the Central Bank. (Refer to pages 2 and 3 of this Booklet for the list).

The general public may:

- i. sell foreign notes to the authorised banks and money changers without limit;
- ii. buy foreign notes for overseas travel purposes subject to the submission of relevant supporting documents to the authorised banks and money changers;

For foreign notes that are purchased with the intention to be hand carried during an overseas travel, and where the total amount exceeds the equivalent of SAT\$20,000.00 per person, prior CBS approval will be required. In this instance, the general public will be reminded to ensure the funds are declared and the Ministry of Custom and Revenue’s Border Control Form is completed at the international ports of arrival/departure (Faleolo and Fagalii).

III. EXPORT PROCEDURES AND RECEIPTS

Any exporter of commodities from Samoa is required to obtain an export permit from the Central Bank of Samoa. This would require the exporter to submit to CBS a valid business license from the Ministry of Customs and Revenue at the start of each calendar year, as well as appropriate supporting documents for each export consignment.

For fish and any primary agricultural good that may have quarantine requirements, the exporter is to first obtain clearance from the Fisheries Division and/or Quarantine Division of the Ministry of Agriculture and Fisheries. This clearance will either be in the form of a license issued by the Ministry's respective division or official stamp on the CBS Form E.

All exporters, with the exception of those for fish, are required to attain and complete the CBS Form 'E' in quadruplicate at CBS, prior to taking their shipments to the Ministry of Customs and Revenue along with the export entry forms, in respect of all exports in excess of \$500 in value.

In the event of a partial lockdown imposed by the Government or as declared during a State of Emergency Order that would prevent an exporter from being able to physically submit a request for an Export Permit from CBS, an electronic submission with the necessary supporting documents can be made through to the Exchange Control Group email. CBS will subsequently issue by email the CBS export permit as needed. This procedure is subject to change given the circumstances and/or where efficient.

An exporter (either individual or business) must bring back to Samoa all export receipts or foreign exchange earnings from the sale of commodities within two months from the date of shipment, except for goods shipped to American Samoa, which must be received within four weeks from date of export. All export proceeds must be realised through an authorised foreign exchange dealer (i.e. authorised commercial bank or money transfer operator).

Export proceeds may NOT, for any purpose, be utilized and/or retained abroad for an extended period, without approval of the Central Bank of Sāmoa. Exporters (individuals or businesses) are only allowed by the Central Bank of Samoa to credit their foreign currency accounts with export proceeds to meet import payments and other business related commitments as approved by the Central Bank.

Confirmation of receipts of export proceeds can be in the form of a bank statement from the authorised banks stating credits of proceeds or receipts of funds received through a money transfer operator.

IV. REPATRIATION OF CAPITAL AND INCOME

Repatriation of capital and profit remittances on foreign capital is permitted, although it must be approved by CBS based on submission of necessary documents, such as the following;

- a) Application letter explaining the request;
- b) Audited accounts relating to the profit remittance year(s) requested;
- c) A copy of the Authorised Directors' Resolution approving the specified dividend payment;
- d) Confirmation of any associated tax payments to the Ministry of Customs and Revenue.

V. OFFSHORE INVESTMENTS

Offshore Investments are subject to Exchange Control regulations and requires CBS approval.

Individuals and Business Entities:

Written application letter submitted to CBS must state all the necessary information relating to the potential overseas investment, including the following information (although not limited to these):

- (i) Details of the overseas investment, including the prospectus (if applicable);
- (ii) An evidence of the source of funds for the proposed amount;
- (iii) Audited financial accounts (in the case of businesses and where appropriate);
- (iv) Background details and nature of business operation in Sāmoa and overseas (including the names of the principals and ownership structure, in the case of businesses);
- (v) Ensure the anticipated dividends or returns to be earned from any overseas investment abroad are to be remitted back to Samoa.
- (vi) In the case of a locally incorporated business or company requesting to establish a subsidiary overseas, they must clearly provide evidence to the Central Bank of Samoa that establishing such an overseas office will contribute favourably to higher export volume and value. In addition, such an operation is to be controlled from Samoa;

Depending on the assessment of application, on a case by case basis, other documentations may also be required.

