



Central Bank of Solomon Islands

FOREIGN EXCHANGE REMITTANCE SUMMARY GUIDE FOR BANKS (AUTHORIZED DEALERS)

The table is a summary of the Exchange Control policy reviewed requirements for overseas payments transactions which will **be effective 08th July 2021**. It includes types of foreign exchange transactions and delegated limits of trade and service related payments, capital payments and personal transfers. Authorized dealers are delegated to authorize transactions for trade and service payments and personal transactions up to certain limits only (**delegated limits approved as per EC Policy**). All capital payments and payments that are not delegated to authorized dealers or fall outside the delegated authority limits must be referred to the Central bank together with the relevant documentation for authorization.

Authorised dealers shall ensure that all payments are substantiated with bona fide documentations before facilitating the transactions. Effective July 08th This EC policy Delegated limit will be applicable and effective. This also supersedes all other delegated limits EC Notices prior to this Instruction and EC Notice 03/2021.

EXCHANGE CONTROL POLICY GUIDELINES EFFECTIVE 08th JULY 2021

(REVISED AND APPROVED BY CBSI ON 16th JUNE 2021)

| TYPE OF PAYMENT | DELEGATED LIMIT | DOCUMENTARY REQUIREMENTS |
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| TRADE IMPORT PAYMENTS | | |
| <p>a) Prepayment – Advance import payments prior to shipment of goods</p> <ul style="list-style-type: none"> - Advance payment to a third party must be clearly in the payment terms of the invoice <ul style="list-style-type: none"> • Goods on-board ship / aircraft, or good landed but awaiting suppliers and customs clearance. | <ul style="list-style-type: none"> • Up to SBD250,000.00 • Refer customer to CBSI for amounts above the delegated limit <ul style="list-style-type: none"> • Same as above | <ul style="list-style-type: none"> • Original invoice from supplier which includes request for payment prior to shipment of goods • Airway bill/bill of lading • Sales contract • relevant Documents required by CBSI <ul style="list-style-type: none"> • Suppliers invoice and demand for immediate payment. • Bill of lading /airway bill confirming details of current shipment or cargo |

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| <p>b) Good on Credit payment</p> <ul style="list-style-type: none"> - Goods already landed & cleared by SI Customs (Inclusive of freight & Insurance for shipments) | <ul style="list-style-type: none"> • Up to SBD1,000,000.00 (SBD1.0 million) • Refer customer to CBSI for amounts above the delegated limit | <ul style="list-style-type: none"> • Relevant original customs documents upon receipt of goods in SI • Original suppliers Invoice • Customs SAD documents C99 Release order Official Receipt • Airway bill/ Bill of lading • Relevant original customs document upon receipt of good in SI |
| SERVICE PAYMENTS | | |
| <p>Airlines/Shipping</p> <ul style="list-style-type: none"> • Arline Ticket sales/ Earnings (applicable only to overseas airlines with offices or agents in Solomon Island) | <ul style="list-style-type: none"> • Up to SBD250,000.00 per application • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Relevant documentary evidence that confirm amount applied for are sourced from airline ticket sales & earnings. <ul style="list-style-type: none"> - E.g. Bank Statements or invoice • Original tax clearance certificate/IRD receipt |
| <p>Borrowing off-shore/repayment of loan</p> <p>a) Principal repayment</p> <p>b) Interest repayment</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. <i>Prior to contracting of loan off-shore, approval from the CBSI must be sought.</i> 2. <i>When submitting application for borrowing off-shore, ensure to provide a copy of the loan contract, latest audited financial statement (for company loan or projected revenue forecast.</i> | <ul style="list-style-type: none"> • Delegated limit - none • Refer Customer to CBSI for approval | <ul style="list-style-type: none"> • Cover letter providing loan ref#, details of amount due & remaining balance. • Copy of CBSI approval • Cover letter providing loan ref#, details of amount due & remaining balance. • Copy of IRD WH tax receipt • Copy of CBSI approval |

