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Fiji

RISK & COMPLIANCE REPORT

DATE: March 2018

Executive Summary - Fiji	
Sanctions:	No
FAFT list of AML Deficient Countries	No
Higher Risk Areas:	Not on EU White list equivalent jurisdictions World Governance Indicators (Average Score) Failed States Index (Political Issues)(Average Score)
Medium Risk Areas:	Compliance with FATF 40 + 9 Recommendations Weakness in Government Legislation to combat Money Laundering Corruption Index (Transparency International & W.G.I.))
<p>Major Investment Areas:</p> <p>Agriculture - products: sugarcane, coconuts, cassava (manioc), rice, sweet potatoes, bananas; cattle, pigs, horses, goats; fish</p> <p>Industries: tourism, sugar, clothing, copra, gold, silver, lumber, small cottage industries</p> <p>Exports - commodities: sugar, garments, gold, timber, fish, molasses, coconut oil</p> <p>Exports - partners: US 14.6%, Australia 13.2%, Japan 6.9%, Samoa 5.8%, Tonga 5.1% (2012)</p> <p>Imports - commodities: manufactured goods, machinery and transport equipment, petroleum products, food, chemicals</p> <p>Imports - partners: Singapore 32.8%, Australia 15.5%, NZ 14.5%, China 10.7% (2012)</p>	
Investment Restrictions:	

The Fijian government assures local and foreign investors that Fiji remains a safe place to invest and do business under the post-2006 military-led government, introducing industry-specific incentives and reducing corporate rates to promote investment.

Growth in 2013 is expected to be driven by the agricultural, manufacturing and financial intermediation sectors.

Government approval is required for all foreign investment in Fiji.

Investment areas that have been reserved for Fiji nationals include small scale businesses such as cafeterias, taxis, handicrafts, tailoring, repair of personal/household goods, plumbing/electrical, plant nurseries, day-care, bakeries, backpacker services, nightclubs, and liquor bar operations. Additionally, there are certain investment activities subject to restrictions. Investment in fishing enterprises require at least 30% local equity, while investors in forestry, tobacco production, tourism (cultural heritage), real estate management and development, construction, earthmoving, and inter-island shipping must meet certain minimum investment thresholds.

Foreign investors can acquire real estate. However, the land situation in Fiji is complex and only a small percentage of land is available for purchase. If the property is larger than one acre, the Minister of Lands must approve the purchase. There are industry-specific incentives for tourism, mining, filmmaking and audio-visual activities, boat building, fishing, logging and saw milling operations, and bus building.

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Section 1 - Background

Fiji became independent in 1970 after nearly a century as a British colony. Democratic rule was interrupted by two military coups in 1987 caused by concern over a government perceived as dominated by the Indian community (descendants of contract laborers brought to the islands by the British in the 19th century). The coups and a 1990 constitution that cemented native Melanesian control of Fiji led to heavy Indian emigration; the population loss resulted in economic difficulties, but ensured that Melanesians became the majority. A new constitution enacted in 1997 was more equitable. Free and peaceful elections in 1999 resulted in a government led by an Indo-Fijian, but a civilian-led coup in May 2000 ushered in a prolonged period of political turmoil. Parliamentary elections held in August 2001 provided Fiji with a democratically elected government led by Prime Minister Laisenia QARASE. Re-elected in May 2006, QARASE was ousted in a December 2006 military coup led by Commodore Voreqe BAINIMARAMA, who initially appointed himself acting president but in January 2007 became interim prime minister. Since taking power BAINIMARAMA has neutralized his opponents, crippled Fiji's democratic institutions, and initially refused to hold elections. In 2012, he promised to hold elections in 2014.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Fiji is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

Compliance with FATF Recommendations

The last Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Fiji was undertaken by the Financial Action Task Force (FATF) in 2016. According to that Evaluation, Fiji was deemed Compliant for 7 and Largely Compliant for 10 of the FATF 40 Recommendations.

Key Findings

Fiji's National Anti-Money Laundering Council (NAMLC), consists of a number of government agencies and is the principle agency through which Fiji coordinates AML/CFT policies and strategies. The cooperation and coordination between the relevant agencies through NAMLC platform is generally reasonable except in relation to ML investigations and prosecutions where significant improvement is needed. The cooperation and coordination is not comprehensive as Fiji has yet to put in place any mechanism for cooperation and coordination of policies and activities to combat the financing of proliferation in Fiji.

Generally, Fiji has a reasonable understanding of its ML and TF risks. But, there are gaps in Fiji's understanding of its ML/TF risks because an assessment of risk relating to all types of legal persons, foreign investment, and cross-border transportation of currency and BNIs relating to transit passengers on cruise ships is lacking. In addition, the primary focus of the NRA (as a reflection of that understanding) was on ML. TF was of limited focus only. Fiji also lacks a comprehensive national strategy informed by its understanding of risks to combat ML and TF.

Fiji's principal proceeds generating crimes are drugs and drug-trafficking, fraud on the government (i.e. direct and indirect tax crimes) and corruption. Fiji is also a transit and destination point for drugs. According to Fiji the banking sector, foreign exchange dealers, real estate agents and legal persons are highly vulnerable to ML. The NPO sector is considered to have high vulnerability to terrorism financing due to global concerns.

