



Tonga

FOREIGN EXCHANGE CONTROL REGULATIONS

Chapter 16.07.01

2020 Revised Edition



FOREIGN EXCHANGE CONTROL REGULATIONS

MADE UNDER THE FOREIGN EXCHANGE CONTROL ACT ¹

Commencement [24th February, 1965]

1. These Regulations may be cited as the Foreign Exchange Control Regulations.
2. In these Regulations, unless the context otherwise requires —

“**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;²

“**foreign currency**” includes notes, coins, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers’ cheques, payable or expressed otherwise than in Tongan money, and also includes rights, and instruments of title, to money other than Tongan money;

“**Minister**” means the Minister of Finance and includes any person for the time being authorized by the Minister to exercise any of his powers or functions under these Regulations;

“**money**” includes the bank-notes and other currency of any country, and includes postal notes, money-orders, promissory notes, bills of exchange and any other negotiable instruments payable in the currency of any country;

“**net proceeds of exports**” means the gross proceeds of exports less such commission, charges and deductions as are customary and reasonable having regard to established trade practices relative to the goods being exported;

“**person**” includes any number of persons corporate or unincorporate;

“**Reserve Bank**” means the National Reserve Bank of Tonga established under the National Reserve Bank of Tonga Act,³ and includes any person authorised by the Reserve Bank to exercise any of its powers or functions under these Regulations;⁴

“resident in Tonga” means —

- (a) a Tongan national residing in Tonga;
- (b) a person who is not a Tongan national who has —
 - (i) resided continually in Tonga for two years or more; or
 - (ii) been granted a permit to reside in Tonga on assured income;
- (c) a married couple of whom one of the spouses is a resident in Tonga; or
- (d) a business entity (partnership, company, branch operation, sole proprietor, trust) that is incorporated, formed or registered and operating under the laws of Tonga;⁵

“securities” includes shares, stock, bonds, debentures, debenture stock, Treasury Bills, and units or sub-units of a unit trust, and also includes deposit receipts in respect of the deposit of securities and documents of title to securities;

“Tongan currency” includes notes, coins, postal orders, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers’ cheques, payable or expressed in Tongan money, and also includes rights, and instruments of title, to Tongan money.

RESTRICTIONS ON SENDING MONEY AND SECURITIES OUT OF THE KINGDOM

3.⁶ No person shall, except with the consent of the Reserve Bank—

- (a) take or send money out of the Kingdom of Tonga;
- (b) draw or negotiate any bill of exchange or promissory note, transfer any security or acknowledge any debt so that a right (whether actual or contingent) to receive a payment in Tonga is created or transferred as consideration —
 - (i) for receiving a payment or acquiring property outside Tonga;
 - (ii) for a right (whether actual or contingent) to receive a payment or acquire property outside Tonga, or make any payment in Tonga as such consideration;
- (c) create or transfer a right (whether actual or contingent) to receive a payment or acquire property outside Tonga or dispose of or otherwise deal with any money, securities, or property held or payable outside Tonga as consideration for receiving a payment or acquiring property in Tonga, or for the discharge of a debt payable in Tonga;
- (d) take, send or transfer any securities from Tonga;
- (e) make an entry in a register in Tonga that recognises or gives effect to a transfer of any securities to a person resident outside Tonga.

3A.⁷ (1) The consent of the Reserve Bank for any money to be taken or sent under regulation 3 may be delegated by the Reserve Bank to any financial institution licensed under the Financial Institutions Act.