Non-Bank Financial Institutions

Non-Bank Financial Institutions (such as the Samoa National Provident Fund, UTOS, Accident Compensation Corporation etc) must submit written applications to the Central Bank indicating their interest to invest abroad. All written applications should include details of the proposed investment, the prospectus (if applicable), proposed remittance schedule (should the amount be substantial) and any other documents as appropriate.

For Outward Remittance of Tala or Foreign Currency following the sale of an investment or the liquidation of a business entity in Samoa:

A Resident Person who remits funds out of Samoa as the proceeds of the sale of an asset (property or liquidated business) MUST ensure that:

- CBS Approval is Required, by submitting an application letter to CBS with all supporting documents for the transaction;
- Upon approval, applicants will complete and sign the CBS BOP2 Form at CBS, prior to processing of payment at the AFED.

Supporting documents required:

For the outward remittance of proceeds from the sale of a property in Samoa or for the outward remittance of proceeds for the purchase of a property in Samoa where the vendor/transferor permanently resides abroad, the following, although not limited to these, are documentations that

are required to be presented to CBS for consideration.

- i. Letter of Request to CBS
- ii. Registered Transfer of Ownership
- iii. Computer Folio Certificate (old and new)
 - i. Where the new computer folio certificate is not yet available and funds are requested to be remitted beforehand, the following can be considered by CBS:
 - a. A letter from MNRE Registration Division to confirm there is no interests on the land and that the preparation of the new CFC is a formality. **OR**
- iv. Letter of Undertaking by a lawyer, **ONLY** in the absence of a registered copy of (ii) above or that of a new CFC. With the latter, the lawyer is to confirm that there are no interests or restrictions on the land being sold/bought by their client. Further, that the new CFC shall be submitted to CBS within 30 working days.
 - A specific undertaking by the Lawyer shall be in a form agreed upon with CBS.
- v. Registered Power of Attorney **ONLY** in the case where the applicant is an individual and not the owner of the property sold (excluded in the case of a property realtor or lawyer who has been authorized by the owner to act on his/her behalf)
- vi. Registered Enduring Power of Attorney (EPA). This legal document allows a person who wishes to give his/her power of attorney to someone to appoint one or more attorney(s) to take care of his/her financial matters in the event that he/she subsequently becomes mentally incapacitated and do so while he/she is still mentally capable.
- vii. Purchase/Sale Agreement
- viii. Bank Statement to evidence the proceeds to be remitted (only in the case where the applicant is an individual)
 - In the case of real estate agents and/or lawyers, any confirmation of the receipt of proceeds being held in their trust accounts will be sufficient (e.g. copy of official receipt or if already stated in the purchase/sale agreement)
- ix. In the event of more than one beneficiary, other than the actual owner of the property sold, an original letter from the actual owner confirming amounts of proceeds to be remitted to other beneficiaries other than himself/herself.
- x. Any other documentations that may be required, depending on a case by case basis.

NOTE: In the absence of a new CFC, consideration may be provided for the remittance of **partial funds only** relating to the land sale where such funds represent a non-refundable deposit portion as specified in the Sale and Purchase Agreement or depending on the settlement specifications in the Agreement.

For the outward remittance of proceeds from the liquidation of an investment business entity in Samoa:

- i. Letter of Request to CBS;
- ii. Registered Transfer of Ownership;
- iii. Letter of Undertaking by a lawyer in the absence of (ii) above;
- iv. Documentations evidencing authority for the applicant to be the liquidator for the business entity concerned;
- v. Any other documentation that may be required (depending on a case by case basis).

(Refer list for foreign currency payments requirements – Section IX)

VI. INSURANCE PAYMENTS

For any overseas payment of assurance, insurance and re-insurance premiums by individuals, private businesses, organizations, Government ministries, authorities and other institutions, these are delegated for processing by the AFEDS. Relevant and valid supporting documents must be presented to the AFEDS prior to the processing of these insurance payments abroad.

For payments of assurance, insurance and/or re -insurance premiums overseas by authorised Insurance Companies and commercial banks as licensed by the Central Bank, these require prior CBS approval. Relevant supporting documents are also required for these submissions to the Central Bank.

Consistent with Samoa's tax legislations, all applicants must ensure the relevant tax relating to all types of insurance payments abroad are paid to the Ministry of Customs and Revenue.