TF risks are rated low in Fiji's NRA. However Fiji does not take a holistic approach in dealing with terrorism and terrorist financing threats and risks. One case in Fiji involving a listed entity under UNSCR 1267 highlights that TF risks are real. No agency has been identified to deal with, coordinate and develop TF policy.

Fiji lacks a comprehensive legislative framework to implement targeted financial sanctions including the identification of a competent authority. Fiji has not implemented measures against PF and does not have a legal framework or processes for implementing UNSCRs 1718

and 1737. Fijian authorities do not systematically disseminate UN notices on PF to financial institutions or DNFBPs.

Fiji's FIU has an excellent understanding of the AML/CFT environment in Fiji and provides good quality intelligence to law enforcement agencies on a range of predicate crimes and ML, including its high risk crime types. The FIU and other competent authorities regularly exchange information and financial intelligence. However, capacity, capability and resource limitations undermine and limit the ability of the Fiji Police Force (FPF) to effectively respond to that intelligence. The Fiji Revenue and Customs Agency (FRCA) and the Fiji Independent Commission on Corruption (FICAC) (with similar resource limitations) respond to financial intelligence more effectively. Neither agency investigates ML offences and neither pursues confiscation action; nor do they refer ML issues to the FPF.

While Fiji has a full suite of forfeiture mechanisms to target profit and property derived from crime, forfeiture outcomes are modest and do not reflect an effective implementation of confiscation mechanisms. FPF, FRCA, FICAC and the ODPP lack resources as well as a combined focus to target criminal proceeds.

DNFBPs generally do not have a good understanding of the risks in their sectors despite outreach by the FIU. Awareness among DNFBPs of the FTR Act and FTR Regulations as well as AML/CFT guidelines is very low. Some DNFBPs have no understanding of their obligations at all. And, many of the CDD and other measures in the FTR Act are unenforceable and all of the measures in the FTR Regulations are unenforceable due to absence of sanctions and penalties.

The Reserve Bank of Fiji (RBF) conducts on-site inspections of financial institutions (banks, credit institutions, insurance companies, foreign exchange dealers, moneychangers and the capital market intermediaries). The RBF's supervision activities in the past have been largely related to its prudential responsibility, however since 2014 the RBF has conducted AML/CFT-focused compliance assessments on three banks, one credit institution, two unit trusts, nine Restricted Foreign Exchanged Dealers (RFEDs) and two moneychangers and provided feedback in this regard. Fiji allows for AML/CFT supervision (by the FIU) of most DNFBPs, but no on-site supervision visits have occurred.

Fiji has not undertaken an adequate ML/TF risk assessment of all forms of legal persons and legal arrangements. Authorities acknowledge that legal persons and arrangements in Fiji, can be used to facilitate predicate crimes and ML/TF offences. Fiji laws on the collection of beneficial ownership information is limited. Competent authorities do face challenges in obtaining beneficial ownership information. Fiji has recognised this and (following the on-site visit) a new Companies Act came into force.

On international cooperation (both formal and informal) requests by Fiji do not match its ML and TF risk profile. While the FIU cooperates very well on an informal basis other agencies are not as robust. Moreover in relation to formal cooperation there are few outgoing MLA requests and no extradition requests in the last seven years. Fiji cannot exchange anything more than basic beneficial ownership information in relation to companies and trusts.

Risks and General Situation

Fiji faces a range of ML and TF threats and vulnerabilities. It has identified banking, foreign exchange dealers, real estate agents and legal persons (in particular, companies) as highly

vulnerable to ML. The NPO sector (which consists of a large number of NPO entities) is considered to have high vulnerability to terrorism financing due to global concerns even though the TF risks in Fiji are rated as low. However, like the real estate sector, the NPO sector is not subject to supervision or monitoring by authorities.

Drug and tax offences (including other forms of fraud against the government) generate the largest and most significant amount of illegal proceeds in Fiji. Fiji's ML/TF risks involve cross-border illicit flows. In relation to drug offences, Fiji is a transit and destination point for drugs. Fiji is also a source of illicit drugs manufacturing and exportation. Based on publicly available and reliable independent sources of information corruption, especially within the public service, even though assessed in the NRA as "moderate" in terms of producing illegal proceeds for ML, is considered a significant issue.

Factors such as Fiji's strategic geographic location in the South Pacific, porous borders, cash intensive economy, technology constraints and limited expertise within certain relevant agencies, escalate Fiji's vulnerabilities to ML/TF risks. However, the NRA concluded that Fiji is not exposed to any significant ML/TF risks.

Regardless of past political turmoil and instability, the structural elements, including high-level commitment to address Fiji's AML/CFT issues required for an effective AML/CFT system, are in place. However, political commitment to implement targeted financial sanctions related to terrorism, terrorism financing and proliferation financing is currently lacking.

Fiji has trade relationships with Iran and the Democratic People's Republic of Korea. However, while general customs prohibitions applicable to all countries apply to all imports and exports, with respect to these two countries, there are no special licences or conditions applicable to imports from and exports to these destinations in light of relevant UN sanctions requirements.

2013 Asia Pacific Group on Money Laundering Yearly Typologies Report:

Trends:

Emerging Trends:

Currency smuggling (including issues of concealment & security)

We have identified a number of cases whereby travellers have failed to declare currency at the border. The "intent" of the traveller carrying the currency is questionable.

