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National Reserve Bank of Tonga Eases Exchange Control Requirements

The Reserve Bank has amended its Exchange Control requirements as reflected in the revised Exchange Control Policy Guidelines which the Reserve Bank's Board of Directors at its meeting on 31st July 2017 has approved to be effective immediately.

The amendment to the Reserve Bank's Exchange Control Policy Guidelines is to remove all requirements to provide tax clearance certificates for payments. Tax clearance requirements for outward payments are imposed and monitored by the Ministry of Revenue & Customs.

The Ministry of Revenue & Customs has reinforced its tax clearance requirements on payments overseas therefore the Reserve Bank is of the view that the amendment to the Guidelines would give more clarity to the banks and authorised restricted foreign exchange dealers and the general public in complying with the tax requirements.

The Reserve Bank will continue to review the Exchange Control Policy Guidelines to reflect new developments in the financial system, ensure that the payments are bona fide transactions and that funds are remitted overseas for its intended purpose.

Copies of the Revised Exchange Control Policy Guidelines are available on the Reserve Bank's website "<http://www.reservebank.to>" and the reception desk of the Reserve Bank.

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