VII. MANAGEMENT FEES & PROFESSIONAL SERVICES FEES INCLUDING CONSULTANCY FEES

Management fees, Consultancy fees and/or Professional fees refer to payments, remuneration of or consideration to external parties for the management of certain areas of the local business operation, including management or consultancy services or for professional managerial services rendered by the external party on behalf of the local business.

All applications to remit funds in respect to Consultancy/Management/Professional fees must be referred to CBS for approval. AFEDs are to remind their clients of the necessary supporting documents and ensure any withholding tax associated with this type of payment is paid accordingly to the Ministry of Customs and Revenue, as these types of payments are subject to 15 per cent non-resident withholding tax according to Section 10.2 of the Income Tax Act 2012.

For an International Organization established in Samoa under Diplomatic Privileges and Immunity Convention, which are recognized as having legal immunity from the jurisdiction of another country, are exempt from any restrictions as specified in the relevant EC notice and have the related tax exemption status from the Ministry of Customs and Revenue, and who wishes to make a payment under this EC Notice, this client is to submit the following documents to the Central Bank of Samoa first prior to making any payment transactions with any of the Commercial Banks or Money Transfers Operators.

- i. Letter of request to CBS to indicate exemption from CBS processing for this type of overseas payment
- ii. Evidence or supporting document from the Ministry of Customs and Revenue to indicate the tax exemption status of the organization.

- iii. Where appropriate, a copy of a relevant section in a signed agreement or official document with the Government of Samoa indicating exemptions that have been granted to be applied in Samoa.
- iv. Any other necessary documents as may be required from time to time.

If any doubts of their status under Exchange Control Regulations, any of those listed in Appendix 1 are encouraged to contact the CBS-Exchange Control team or provide the abovementioned documents, where appropriate. Appendix 1 listing may also apply for foreign payments under this section of this information booklet but will be subject to available or submitted information.

VIII. EMIGRATION ALLOWANCE

Subject to a delegated authority by CBS, persons who are regarded as residents in Samoa and who are leaving to take up residence for at least five years in a country outside Samoa MUST apply for emigration allowance or funds directly to CBS or through their AFEDs and accompanied by appropriate supporting documents. **Effective 1st August 2023**, authority is delegated to the authorized banks and authorized money transfer operators to process payments of up to SAT\$50,000. All applications that are more than SAT\$50,000 are to be referred to CBS for prior approval. The AFEDs are required to ensure the relevant supporting documents are available to them in the exercise of this delegated authority.

Supporting documents required for emigration allowance shall include the following:

1. Copy of itinerary (indicating outward travel from Samoa to the country of residence);
2. Statements or documents reflecting the source of funds. These may include any of the following
 - i. bank balances (with name of bank or banks);
 - ii. Securities held in Samoa;
 - iii. SNPF Contributions/UTOS Investment
 - iv. Life Assurance policies and annuities (with names of companies, date when policy taken out and date when benefits are payable);
 - v. Other assets such as property etc (such as land and buildings, shares in local enterprises etc..).
3. Where appropriate:
 - i. documentary evidence to confirm permanent residence abroad (visas, valid passports, etc.);
 - ii. A certificate from the Commissioner of Inland Revenue confirming clearance of all requirements of the Samoa tax authorities;
 - iii. A clear statement by the applicant confirming the proposed duration of residence

in the country to which he is emigrating.

Where the funds to be transferred overseas are sourced from the following:

i. Closure of Foreign Currency Deposit accounts (for non-residents) and/or local bank accounts

(for residents) – where the funds to be transferred overseas from any closed bank accounts are:

- Up to SAT\$50,000 (or equivalent of foreign amount) – delegated authority has been granted to the authorized banks;
- SAT\$50,000 and more (or equivalent of foreign amount) – prior CBS approval is required.

ii. Withdrawal of local investments from Unit Trust of Samoa (UTOS) and/or contributions with the Samoa National Provident Fund (SNPF):

- Up to SAT\$50,000 – increased delegated limit has been granted to authorized banks and money transfer operators;
- Prior CBS approval is required when funds to be remitted abroad exceeds SAT\$50,000.