Declining Trends:

Use of false identification

The Fiji FIU has noted a decrease in the number of cases involving fake identification cards such as passports, Fiji National Provident Fund (FNPF) cards and birth certificates. This is due to some recent measures undertaken by the relevant authorities in Fiji.

Fiji was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

Perceived Risks:

The Republic of Fiji is a small island state with a population of less than one million. It has significant natural resources and is among the most developed of the Pacific island nations. It is not a regional financial center but serves as a regional hub for transportation and shipping for other Pacific island nations. Currently, there are no operating casinos.

Fiji's geographical location makes it a potential staging point for criminal activities in Australia and New Zealand. Cross-border criminal gangs involving individuals from Asian countries are alleged to operate in Fiji.

To encourage investment and create economic opportunities in Fiji's rural Northern and Maritime Island regions, the government declared certain areas as tax free regions. Benefits include a multi-year corporate tax holiday and import duty exemption on raw materials, machinery, and equipment for initial setup. There is also a tax free region in the North East of Viti Levu targeting agriculture, dairy, and other new investments.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

"All serious crimes" approach or "list" approach to predicate crimes: All serious crimes
Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: YES

KYC covered entities: Banks, foreign exchange dealers, money remittance service providers, finance companies, law firms, real estate agencies, accountants, insurance companies, and superannuation funds

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 383 in 2014

Number of CTRs received and time frame: 1,042,074 in 2014

STR covered entities: Banks, money remittance service providers, finance companies, regulatory authorities, law firms, real estate businesses, accounting firms, insurance companies, and superannuation funds

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 3 in 2014

Convictions: 1: January - November 2014

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: NO Other mechanism: YES

With other governments/jurisdictions: YES

Fiji is a member of the Asia/Pacific Group on Money Laundering (APG), a FATF-style regional body.

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

In 2015, a national risk assessment was conducted by the National AML Council as part of Fiji's AML/CFT program.

The FIU does not have budgetary independence. The number of suspicious transaction reports (STRs) received in 2014 declined by 27 percent compared to 2013, while the number of cash transaction reports (CTRs) increased by 63 percent over the same period. The large increase in CTRs received in 2014 was due to the submission of backdated reports as part of the Fiji Intelligence Unit's (FIU) reporting compliance and data quality project. In 2014, 577 Border Currency Reports were filed by travelers entering or departing Fiji carrying currency or negotiable bearer instruments in amounts over the reporting threshold.

The Government of Fiji should continue to implement AML/CFT measures that adhere to international standards. Fiji also should become a party to the UN Convention against Transnational Organized Crime.

Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

According to the US State Department, Fiji does not conform with regard to the following government legislation: -

Arrangements for Asset Sharing - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

States Party to United Nations Transnational Organised Crime Convention - States party to the United Nations Convention against Transnational Organized Crime (UNTOC), or a territorial entity to which the application of the Convention has been extended by a party to the Convention.

EU White list of Equivalent Jurisdictions

Fiji is not currently on the EU White list of Equivalent Jurisdictions

World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

Failed States Index

[To view Failed States Index Ctrl + Click here](#)

Offshore Financial Centre

Fiji is not considered to be an Offshore Financial Centre

US State Dept Narcotics Report

No report available

US State Dept Trafficking in Persons Report 2016 (introduction):

Fiji is classified a Tier 2 country - a country whose government does not fully comply with the Trafficking Victims Protection Act's minimum standards, but is making significant efforts to bring themselves into compliance with those standards.

Fiji is a source country for women and children subjected to sex trafficking and forced labor and a transit and destination country for Asian men and women subjected to forced labor and forced prostitution. Fijian women and children are subjected to sex trafficking and domestic servitude abroad or in Fijian cities. Women from China, Thailand, Malaysia, and other East Asian countries are deceptively recruited for legitimate jobs in their home countries or while visiting Fiji, sometimes by Chinese criminal organizations. These women reportedly are exploited in illegal brothels (posing as massage parlors and spas), local hotels, private homes, small and informal farms and factories, and other rural and urban locations. Fiji's liberal visa requirements—which allow nationals of 132 nations to enter the country without acquiring a visa—and role as a regional transportation hub may contribute to its status as a transit country for human trafficking. Workers from other Asian countries are subjected to forced labor on fishing vessels and transit through Fiji or board fishing vessels from Fiji ports and waters. They live in poor conditions, accrue significant debts, and work for little or no compensation on foreign fishing vessels, mainly Chinese- and Taiwan-flagged, in Pacific waters. South Asian and East Asian men are fraudulently recruited to work in Fiji and find themselves in conditions of forced labor upon arrival.

Family members, taxi drivers, foreign tourists, businessmen, and crew on foreign fishing vessels have allegedly exploited Fijian children in prostitution. Some Fijian children are at risk of human trafficking as families follow a traditional practice of sending them to live with relatives or families in larger cities, where they may be subjected to domestic servitude or coerced to engage in sexual activity in exchange for food, clothing, shelter, or school fees. The Government of Fiji does not fully meet the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so. During the reporting period, the Fijian government assisted in the repatriation of two Fijian trafficking victims and acquired a new safe house. Authorities began investigation of five trafficking cases involving four suspects, but did not bring any of those cases to prosecution. The government did not implement formal procedures to proactively identify victims of trafficking among vulnerable populations; some potential victims may have been deported as law violators.

