



Tonga

FOREIGN EXCHANGE CONTROL (AMENDMENT) REGULATIONS 2000

GS 4 of 2000

FOREIGN EXCHANGE CONTROL ACT

IN EXERCISE of the powers conferred by Section 2 of the Foreign Exchange Control Act (Cap. 103) His Majesty in Council makes the following Regulations:

1.

- (1) These Regulations may be cited as the Foreign Exchange Control (Amendment) Regulations 2000.
- (2) The Foreign Exchange Control Regulations are in these Regulations referred to as the Principal Regulations.

2. Regulation 2 of the Principal Regulations is amended by inserting the following in the appropriate order:

“**Authorised dealer**” means, in relation to any foreign currency, a person appointed by the Reserve Bank by notice in the Gazette to act for the purposes of these Regulations as an authorised dealer in relation to that foreign currency. Such appointment may be subject to such restrictions as are set out in the notice;

“Reserve Bank” means the National Reserve Bank of Tonga established under the National Reserve Bank of Tonga Act 1988, and includes any person authorised by the Reserve Bank to exercise any of its powers or functions under these Regulations.”

3. Regulation 3 of the Principal Regulations is amended by deleting the word “Minister” and substituting therefor the words “Reserve Bank”.
4. Regulation 4 of the Principal Regulations is deleted and substituting therefor the following:

“4.

- (1) Except with the permission of the Reserve Bank—
 - (a) No person other than an authorised dealer shall, in Tonga, buy or borrow any foreign currency from, or sell or lend any foreign currency to, any person other than an authorised dealer;
 - (b) No person resident in Tonga, other than an authorised dealer, shall outside Tonga buy or borrow any foreign currency from or sell or lend any foreign currency to any person other than an authorised dealer.
- (2) Where a person buys or borrows any foreign currency in Tonga, or being a person resident in Tonga, buys or borrows foreign currency outside Tonga, he shall comply with such conditions as to the use to which it may be put or for the period for which it may be retained as may be imposed by the Reserve Bank.
- (3) For the purposes of this Regulation, a person in Tonga who supplies goods or services in exchange for foreign currency shall not be taken to have bought such foreign currency provided that it is offered for sale within a reasonable time to an authorised dealer.”

5. Regulation 5 of the Principal Regulations is deleted and substituting therefor the following:

“5.

For the purpose of this regulation money shall be deemed to be taken or sent if it is taken or sent by telegraphic or electronic means, or by post, or by means of draft, letter of credit, travellers cheque, transfer between accounts, or any other means whatsoever.”

6. The Principal Regulations are amended by inserting a new Regulation 5A after Regulation 5 as follows:

“5A.

- (a) Except with the permission of the Reserve Bank, no person resident in Tonga shall lend any money or securities exceeding T\$50,000 at any time, to any body corporate resident in Tonga which is, by any means, controlled (whether directly or indirectly) by persons resident outside Tonga.
- (b) For the purpose of these Regulations a branch in Tonga of a body corporate incorporated outside Tonga is deemed to be resident in Tonga and controlled by persons resident outside Tonga.
- (c) Regulation 6(a) will not apply where the lender, after making such enquiries as are reasonable under the circumstances of the case, does not know and has no reason to suspect that the body corporate is controlled by persons resident outside Tonga.
- (d) Regulation 6(a) does not apply to the lending of money or securities to a financial institution licensed under the Financial Institutions Act 1991.”

7. Regulation 11 of the Principal Regulations is deleted and substituting therefor the following:

“11.

A person who commits an offence against these regulations shall be liable on conviction—

- (a) in the case of an individual to a fine not exceeding \$2000 or imprisonment for a term not exceeding 3 years;
- (b) in the case of a body corporate, to a fine not exceeding \$2000.”

Made this 23rd day of June 2000.

By Command
‘Eleni ‘Aho
Clerk to Privy Council