IX. FOREIGN CURRENCY LOANS/ OFFSHORE BORROWINGS/ REMITTANCE ABROAD OF A SAMOAN TALA LOAN

Residents of Samoa seeking to borrow in foreign currency from the local commercial banks and/or overseas **must seek prior CBS approval** and comply with the following requirements:

- The borrower must have the ability to have sufficient foreign exchange earnings/receipts (of the same foreign currency denomination as the loan) in order to be eligible for this facility. That is, the borrower should be naturally hedged.
- Additionally, the borrower must have sufficient assets in Samoa as collateral or security for the foreign currency loan.
- Funds borrowed must be invested in projects that will benefit the country, particularly in earning future foreign exchange and providing domestic job creation. Investment in projects mean acquiring or purchasing capital assets that will support the line of business of the applicant and contribute to further employment or the business' ability to earn higher foreign exchange in the future. This may also include acquiring shares or assets of an overseas business, within the same line of business as the applicant, subject to proof of potential benefits to the Samoan economy from such overseas venture.
- Foreign currency borrowed must be used to enhance the line of operation of the applicant business and not any other related/associated businesses (of same ownership).

- v. Foreign currency borrowed must not be used to repay (i.e., refinance) any other overseas obligation or for construction or expansion of an associated business, not directly of the same line of business operation as the applicant business.
- vi. The borrower must have the ability to repay the loan.

Applications to borrow in foreign currency must provide the following documentations to the CBS:

- 1) Letter of request to CBS with full details of the transactions to be undertaken;
- 2) A copy of signed, dated and stamped documentation (executed loan agreement, guarantees, etc.) must be lodged with CBS;
- 3) Loan repayments schedules, stating the whole duration of repayments and interests charged and any bank fees etc.;
- 4) An update bank account statement of applicant.

In the event a resident (person or company) takes out a Samoan Tala currency loan with any of the authorized banks, the following is to be noted:

- i. The borrowed funds (or loan) in Samoan Tala cannot be converted into any foreign currency and transferred overseas for the purpose of refinancing an existing loan obligation overseas. Any exception to this may be considered on a case by case basis by the Central Bank, subject to there being no adverse effect on both domestic and foreign exchange reserves as well as any other factor that may present a risk to Samoa's financial stability.
- ii. Where the borrowed funds in Samoan Tala is to be used to purchase a property or acquire an investment overseas, this is a capital transaction and is to be referred for prior CBS approval.

Repayment of Overseas Outstanding Debts:

Any outstanding debts in overseas countries by returning residents and foreign expatriates residing in Samoa (for a period of up to three years), and who are required to make regular loan repayments are to be assessed and processed by the authorized banks and authorized money transfer operators, without seeking prior CBS approval. These outstanding debts may include overseas student loans or any other pre-existing overseas loans prior to migration or return to Samoa. (e.g. housing mortgage).

All other types of foreign currency loan repayments or repayments associated with new external loans while resident of Samoa (as outlined in above section) remain to be authorized by CBS.

X. EXCHANGE CONTROL TRANSACTIONS AND DELEGATED LIMITS

The following table (Appendix 2) highlights the Exchange Control Policy Requirements that are currently in place.

These include overseas payments that have been delegated to authorised foreign exchange dealers and those that require CBS approval. Payments that have not been delegated to authorised foreign exchange dealers or fall outside the delegated authority limits **must** be referred to the Central Bank together with the relevant documentation for processing.

Exchange Control Unit – Domestic Markets Division,
Financial Markets Department

APPENDIX 1: LIST OF INTERNATIONAL AND REGIONAL ORGANIZATIONS IN SAMOA AND DIPLOMATIC MISSIONS IN SAMOA

A. Embassies/High Commissions

1. Australia High Commission
2. British High Commission
3. Embassy of the People's Republic of China
4. Embassy of Japan
5. New Zealand High Commission
6. United State of America Embassy
7. British High Commission
8. Any other embassy or high commission office that may be established from time to time