US State Dept Terrorism Report

No report available

International Sanctions

There are no longer any Australian or New Zealand sanctions in place against Fiji

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	N/A
World Governance Indicator – Control of Corruption	62

Corruption and Government Transparency - Report by US State Department

The law provides criminal penalties for corruption by officials, but the government did not implement the law effectively. The government established an independent commission against corruption, the Fiji Independent Commission Against Corruption (FICAC), with broad powers of investigation. FICAC's public service announcements encouraging citizens to report corrupt government activities had some effect on systemic corruption.

Much government decision making was not transparent due to a self-censoring media and the absence of parliamentary oversight and other checks and balances. Civil servants were under threat of criminal prosecution for disclosing government information without permission. The media published articles on FICAC investigations on abuse of office and anonymous blogs reported on some government corruption. Fiji's relatively small population and limited circles of power often lead to personal relationships playing a major role in business and government decisions.

Fiji's new constitution provides for public access to government information and for the correction or deletion of false or misleading information that affects each person. The constitution requires that a freedom of information law be enacted but does not specify a deadline for parliament to pass such a law and there is no sitting parliament at this time.

Fiji acceded to the UN Convention Against Corruption in 2008 but is not a party of the OECD Convention on Combating Bribery.

Section 3 - Economy

Fiji, endowed with forest, mineral, and fish resources, is one of the most developed and connected of the Pacific island economies. Earnings from the tourism industry, with an estimated 755,000 tourists visiting in 2015, and remittances from Fijian's working abroad are the country's largest foreign exchange earners.

Fiji's sugar remains a significant industry and a major export. The sugar industry reforms since 2010 have improved productivity and returns, but the industry faces the complete withdrawal of European Union preferential prices by 2017. Fiji's trade imbalance continues to widen with increased imports and sluggish performance of domestic exports.

The return to parliamentary democracy and successful elections in September 2014 have boosted investor confidence. Private sector investment in 2015 exceeded 20% of GDP, compared to 13% in 2013.

Agriculture - products:

sugarcane, coconuts, cassava (manioc, tapioca), rice, sweet potatoes, bananas; cattle, pigs, horses, goats; fish

Industries:

tourism, sugar, clothing, copra, gold, silver, lumber, small cottage industries

Exports - commodities:

sugar, garments, gold, timber, fish, molasses, coconut oil, mineral water

Exports - partners:

US 13.4%, Australia 10.2%, Samoa 6.7%, Tonga 5.9% (2015)

Imports - commodities:

manufactured goods, machinery and transport equipment, petroleum products, food, chemicals

Imports - partners:

China 16.2%, South Korea 15.7%, NZ 14%, Australia 13.4%, Singapore 8.7%, France 7% (2015)

Banking

Fiji has a developed banking system controlled by the Fiji Government through the Reserve Bank of Fiji. The Reserve Bank regulates the Fijian monetary and banking system, manages note issues, administers exchange controls, and provides banking and other services to government. It provides and regulates trading-bank liquidity via the government's monetary

policy. In addition to managing the credit environment, the RBF has responsibility for foreign exchange controls and management of Fiji's international reserves position.

There are five commercial banks with established operations in Fiji. In December 2009, the Papua New Guinea-based Bank of South Pacific purchased the Colonial Group. There are also non-bank financial institutions (NBFI) providing financial assistance and borrowing facilities to the commercial community and to consumers. The non-bank institutions are: the Fiji Development Bank, the Fiji National Provident Fund (FNPF), the Housing Authority, the Credit Corporation, the Merchant Finance & Investment Company Ltd., and a number of insurance companies.

Stock Exchange

Securities firms buy and sell transferable securities through the South Pacific Stock Exchange, which is the single securities exchange operating in Fiji.

Section 4 - Investment Climate

Executive Summary

Fiji is a republic with a population of approximately 886,500 and an estimated GDP of USD 4.5 billion. It is classified as an upper middle income economy by the World Bank. The government welcomes foreign investment and assures investors that Fiji is a safe place to do business. In 2014, the government reported a total of 261 new investment applications from foreign investors valued at USD 240.9 million (FD 500 million). This is compared to 257 projects valued at USD 627 million (FD 1.25 billion) in 2013. Following eight years of military rule, Fiji held general elections in September 2014. The return to parliamentary democracy and re-engagement of diplomatic relations with international partners has improved investor confidence.

On February 20 and 21 of 2016, Fiji experienced the most powerful cyclone on record in the Southern Hemisphere, according to the Joint Typhoon Warning Center. Cyclone Winston caused flooding and extensive damage to housing, schools, and public infrastructure and disrupted essential utilities. In line with the impact of the cyclone, the Fiji government expects growth to be lower than its earlier projection of 3.5 percent in 2016. Significant post-cyclone reconstruction, retail and tourism activity are expected to drive growth in 2016. The financial system is stable and the central bank relaxed a number of foreign exchange controls. The Reserve Bank of Fiji still requires approval of remittances above USD 480,000 (FD one million) of investment profits and capital.

