

**EXCHANGE CONTROL UNIT**  
**INFORMATION SHEET 1**

**"FOREIGN CURRENCY ACCOUNT  
FACILITY"**

All Foreign Currency Accounts applications  
must be addressed to:

Manager  
Exchange Control & Compliance  
International Department  
P.O. Box 634  
Honiara  
Solomon Islands

*The Exchange Control Policy & procedure on Foreign cur-  
rency account (FCA) facility is subject to change ,without notice*



**Central Bank of Solomon Islands**

MUD-ALLEY STREET  
P . O . BOX 634  
HONIARA

**Phone: 677 21791/92**  
**Fax: 677 23513**  
**Web: [www.cbsi.com.sb](http://www.cbsi.com.sb)**



**International  
Department**

**INFORMATION SHEET 1**

**ESTABLISHMENT OF A  
FOREIGN CURRENCY  
ACCOUNT FACILITY IN  
SOLOMON ISLANDS.**



**EXCHANGE CONTROL UNIT**

**FOR FURTHER ENQUIRIES:**

Please contact:  
Exchange Control Unit.  
PH: 21791 Ext 273.  
Email: [forex@cbsi.com.sb](mailto:forex@cbsi.com.sb)

## HOW TO APPLY FOR A FOREIGN CURRENCY ACCOUNT (FCA)

### A.

- Exporters; individuals and companies who want to hold a foreign currency account facility with any commercial banks in Solomon Islands must apply in writing to the Central Bank in their Company letter head or may use CBSI FCA Application Form. (*forms can be collected at CBSI, Foreign exchange Department*)
- The applicant must provide the following information clearly in their applications:
  - ⇒ State Broad Industrial classification of their business (e.g Fishing; Agriculture; logging etc)
  - ⇒ State date and year when business is established
  - ⇒ State year and when company commenced exporting goods
  - ⇒ Types of products the company is exporting
  - ⇒ The name of the commercial banks in which the Foreign currency accounts is to be held
  - ⇒ The name of the currency on which the account will be denominated
  - ⇒ A letter of clearance from the Commission of inland Revenue to certify that the company has no outstanding tax obligations to the Solomon Islands government
- An applicant who meets all requirements for holding foreign currency accounts will be given the authority under exchange control (foreign exchange) regulations to operate the foreign currency accounts. The letter of authority will set out the terms and conditions that shall govern the operations and the administration of the foreign currency account.
- The Bank may require further information of the applicant to show evidence acceptable to the Central Bank whilst assessing the FCA applications.

## CONDITIONS FOR HOLDING A FOREIGN CURRENCY ACCOUNT.

### B. The following conditions shall apply to the holding of foreign currency accounts with domestic commercial banks:

- Only a qualified exporter is eligible to hold a foreign currency account. A qualified exporter shall be defined in this context as:
  - ⇒ The exporter who has been in the exporting business for a period of no less than 24 months.
  - ⇒ The exporter who has no outstanding export proceeds.
  - ⇒ The exporter who has obtained a tax clearance from the Commissioner of Inland Revenue with regards to his tax obligations to the Solomon Islands government.
  - ⇒ The exporter who has applied for and has received the authority under the Exchange Control Regulations to operate the foreign currency account.
- The foreign currency account shall be held in one currency with one of the three authorized domestic commercial banks in Solomon Islands.
- Qualified exporters are allowed to retain in their foreign currency account 20 percent of any of their export proceeds. The balance of the proceeds will be surrendered in the normal way through the banking system.
- The portion retained in foreign exchange is intended for the exporters' own use and shall not be sold to other parties other than a commercial bank in Solomon Islands.
- Qualified exporters are allowed to make current payments without reference to exchange control approval out of their foreign currency accounts. All payments of capital nature, for example: loan interest payment, loan principle repayments, dividend, profit transfer, and management fees etc must be submitted for Exchange Control approval in the normal way.

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- The account shall be solely funded from the 20 percent export proceeds retention allowed under this scheme
- Qualified exporters are required to submit a monthly report using the prescribed form EC 15 to Central Bank. Failure to provide accurate information and to comply with reporting obligations may result in cancellation of authority
- The authority to operate a foreign currency account shall be for a specified time period ONLY. Renewal of the authority shall be at the discretion of the CBSI who will take into account the economic circumstances, in particular the underlying external reserves position at the time, in deciding whether or not a renewal is to be granted. CBSI will also have the right to vary the portion of export proceeds that qualified exporters can retain.
- The CBSI will have the right to recall funds on demand from the foreign currency accounts.

### C. PLEASE NOTE:

- The establishment of a foreign currency account by:
  - ⇒ A permanent resident of Solomon Islands with a Bank in or outside Solomon Islands, or
  - ⇒ A non-resident with a bank in Solomon Islands
- **is generally not permitted.** The Central Bank **may in exceptional cases** grant approval for the establishment of a foreign currency account by a permanent resident of Solomon Islands with a Bank overseas, **if the need for this can be demonstrated to the satisfaction of the Central Bank.**
- **The controller of foreign exchange may grant approval to any other organization who may wish to hold FCA under his/her discretionary power.**