B. International Organisations

1. Asian Development Bank (ADB) Representative Office
2. European Union (EU)
3. Food Agricultural Organisation (FAO)
4. Japan International Cooperation Agency (JICA)
5. Japan Overseas Cooperation Volunteers (JOCV)
6. Secretariat Pacific Regional Environment Programme (SPREP)
7. United Nations and its affiliate offices such as:
 - a. United Nations Development Programme (UNDP)
 - b. United Nations Educational Scientific and Cultural Organisation (UNESCO)
 - c. United Nations Environment Programme (UNEP)
8. United States Peace Corporations (US Peace Corps)
9. World Health Organisation (WHO)
10. Green Climate Fund
11. International Labour Organization (ILO)
12. Pacer Plus Implementation Unit (PPIC)
13. Pacific Transitional Crime Coordination Centre (PTCCC)
14. Pacific Immigration Development Community (PIDC)
15. Pacific Water and Wastewater Association
16. Office of the Council for the Ongoing Government of Tokelau
17. UN Women
18. United National Population Fund
19. UNICEF
20. UN Capital Development Fund (UNCDF)
21. World Bank
22. World Meteorological Organization
23. Any other international organization that may be established from time to time

(Source: Protocol Services Division – Ministry of Foreign Affairs and Trade)

APPENDIX 2: FOREIGN CURRENCY PAYMENT DOCUMENTARY REQUIREMENTS

Effective from 1 August 2023

For all types of Payments listed below, applicants are to be referred to CBS when AFED are not satisfied with applications.

<u>TYPES OF PAYMENTS</u>	<u>AUTHORITY FOR PROCESSING & APPROVAL</u>	<u>DELEGATED LIMIT</u>	<u>DOCUMENTARY REQUIREMENTS</u> (For authority delegated to <u>Authorised Foreign Exchange Dealers</u>)	<u>DOCUMENTARY REQUIREMENT</u> (For CBS Approval)
<p>Airline Ticket Sales/Excess Freight Receipts</p> <p>payments by overseas airlines or companies with offices and agents in Sāmoa</p>	AFED	Up to SAT\$1,000,000 per application per month	Airline or Company's updated bank statement (evidence that amount are sourced from ticket sales or freight collection in Samoa)	
	CBS	When exceeds SAT\$1,000,000 per application per month		<p>Application letter from Airline office or Company.</p> <p>Updated bank statement of Airline Office or Company (evidence that amount are sourced from ticket sales or freight collection in Samoa);</p> <p>Audited accounts for related period covered in request.</p>
<p>Capital & Dividend OR Operating Profits</p>	CBS	No Limit - To be assessed on case basis		Application letter from applicant;

<p>Profit declared and distributed to Non-residents Shareholders, Partners, Sole Proprietors</p>				<p>Audited accounts for the related financial year;</p> <p>Board of Directors' Resolution signed by at least three (3) directors.</p>
<p>Charges, Fees & Services; (freight & shipping, transport charges, repairs, technical, subscriptions and advertising etc.)</p>	<p>AFED</p>	<p>No Limit</p>	<p>Original invoice;</p> <p>Statement of payment due;</p>	
<p>Closure of Accounts in the names of Residents and Non-Residents at the End of Employment Contract in Samoa</p> <p>i.e. Foreign Currency Deposit Accounts and External Accounts (or SAT accounts in the case of non-residents)</p> <p>a) For Residents</p>	<p>AFED</p>	<p>Up to SAT\$50,000</p>	<p>An updated bank statement of account;</p> <p>A valid identification card or passport;</p>	<p>When exceeding SAT\$50,000, to be referred to CBS:</p> <p>Application letter from applicant;</p> <p>An updated bank statement of account;</p> <p>A confirmation of other sources of funds included in amount to be</p>

				remitted overseas, if different from salary; A valid identification card or passport.
<u>b) For Non-Residents</u>	AFED	Up to SAT\$50,000	Original Employment Contract; A confirmation letter from the employer on completion of contract and date; An updated bank statement of account; A valid passport and itinerary	When exceeding SAT\$50,000 to be referred to CBS: Original Employment Contract; Application letter; Confirmation letter from employer on the completion of contract including dates etc An updated bank statement of account; A valid identification card and/or passport with itinerary (if leaving Sāmoa);
Court order payments; Alimony, Collection of debt & other	AFED (depending on case by case) applicants can be referred to CBS if AFED is not satisfied with purpose of payment.	No Limit (depending on purpose of payment and provision of documentation as evidence of payment)	1) Signed Court Order; 2) Copy of separated agreement, and; 3) An updated bank statement (if required); 4) Any other related document; <u>Note:</u> *Beneficiary should be a non-resident.	1) Signed Court Order; 2) Copy of separated agreement, and; 3) An updated bank statement (if required); 4) Any other related document;