Fiji's total land mass is roughly 11,352 square miles. The land ownership situation in Fiji is complex. Eight percent of land is freehold; the rest is indigenous and government land that can only be leased. Fiji passed a Land Sales Act in December 2014 that restricts ownership of freehold land inside city or town council boundaries areas to Fijian citizens. There are limited exceptions to allow foreigners to purchase land (see the section on real property below).

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	N/A	http://www.transparency.org/cpi2015/
World Bank's Doing Business Report "Ease of Doing Business"	2015	88 of 189	doingbusiness.org/rankings
Global Innovation Index	2015	0.19	globalinnovationindex.org/content/page/data-analysis
U.S. FDI in partner country (\$M USD, stock positions)	2014	-40	BEA/Host government
World Bank GNI per capita	2014	4870	data.worldbank.org/indicator/NY.GNP.PCAP.CD

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Fiji government welcomes foreign investment, assuring investors that Fiji is a safe place to do business. The return to parliamentary democracy and re-engagement of diplomatic relations with international partners has improved investor confidence. However, some investors have complained about bureaucratic challenges in doing business in Fiji and the limited ability to resolve concerns with the government related to their investments.

Although Fiji has a tradition of a strong judiciary system where contractual rights are generally upheld, the lack of independence of the judiciary and the lengthy legal process raise concerns about due process of law. Furthermore, the constitution prohibits all tiers of the judiciary from considering cases relating to the 2006 coup; all acts of the interim government between December 4, 2006, and April 9, 2009; the abrogation of the previous constitution in 2009; and all government decrees since December 2006. The constitution decrees that all actions by the government prior to the first sitting of parliament after the 2014 elections are protected indefinitely by this immunity. An amended decree also removed the courts' jurisdiction to hear challenges to government decisions on judicial restructuring, terms and conditions of remuneration for the judiciary, and terminated court cases. Various other decrees contain similar clauses limiting the jurisdiction of the courts on decisions made by cabinet, ministers, or government departments.

Super cyclone Winston in February 2016 caused flooding and extensive damage to housing, schools, and public infrastructure and disrupted essential utilities. In line with the impact of the cyclone, the Fiji government expects growth to be lower than its earlier projection of 3.5 percent in 2016. Significant post-cyclone reconstruction, retail and tourism activity are expected to drive growth in 2016. According to 2015 figures, earnings from tourism were USD 344 million (FD 715 million) with visitor arrivals reaching 688,884. The number of U.S. visitors increased 9.5 percent in 2015, accounting for nearly nine percent of total visitors. Tourism remains Fiji's largest foreign exchange earner, and the country has liberal visa requirements—allowing nationals of 109 nations to enter the country without acquiring a visa in advance. Remittances from Fijians working abroad are a second pillar of the economy. Sugar exports remain important. While the sector is a major employer, production is below its peak performance. The government is funding reforms to improve sugar quality, farm productivity, and mill efficiency to bolster sugar production. Additionally, the sugar sector is diversifying into co-generation facilities for producing energy. U.S. exports to Fiji declined by 28 percent in 2015, and two-way trade with Fiji totaled about USD 259.8 million.

Other Investment Policy Reviews

The Fiji government is reviewing its investment policies in order to improve efficiency in the approval processes of foreign investment proposals. Fiji will undertake its second WTO trade policy review in 2016. In 2015, UNCTAD undertook a voluntary peer review of Fiji's competition law and policy.

Laws/Regulations on Foreign Direct Investment

The Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation regulate foreign investment in Fiji. All businesses with a foreign-investment component in their ownership are required to register and obtain a Foreign Investment Registration Certificate (FIRC) from Investment Fiji.

Business Registration

Investment Fiji is responsible for the promotion, regulation, and control of foreign investment in the interest of national development. Its Online Single Window Clearance System simplifies the registration process and enables online applications for a FIRC and payment of the requisite application fee of USD 1,385 (FD 2,875). Information on the registration procedures, regulations, and registration requirements for foreign investment is available at the Investment Fiji website: <http://www.investmentfiji.org.fj>.

Investors are also required to obtain the necessary permits and licenses from other relevant authorities and should be prepared for delays. The World Bank Doing Business 2016 survey estimated that it took 11 procedures and a total of 58 days to get a business registered. There are no special services or preferences to facilitate investment and business operations by micro, small and medium sized enterprises. Small enterprises are those employing between five and 20 people, while medium enterprises employ between 20 and 50 people.

Industrial Promotion

The government of Fiji's national priorities for development include agribusiness, energy, food processing and packaging, information and communication, media and entertainment, and travel.

Limits on Foreign Control and Right to Private Ownership and Establishment

A number of investment activities are reserved for Fiji nationals or subject to restrictions. There are 17 reserved activities and five restricted activities. Full listings of reserved and restricted areas can be found at: <http://www.investmentfiji.org.fj/pages.cfm/for-investors/doing-business-in-fiji/foreign-investment-act-foreign-investment-regulations.html>.

In 2013, the government amended the foreign investment law to allow the government to confiscate assets, interests, and/or shares or properties of foreign investors who do not comply with FIRC conditions, thus leading to a termination of its FIRC.

Privatization Program

The government is still in the process of selling of a number of its blue-chip public assets, including Airports Fiji Ltd and Fiji Government Printing and Stationary Department. The sale is expected to raise an estimated USD 257 million (FD 534 million) in revenue.