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| <p>Charges/Fees/Services</p> <ul style="list-style-type: none"> a) Freight & Shipping b) Other Transport charges c) Royalty/Commission/Franchise d) Patents, Copyright e) Repair –domestic air/shipping, others f) Technical, Professional & management fees g) Advertising/license/software h) Head office expenses i) Reimbursement/refund j) other | <ul style="list-style-type: none"> • Up to SBD250,000.00 per invoice • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Original invoice or statement payment due • Copy of signed contract (where applicable) • Original tax clearance certificate/IRD receipt |
| <p>Court order payments</p> <ul style="list-style-type: none"> a) Alimony b) Collection of debt c) Out of court settlement d) Other <p>Note: The Beneficiary must be a non-resident</p> | <ul style="list-style-type: none"> • Up to SBD250,000.00 • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Original signed court order • Documents verifying that payments are due; • Original tax clearance certificate (in absence of court order)/IRD receipt where applicable • Out of court settlement agreement • Beneficiary’s foreign passport copy or PR Visa. |
| <p>Credit Card Payments</p> <ul style="list-style-type: none"> • Personal/ Corporate cards | <ul style="list-style-type: none"> • Up to SBD100, 000.00 per month. • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Original statement of account • Return Air Ticket to confirm travel <p>Note:</p> <ul style="list-style-type: none"> - The monthly limits apply to payments on locally issued credit cards - Credit card payments that are funded from an external account are not subject to the monthly limits |

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| <p>Debit Card facility</p> <p>Monthly Overseas Usage</p> | <ul style="list-style-type: none"> • Up to SBD100,000.00 per month • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Request above the monthly must have Covering letter explaining purpose of fund use. • Account statement • Return air ticket for travel confirmation |
| <p>Deposit into Expatriate’s external personal accounts</p> <p>a) Salaries & wages from employment in Solomon Islands</p> <p>b) Proceeds of sale of assets/personal effects/claims</p> <p>c) Income from rental/Directors fees/gratuity</p> <p>d) SINPF Proceeds withdrawal/ Penson funds</p> <p>e) Proceeds from sale of foreign currency sourced from external sources or remaining from travel funds uplifted</p> <p>f) Other funds from local sources</p> | <ul style="list-style-type: none"> • Up to SBD250,000.00 per month • Refer customer to CBSI for amounts above delegated limit • Requires CBSI approval only • Refer customer to CBSI • Up to SBD250,000.00 • Refer customer to CBSI for amounts above delegated limit • Refer customer to CBSI • Refer customer to CBSI | <ul style="list-style-type: none"> • Original payslip to verify salary and should indicate tax has been deducted • Account statement • Signed Employment contract/ TR Approval copy • Original tax clearance/IRD receipts • Original signed sales & purchase agreement and evidence of transfer of ownership documents where applicable • Documentary evidence of payment • Withholding tax receipt where applicable • Rental agreements and letter from company authorising payment of gratuity or directors’ fees • SINPF cheque & withdrawal notice confirmation • Bank statement to show deposit of SINPF funds. Documentary evidence of source of funds • Bank statement to show deposit of funds • Confirmation from the organisation on the purpose of payment and account holder relationship. • Tax clearance from IRD |

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| TYPE OF TRANSACTION | DELEGATED LIMIT | DOCUMENTARY REQUIREMENTS |
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| <p>Education/Training expenses (for current semester or current year only)</p> <p>a) Paid directly to the education/training institution</p> <p>b) Paid directly to the student</p> <p>c) Scholarship payments by recognized institutions</p> | <ul style="list-style-type: none"> • Tuition fees up to SBD250,000.00 • Refer customer to CBSI for amounts above delegated limit • For personal sustenance up to SBD100,000.00 per month • Tuition fees up to SBD250,000.00 • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Current invoice from the institution <ul style="list-style-type: none"> - Payment to third party must be reflected in the invoice from the institution • Original enrolment/ acceptance letter and statement of expenses for the current year. Copy of student ID • enrolment/acceptance letter from institution • Confirmation of scholarship by the institution or letter from the issuer of scholarship |
| <p>Insurance Premium Payment</p> <p>Brokerage & Other Charges to agents and representatives outside Solomon islands</p> | <ul style="list-style-type: none"> • Up to SBD 100,000.00 • Requires CBSI approval | <ul style="list-style-type: none"> • Form COI/D from the Comptroller of Insurance - CBSI • Original invoice • WHT Receipt |
| <p>Maintenance/ Family Sustenance</p> | <ul style="list-style-type: none"> • SBD100,000.00 per month • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Account statement • Copy of permanent residence visa of beneficiary • Supporting letter for purpose of fund use overseas. <ul style="list-style-type: none"> - Authorized dealer must be on guard against capital transfers. - Evidence of relationship (where applicable) |
| <p>Medical expenses and reimbursements</p> <p>a) Paid directly to the medical institution</p> | <ul style="list-style-type: none"> • SBD100,000.00 per month • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Original invoice or letter from the medical institution stating the amount due • Letter from medical institution confirming admittance |