				<u>Note:</u> *Beneficiary should be a non-resident.
<p>Credit card payments</p> <p>Personal, corporate cash & cash drawing</p>	AFED	No Limit	An updated credit card statement showing amount owing to be paid	
<p>Education</p> <p>Pay directly to the education institution</p> <p>Pay directly to the student</p>	AFED	No Limit	<p>Original enrolment letter on letterhead;</p> <p>Statement of expenses for the current school year;</p> <p>A letter or official document from the landlord or accommodation confirming costs.</p>	
<p>Emigration Allowance</p> <p>Funded from sale of personal assets, maturity of life insurance and annuities, savings at SNPF, estate funds & pension, UTOS investment</p>	AFED	Up to SAT\$50,000.00	<p>Statement of assets such as;</p> <p>securities, life assurance policies annuities, SNPF contributions, UTOS, other assets or properties;</p> <p>Bank account statements;</p>	

			Valid original passport, airline tickets, visa or evidence of permanent residence in new country of residency.	
	CBS	When payments are more than SAT\$50,000;		<p>Application letter</p> <p>Statement of assets such as;</p> <p>securities, life assurance policies annuities, SNPF contributions, UTOS, other assets or properties;</p> <p>Bank account statements;</p> <p>Valid original passport, airline tickets, visa or evidence of permanent residence in new country of residency.</p>
<p>Family Support/ Maintenance</p> <p>(to support the everyday living expenses of family members living abroad; children/parents/family members of residents and non-residents living in Samoa)</p>	AFED	Up to SAT\$100,000 per calendar year to support dependents (where applicants are Samoan residents or Samoan expatriates).	<p>Valid identification (eg. passport, driver's license etc)</p> <p>A bank statement as evidence (when amount to send is more than SAT\$5,000.00);</p>	

			Where necessary, a valid document or confirmation of proof of relationship with the beneficiary;	
	CBS	Exceeds SAT\$100,000 per applicant per calendar year - To be assessed on a case basis. <i>Note:- No limit to apply where applicant is a foreign expatriate working in Samoa for less than 1 year.</i>		Valid identification (eg. passport, driver's license etc...) A bank statement as evidence Where necessary, a valid document or confirmation of proof of relationship with the beneficiary;
Gifts (funds to contribute as donations to weddings or birthdays, funerals of relatives or/and any other family gatherings or obligation etc., or for other family commitments/purposes overseas)	AFED	Up to \$20,000 per applicant	Confirmation of source of funds (bank statement etc.); Identification card or valid passport of applicant and itinerary	
	CBS	Exceeding \$20,000 per applicant		Valid identification Confirmation of source of funds (e.g. bank statement, letter if it is a collection of donation by a group or family members etc...)

Family Support/ Maintenance (to support the everyday living expenses of family members living abroad; children/parents/family members of residents and non-residents living in Samoa)	AFED	Up to SAT\$100,000 per calendar year to support dependents (where applicants are Samoan residents or Samoan expatriates).	Valid identification (eg. passport, driver's license etc) A bank statement as evidence (when amount to send is more than SAT\$5,000.00); Where necessary, a valid document or confirmation of proof of relationship with the beneficiary;	
	CBS	Exceeds SAT\$100,000 per applicant per calendar year - To be assessed on a case basis. <i>Note:- No limit to apply where applicant is a foreign expatriate working in Samoa for less than 1 year.</i>		Valid identification (eg. passport, driver's license etc...) A bank statement as evidence Where necessary, a valid document or confirmation of proof of relationship with the beneficiary;
Gifts (funds to contribute as donations to weddings or birthdays, funerals of relatives or/and any other family gatherings or obligation etc., or for other family commitments/purposes overseas)	AFED	Up to \$20,000 per applicant	Confirmation of source of funds (bank statement etc.); Identification card or valid passport of applicant and itinerary	
	CBS	Exceeding \$20,000 per applicant		Valid identification