Screening of FDI

Investors are required to meet the requirements listed under the Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation as well as ensure that the investment activity does not fall under the Reserved and Restricted Activities list. The following documents must accompany the FIRC application: if a company is being listed as a shareholder, then a certified copy of the certificate of incorporation and name(s) of those associated with the

shareholding company; if local equity contribution is required, a copy of the shareholders agreement and a copy of the declaration of shareholders, witnessed or certified by a justice of the peace, lawyer and/or chartered accountant; a certified copy of the passport bio-data page, together with a recent color passport-size photo of all those associated with the business; a police clearance report from the country of residence in the last 12 months or more; and proof of company registration abroad (if applicable).

Contact: The Chief Executive, Investment Fiji, P.O. Box 2303, Government Buildings, Suva; Telephone: (679) 3315 988; Fax:(679) 3301 783; Email: info@investmentfiji.org.fj; Website: <http://www.investmentfiji.org.fj/>.

The approval process for investment applications takes five-10 working days. Depending on the nature of the business, investors may also be required to obtain permits and licenses from other relevant authorities and should be prepared for delays.

Competition Law

The Fiji Commerce Commission (FCC), established under the 2010 Commerce Commission Decree, regulates monopolies, promotes competition, and controls prices of selected hardware, basic food items, and utilities, in order to ensure a fair, competitive, and equitable market.

2. Conversion and Transfer Policies

Foreign Exchange

The Reserve Bank of Fiji (RBF) relaxed a number of foreign exchange controls, including increasing delegated limits for commercial banks and authorizing foreign exchange dealers to process some payments in 2016. The Fiji dollar remains fully convertible. The Fiji dollar is pegged to a basket of currencies of Fiji's principal trading partners, chiefly Australia, New Zealand, the United States, the European Union, and Japan.

The Reserve Bank of Fiji lifted its suspension of offshore investments by Fiji residents in 2016. There are, however, limits placed on offshore investments. Although no limits were placed on non-residents borrowing locally for some specified investment activities, the RBF placed a credit ceiling on lending by commercial banks to non-resident controlled business entities.

Remittance Policies

Profit and dividend remittances above USD 480,000 (FD one million) per company per annum and large payments still require RBF approval. Tax compliance may restrict foreign investors' repatriation of investment profits and capital. Provided all required documentation is submitted, the processing time for remittance applications is approximately three working days. Remittance through parallel markets requires prior approval by the Reserve Bank.

3. Expropriation and Compensation

Expropriation has not historically been a common phenomenon in Fiji. A foreign investor theoretically has the same right of recourse as a Fijian enterprise to the courts and other tribunals of Fiji to settle disputes. In practice, the government has acted to assert its interests with decrees affecting foreign investors.

In 2013, the government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as significant fines for breaches of compliance with foreign investment registration conditions.

In 2010, through the Natadola Development Decree, the foreign investment certificate of the project developers of the Natadola Bay integrated tourism development project was cancelled, and their shares in the project forfeited. The government's 2010 Media Decree, which limited foreign ownership of media organizations to 10 percent, forced the sale of Australia-based News Limited's controlling stake in the Fiji Times, the country's oldest and main daily newspaper.

The 2010 Natadola and Momi Bay Decrees effectively forced the takeover of private assets, extinguished creditors' claims, and excluded the jurisdiction of the courts from the transfer of properties in dispute to the Fiji National Provident Fund (FNPF). This action left no recourse for foreign investors who had filed legal challenges, as those challenges were terminated from the court process by the Natadola and Momi decrees.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

The legal system in Fiji developed from British law. Fiji maintains a judiciary consisting of a Supreme Court, a Court of Appeal, a High Court, and magistrate courts. The Supreme Court is the final court of appeal.

Since April 2009, Fiji has recruited prosecutors and judges on contract mainly from Sri Lanka. The expatriates filled positions after the entire judiciary and the Director of Public Prosecutions were dismissed and required to reapply for their jobs, with only legal officials considered friendly to the coup regime re-appointed.

Both companies and individuals have recourse to legal treatment through the system of local and superior courts. Fiji's Companies Act 2015 repeals outdated legislation. A foreign investor theoretically has the right of recourse to the courts and other tribunals of Fiji with respect to the settlement of disputes, but government decrees have been used to block foreign investors from legal recourse in investment takeovers, tax increases, or write-offs of interest to the government.

Bankruptcy

Fiji has bankruptcy laws. According to the World Bank Doing Business 2016 survey, in terms of resolving insolvency, Fiji was ranked 89 out of 189. The survey estimated that it took 1.8 years at a cost of ten percent of the estate to complete the process, with an estimated recovery rate of 46.2 percent of value.

Investment Disputes

In 2010, a director of a major U.S. investor, Fiji Water, was deported, and the same company was singularly targeted with an increased export tax, from 0.33 of a cent per liter of water to USD eight cents (FD 16 cents) per liter of water. Further taxes imposed on Fiji Water and other water companies cannot be challenged in the courts, and the decisions of Fiji Revenue and

Customs Authority (FRCA) in this respect are also outside the purview of the courts, by government decree.

Past investment disputes have often focused on land issues, particularly in the mining, timber and tourism sectors. Such disputes have been resolved through labor-management dialogue, government intervention, referral to compulsory arbitration, or through the courts. In some instances the investors have withdrawn from Fiji when a resolution could not be found. Fiji is a party to the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States.