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| <p>b) Paid directly to the patient/nominee</p> | | <ul style="list-style-type: none"> • Visa of the applicant (where applicable) <ul style="list-style-type: none"> - Sighting of Nominee visa and airline tickets if accompanying the patient |
| <p>Lease payments</p> <p>a) Aircraft b) Fishing or cruise vessels c) Machinery d) Other lease payment</p> | <ul style="list-style-type: none"> • Up to SBD250,000.00 • Refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Original signed lease agreement • Original tax clearance/IRD receipts |
| <p>Off-setting of export proceeds against import bills payable</p> <p>a) Merchandise imports</p> <p>b) Other business payments</p> | <ul style="list-style-type: none"> • Delegated limit -none • Refer Customer to CBSI for approval | <ul style="list-style-type: none"> • Original supplier's & exporter's invoices • Original customs SAD documents and other relevant information • Agreement from the parties involved. • Original invoices of payments due • Original tax clearance certificate/IRD receipt • Agreement from the parties involved. |
| <p>Profit declared and distributed to non-resident shareholders/partners/sole proprietors</p> <p>a) Capital</p> <p>b) Dividend or operating profit</p> | <ul style="list-style-type: none"> • Delegated limit –none • Refer Customer to CBSI for approval | <ul style="list-style-type: none"> • Original tax clearance certificate • copy of IRD receipts/original tax clearance certificate(where applicable) • Latest audited financial statement • Director's resolution approving dividend payment |

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| <p>Travel Allowance</p> <ul style="list-style-type: none"> - SI passport holders (Excluding emigrants) <ul style="list-style-type: none"> • Return ticket | <ul style="list-style-type: none"> • SBD100,000.00 per traveller per trip • Refer customer to CBSI if applicant requires additional travel allowance | <ul style="list-style-type: none"> • Return travel ticket to Solomon Islands, original passport & valid visa. • Evidence of firm booking/accommodation overseas. |
| <ul style="list-style-type: none"> • One-way ticket | <ul style="list-style-type: none"> • SBD100,000.00 per traveller per trip • Refer customer to CBSI if applicant requires additional travel allowance | <ul style="list-style-type: none"> • One-way Travel ticket, original passport & valid visa. |
| <p>Wages paid in foreign currency cash to foreign vessel crew members</p> | <ul style="list-style-type: none"> • up to SBD250,000.00 • refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • original documentary evidence of receipt of funds from off-shore • Agency arrangement – cover letter giving details of crew & amounts to be paid/details of reimbursement arrangement. • Withholding tax receipt where applicable |
| <p>Withdrawal of investment by non-resident investors</p> <ul style="list-style-type: none"> a) sale of shares/assets | <ul style="list-style-type: none"> • Delegated Limit - None • Refer Customer to CBSI to seek Exchange Control Approval | <ul style="list-style-type: none"> • original tax clearance certificate • share transfer script/certificate • signed sale & purchase agreement (or other original documents proof of sale) • original bank confirmation that funds originated from off-shore (where applicable) • evidence that the beneficiary is non-resident • Minister/commissioner of lands consent (if applicable) |

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| <p>b) shareholders' funds</p> | <ul style="list-style-type: none"> • Requires CBSI approval | <ul style="list-style-type: none"> • Tax Clearance certificate • Audited financial statements • Bank confirmation of funds originated from off-shore. |
| <p>Off-shore investments overseas by Residents (Individuals or Corporates)</p> <p>(a) Purchase residential home (b) Government Bonds (c) Term Deposits</p> | <ul style="list-style-type: none"> • delegated limit – None (still under review) • refer Customer to CBSI to seek Exchange control approval | <ul style="list-style-type: none"> • Written application detailing purpose, location etc. • Purchase and sales agreement • Invoice • Property Photos (If any) • FTE Title of ownership by seller • Tax Clearance from SIG (IRD) |
| <p>Purchase of Marine vessel</p> | <ul style="list-style-type: none"> • Up to SBD500,000.00 • refer customer to CBSI for amounts above delegated limit | <ul style="list-style-type: none"> • Written application detailing purpose, location etc. • Purchase and sales agreement • Invoice • Photo of the vessel • SI Marine division inspection clearance and certificate. • |

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