				Confirmation of source of funds (e.g. bank statement, letter if it is a collection of donation by a group or family members etc...)
Tax Refunds (Tax refunds to be paid overseas)	AFED	Up to \$50,000.00	Confirmation of source of funds (bank statement etc.) Letter from MCR confirming the amount of tax refunds. Identification card or valid passport of applicant	
	CBS	Exceeding \$50,000.00 per applicant (or relates to Government of Samoa Rebate) governed under the law.		Valid identification Confirmation of source of funds (bank statement etc) Letter from MCR confirming the amount of tax refunds A copy of the relevant Government Act to provide for tax, duty, and rebate incentives for the applicant business to be held/operated in Samoa.
Government Ministries Payments	AFED	No Limit		

(excluding Govt. external debts)			Completed original form (TY15) from Ministry of Finance; Original invoice from beneficiary of amounts due.	
<p>Import Payments</p> <p>a) Goods already arrived and cleared by the Samoa Customs;</p> <p>b) Advanced Import Payments, prior to shipment of goods</p> <p>c) Fuel (oil/petroleum/diesel) payments by PPS</p>	AFED	No Limit	<p>Original Suppliers' invoices stating the value of imported goods;</p> <p>Original bill of lading or airway bill detailing shipment/cargo;</p> <p>Original relevant customs documents upon receipt of goods in Samoa;</p> <p>Pro-forma invoice from supplier stating details for payment prior to shipment of goods;</p> <p>Original customs SAD documents to provide to AFED for stamping within 30days of arrival of goods in Samoa.</p> <p>Original Suppliers' invoices stating the value of fuel shipment;</p> <p>Customs entries and other relevant documentations.</p>	

<p>Insurance/Reinsurance Payments</p> <p>For all applicants (excluding Insurance companies and authorized banks)</p> <p>For insurance companies and authorized banks</p>	<p>AFED</p>	<p>No Limit</p>	<p>Confirmation of associated tax being paid at the Ministry of Customs and Revenue;</p>	
	<p>CBS</p>	<p>No Limit</p>	<p>Invoice stating amounts of insurance premiums due.</p>	<p>Application letter;</p> <p>Confirmation of associated tax being paid at the Ministry of Customs and Revenue;</p> <p>Invoice stating amounts of insurance premiums due.</p>
<p>Loan Repayments</p> <p>To be paid directly to institutions overseas</p> <p>a. overseas student loans;</p> <p>b. other pre-existing overseas loans (e.g. housing mortgage);</p> <p>c. settlement of overseas loan;</p> <p>d. refinancing overseas debt or mortgage;</p>	<p>AFED</p> <p>AFED</p>	<p>No Limit</p>	<p>An updated loan statement from institution overseas;</p> <p>Confirmation of source of funds for payment;</p>	
<p>e. repayment of foreign currency loans with local banks;</p> <p>f. new external loans.</p>	<p>CBS</p>	<p>No Limit (case by case basis)</p>		<p><u>For all payments referred to CBS:</u></p> <p>Application letter</p>

	CBS CBS CBS			An updated loan statement from institution overseas; Confirmation of source of funds for payment;
Consultancy fees, Management fees, and Professional Services Fees To be paid directly to beneficiary	CBS	No Limit		Application letter; Original invoices from beneficiary; Relevant supporting document verifying the allocation of costs and fees; Contract Agreement between the two parties (local & overseas); Evidence of WHT being paid (tax receipt confirmation) to the Ministry of Customs and Revenue.
Medical Payments i. To pay directly to the Medical Institution To pay directly to the patient	AFED	No Limit	i. Original invoice from the medical institution stating amount due;	

			Evidence of applicant or patient being referred overseas	
<p>Overseas Investments (including purchase of shares, stocks etc.)</p> <p><i>(to also refer to requirements as set out in EC Notice 12)</i></p>	CBS	To be assessed on case basis		<p>Application letter;</p> <p>Evidence of proposed investment (prospectus or any official document from overseas business entity where investment will be placed);</p> <p>Audited accounts (in the case of a business entity)</p>
<p>Pensions/Superannuation/Gratuity</p> <p>Payments by Govt., SNPF, other companies</p>	AFED	No Limit	Relevant documentations to verify requested amounts	
<p>Proceeds from Sale of Properties</p> <p>i. When applicant is the owner of land sold;</p>	CBS	To be assessed on case basis		<p>1)</p> <p>a. Application letter;</p> <p>b. Registered Transfer of Ownership;</p> <p>c. Stamped Computer Folio Certificate (CFC) – old and new;</p> <p>d. Bank statement or evidence showing the proceeds from property sold;</p> <p>e. Purchase & sale agreement</p>