International Arbitration

Fiji has been a party to the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States since 1977.

ICSID Convention and New York Convention

Fiji acceded to the New York Convention in September 2010. Fiji has been a member of the ICSID since September 1977. However, there are no legislative or other measures adopted to make the convention effective.

Duration of Dispute Resolution – Local Courts

The World Bank Doing Business 2016 survey ranked Fiji 88 out of 189 on the efficiency of the judicial system to resolve a commercial dispute. According to the survey, Fiji required 34 procedures to enforce a contract and took 397 calendar days to complete procedures at a cost of 38.9 percent of the value of the claim.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Fiji has been a member of the WTO since January 1996. According to Fiji's trade profile on the WTO website, there are no records of disputes.

Investment Incentives

Foreign investors can apply for incentives following registration with Investment Fiji. Information on incentive packages for investors can be obtained from the Fiji Revenue and Customs Authority (<http://www.frca.org.fj/>). Incentives offered include preferential tax treatment and duty free or low duty treatment of imported materials and equipment. The incentives reflect the Fiji government's long-term concerted efforts to encourage exports and develop priority sectors, including tourism, medical sector, commercial agriculture, fisheries, forestry, the filmmaking and audio visual industry, and the information technology industry. Fiji also established a tax free region in the northern and maritime island regions of the country to encourage rural development, and introduced incentives to encourage investment in bio-fuel and renewable energy.

Tourism incentives include tax-related investment allowances for approved expenditures on tourist boats/ships and approved building and expansion projects. The tourism incentive package provides a ten-year tax holiday for approved large tourism development projects

with capital investments of more than USD 3.3 million (FD seven million) to be completed within two years from the date when the provisional approval was granted. Filmmaking and audio-visual incentives include a 47 percent tax rebate on production costs spent in Fiji up to USD 12 million, which is a maximum allowable tax rebate of USD 5.64 million. There are various incentives to encourage investment in the agriculture, fisheries, and forestry industry including zero-rated fiscal duty on imported agricultural machineries, equipment and inputs, and specialized equipment and machinery for forestry and fisheries. The benefits, which can be up to a ten-year tax holiday, vary by industry and nature of the investment.

The income of any business setting up private hospitals with a minimum capital investment of USD 3.3 million (FD 7 million) on or after January 1, 2016, is exempt from tax for a period of ten years. A 60 percent investment allowance will apply for refurbishments, renovations and extensions with a minimum capital investment of USD 480,000 (FD one million). The income of any business setting up ancillary medical services such as pathology lab, MRI, or other diagnostics on or after January 1, 2016, shall be exempt from tax for a period of four years with a minimum capital investment level of USD 960,000 (FD two million). A 60 percent investment allowance will apply for refurbishments, renovations and extensions with a minimum capital investment of USD 240,000 (FD 500,000). There is a duty concession (free fiscal duty, free import excise and free VAT) on medical, hospital, surgical, dental goods that are used and imported by the business. Recipients of provisional approval for setting up private hospitals should complete the project within two years from the date the provisional approval was granted. Losses on private hospitals may be carried forward for eight years.

Research and Development

U.S. and foreign firms may participate in government financed or subsidized research as well as development programs, as technical and in-country capacities are limited. However, as such programs are usually financed by foreign development partners and donors, any conditions and limitations may be dependent on the source of project financing.

Performance Requirements

Many jobs are reserved for Fijian citizens, and work permit applications for expatriate employees may face delays or denials. Potential employers and employees should consult Fiji Immigration for further information prior to making any binding commitments as it can be difficult to secure employment visas for non-Fijians.

To support the implementation of newly approved investments, Investment Fiji established a monitoring system to assist companies in obtaining necessary approvals to commence operations. The investing firm must ensure that commercial production begins within 12 months for investments under USD 1.2 million (FD 2.5 million) or within 18 months of the date of approval of the project for investments above USD 1.2 million (FD 2.5 million).

Data Storage

The U.S. Embassy is unaware of any policies regulating data storage or requiring foreign IT providers to turn over source code or provide access to surveillance.

6. Protection of Property Rights

Real Property

Land tenure and usage in Fiji is a highly complex and sensitive issue. Fiji amended the Land Sales Act in December 2014 to restrict ownership of freehold land inside a city or town council boundaries areas to Fijian citizens. There are exceptions to allow foreigners to purchase strata title land, which is defined as ownership in part of a property including multi-level apartments or subdivisions. Foreigners are still allowed to purchase, sell, or lease freehold land for industrial or commercial purposes, residential purposes within an integrated tourism development, or for the operation of a hotel licensed under the Hotel and Guest Houses Act. The Land Sales Act also requires foreign land owners who purchase approved land to build a dwelling valued at a minimum of USD 120,000 (FD 250,000) on the land within two years, or face an annual tax of 20 percent of the land value (applied as ten percent every six months). Freehold land currently owned by a non-Fijian can pass to the owners' heirs and will not be deemed a sale.

Foreign land owners criticized the government of Fiji for the speed at which the act was passed and the perceived lack of consultation with land owners and developers. The application of the Land Sales Act continues to create uncertainty among foreign investment as the Fiji government has yet to provide full clarification of the act, such as defining what constitutes an integrated tourism development. The limited capacity of construction and architecture firms makes it difficult to comply with the two-year time frame for building a dwelling before tax penalties set in.

