



OFFICIAL PRESS RELEASE

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Reminder on the Requirements for the Removal of Cash and Cash entering Tonga

1. Legal background

The public is hereby reminded that the Foreign Exchange Control (Restriction on Removal of Cash) Regulations 2009 assigns the authority over removal of cash exceeding T\$10,000 pa'anga or cash in currency of any country or countries in any combination that exceeds the value of T\$10,000 pa'anga to the Governor of the National Reserve Bank of Tonga.

Furthermore, the Money Laundering and Proceeds of Crime Act, Section 19 requires any person who enters or leaves the Kingdom with cash equivalent to T\$10,000 or more to make a declaration to an authorised officer, whom is either a Police Officer or a Customs Officer.

Under the Money Laundering and Proceeds of Crime Act, cash means:

- (a) the coin and paper money of the Kingdom or of a foreign country that is designated as legal tender and which is customarily used and accepted as a medium of exchange in the country of issue;
- (b) monetary instruments that may be exchanged for money (such as cheques, travellers cheques, money orders, negotiable instruments in a form in which title thereto passes on delivery);
- (c) jewellery, precious metals and precious stones, or pearls; or
- (d) cash in electronic form.

2. Removal / Export of cash by individuals and/or companies

All applicants for export of cash out of Tonga must submit their applications to the Reserve Bank at least 3 days prior to the departure date. The application should be in a letter detailing all currencies and amounts of cash to be exported, purpose, details of the person or company that is exporting the cash and how the cash will be exported. The supporting documents include valid passport & visa, airline ticket for individuals or itinerary for air freight, evidence of source of cash and any other documents that the Reserve Bank may request.

For outbound passengers from Tonga purchasing foreign currency cash from the banks or the authorised foreign exchange dealers, this will be subject to the documentary requirements as outlined in the Reserve Bank's Exchange Control Policy Guidelines, which is available on the Reserve Bank's website (www.reservebank.to) and at the reception desk of the Reserve Bank.

Once Reserve Bank approval is granted, the Reserve Bank will notify the Ministry of the Revenue & Custom in writing, and a copy of this letter will be given to the applicant to present to the relevant authority at the border.

Furthermore, passengers travelling out of Tonga must declare on the departure card at the border that they are carrying cash equivalent to T\$10,000 or more. Once declaration is made then the passenger must complete the Custom's Border Currency Report form, which will be given out by the Customs staff at the border.

3. Cash coming into Tonga carried by individuals

Incoming passengers to Tonga carrying cash equivalent to T\$10,000 or more must declare this on the arrival card. Once declaration is made then the passenger must complete the Custom's Border Currency Report form, which will be given out by the Customs staff at the border.

4. Penalties

Failure to comply with the requirement of the Foreign Exchange Control (Restriction on removal of Cash) Regulations 2009 requirements on the export of cash is an offence under regulation 5(5) of the Foreign Exchange Control (Restriction on removal of Cash) Regulations 2009 and shall be liable on conviction, in addition to the forfeiture of any restricted cash, to a fine not exceeding \$100,000 or imprisonment for a term not exceeding 3 years in the case of an individual; and in the case of a body corporate, liable to a fine not exceeding \$200,000.

Failure to declare cash, as defined above, equivalent to T\$10,000 or more is also an offence under section 19 of the Money Laundering and Proceeds of Crime Act and shall be liable on conviction to a fine not exceeding T\$50,000.

Furthermore, the authorised officer (Customs or Police officer) at the border has the right to conduct questioning and search and seize any cash if he has reasonable grounds for suspecting that the cash is intended to be used in an unlawful conduct, and may be forfeited as ordered by the Supreme Court if the Supreme Court is satisfied that the cash is intended to be used in an unlawful conduct. The questioning would include clarification of the source of funds and intended use of the cash. The passenger also has the right to apply for the return of any seized or forfeiture of cash.

The public is hereby advised to take heed of the above requirements to avoid any unnecessary delays in arrangements for travel or export of cash, or the associated penalties for contravention of the above legal requirements.

For further details please contact:

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