<p>ii. When application is submitted by lawyer and Real estate;</p> <p>iii. When applicant is attorney for owner who resides overseas;</p> <p>iv. When there are many beneficiaries residing overseas;</p>				<p>f. OR an undertaking from lawyer if documents in b) and c) above is in process (although not encouraged);</p> <p>2)</p> <p>a. Same as 1(a) to 1(c) above;</p> <p>b. Receipt of funds received or being held in their trust accounts;</p> <p>c. OR purchase & sale agreement (if stated the amount).</p> <p>3)</p> <p>a. Same as 1(a) to 1(d) in above;</p> <p>b. Same as 1(e) and 1(f) above ;</p> <p>c. Power of Attorney or Enduring Power of Attorney.</p> <p>4)</p> <p>a. Same as 1(a) to (d) above;</p> <p>b. Same as 1 (e) above if applicable;</p> <p>c. A letter from owner of land sold (confirming distribution of proceeds to beneficiaries stating names and amounts to be paid out).</p>
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<p>Transfer of local investment funds</p> <p>(e.g., Unit Trust of Sāmoa investments and Sāmoa National Provident Fund Contributions)</p>	<p>AFED</p>	<p>When payments are up to SAT\$50,000.</p>	<p>Statements stating amounts paid to beneficiary;</p> <p>Any other relevant documentations to verify requested amounts;</p> <p>Confirmation of relationship of applicants and beneficiary of funds to be remitted (if applicable);</p>	
	<p>CBS</p>	<p>When payments are more than SAT\$50,000;</p>		<p>Application letter from applicant or UTOS and SNPF;</p> <p>Statements stating amounts to be paid to beneficiary;</p> <p>Any other relevant documentations to verify requested amounts;</p> <p>Confirmation of relationship of applicants and beneficiary of funds to be remitted (if applicable);</p>

<p>TRAVEL PURPOSES</p> <p>Hand-carry Cash</p> <p>(funds taken by residents when travelling overseas)</p> <ul style="list-style-type: none"> - Official, business or holiday travels. 	AFED	Equivalent of up to SAT\$20,000 per adult (18yrs and over) per trip,	Valid passport and itinerary; Relevant documentations to verify purposes of travel.	
	CBS	Exceeding SAT\$20,000 per adult (18yrs and over) per trip; To be assessed on case basis.		Source of funds Valid passport and itinerary; Relevant documentations to verify purposes of travel.
	AFED	No Limit	Confirmation of enrolment in overseas education institution Invoice or statement from education institution; or a confirmation of accommodation arrangements (if necessary) A copy of one way ticket or itinerary, and a valid passport	
<p>Travelling for:</p> <p>a. Education related purposes</p>				

<p>b. Health related Purposes</p>	<p>AFED</p>	<p>No Limit</p>	<p>Confirmation from medical institution or health professionals (where necessary)</p>	
<p>c. Other Travel Related Purposes</p>	<p>AFED</p>		<p>An invoice/statement with estimated cost of treatment;</p> <p>Copy of itinerary, and valid passport.</p> <p>Valid Passport and Itinerary;</p> <p>Relevant supporting document to verify purpose of travel</p>	
<p>Funds taken by non-residents returning back overseas</p>	<p>AFED</p>	<p>Non-residents can take funds that they brought over to Samoa, and are to provide evidence of funds being brought into Samoa</p>		

D. CONTACT FOR EXCHANGE CONTROL MATTERS

For any enquiries relating to Exchange Control matters, please contact us at:

Address: Exchange Control Unit – Domestic Markets Division,
Financial Markets Department,
Level 1, Central Bank of Samoa Building,
2 Apia City Boulevard,
APIA

Email: exchange.ctrl@cbs.gov.ws

Phone: (685) 34101, 34178, 34153 or 34152

Fax: (685) 24058 or 20293