According to the World Bank's Doing Business Report, registering property took a total of 69 days and involved four main processes, including conducting title searches at the Titles Office, presenting transfer documents for stamping at the Stamp Duty office, obtaining tax clearance on capital gains tax, and settlement at the Registrar of Titles Office.

Ethnic Fijians communally hold approximately 87 percent of all land. Crown land owned by the government account for four percent, while the remainder is freehold land, which private individuals or companies hold. All land owned by ethnic Fijians, commonly referred to as iTaukei land, is held in a statutory trust by the iTaukei Land Trust Board (TLTB) for the benefit of indigenous landholding units.

To improve access to land, the government established a land bank in the Ministry of Lands under the land use decree for the purpose of leasing land from indigenous landowning units (collections of households; under the indigenous communal landowning system, land is not owned by individuals) through the TLTB and subleasing the land to individual tenants for lease periods of up to 99 years.

The constitution includes other new provisions protecting land leases and land tenancies, but observers noted that the provisions seemed to have unintended consequences, including weakening the overall legal structure governing leases and other such contracts.

The availability of Crown land for leasing is usually advertised. This does not, however, preclude consideration given to individual applications in cases where land is required for special purposes. Government leases for industrial purposes can last up to 99 years with rents reassessed every ten years. TLTB leases for land nearer to urban locations are normally for 50-75 years. Annual rent is reassessed every five years. The maximum rent that can be levied in

both cases is six percent of unimproved capital value. Leases also usually carry development conditions that require lessees to effect improvements within a specified time.

Apart from the requirements of the TLTB and Lands Department, town planning, conservation, and other requirements specified by central and local government authorities affect the use of land. Investors are urged to seek local legal advice in all transactions involving land.

Intellectual Property Rights

Fiji's copyright laws are in conformity with World Trade Organization (WTO) Trade Related Aspects of Intellectual Property (TRIPS) provisions. Copyright laws adhere to international laws, and while there are provisions for companies to register a trademark or petition for a patent in Fiji through the Office of the Attorney General, trademark and patent laws are outdated. Furthermore, the enforcement of these laws remains inadequate. There is no protection for designs or trade secrets.

Illegal materials, and illegal reproductions of films, sound recordings, and computer programs are widely available throughout Fiji. The government is reviewing trademark and patent laws, but capacity is a challenge.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Resources for Rights Holders

Fiji Intellectual Property Office
Office of the Attorney General
Level 7 Suvavou House, Victoria Parade
P.O. Box 2213

Government Buildings, Suva, FIJI
Telephone Number: (679) 3309866

American Fiji Chamber of Commerce (AmCham)

Level 4 FNPF Place
343 Victoria Parade
PO Box 12499
Telephone Number: (+679) 3305510

U.S. Embassy Point of contact:
U.S. Embassy Suva Commercial Office
commercialsuva@state.gov

List of local attorneys: <http://suva.usembassy.gov/attorneys.html>

7. Transparency of the Regulatory System

Although the government has made some progress, there is a perception among foreign investors of a lack of transparency in government procurement and approval processes. Some foreign investors considering investment in Fiji have encountered lengthy and costly

bureaucratic delays, shuffling of permits among government ministries, inconsistent and changing procedures, lack of technical capacity, and slow decision-making. The Biosecurity Authority of Fiji (BAF) regulates all food and animal products entering Fiji and has stringent and costly point-of-origin inspection and quarantine requirements for foreign goods. U.S. dairy, fresh and frozen food exports face severe bureaucratic hurdles entering the Fiji market.

Fiji's constitution provides for public access to government information and for the correction or deletion of false or misleading information that affects each person. The constitution requires that a freedom of information law be enacted, but does not specify a deadline for parliament to pass such a law.

8. Efficient Capital Markets and Portfolio Investment

The capital market is regulated and supervised by the Reserve Bank of Fiji. Eighteen companies were listed on the Suva-based South Pacific Stock Exchange (SPSE) in 2015. At the end of 2015, market capitalization was USD 516 million (FD 1.07 billion), an increase of 18.4 percent over 2014 values. To promote greater activity in the capital market, the government lowered corporate tax rates for listed companies from 18.5 percent to ten percent and has exempted income earned from trading of shares in the SPSE from income tax and capital gains tax.

Money and Banking System, Hostile Takeovers

Fiji has a well-developed banking system supervised by the Reserve Bank of Fiji (RBF). The RBF regulates the Fiji monetary and banking systems, manages the issuance of currency notes, administers exchange controls, and provides banking and other services to the government. In addition, it provides lender-of-last-resort facilities and regulates trading bank liquidity.

There are six trading banks with established operations in Fiji: ANZ Bank, Bank of Baroda, Bank of South Pacific, Bred Bank, Home Finance Corporation and Westpac Banking Corporation. Non-banking financial institutions also provide financial assistance and borrowing facilities to the commercial community and to consumers. These institutions include the Fiji Development Bank, Credit Corporation, Merchant Finance, and insurance companies. The banking sector is well capitalized and as of December 2015, total assets of commercial banks amounted to USD 4.18 billion (FD 8.6 billion).

9. Competition from State-Owned Enterprises

State-owned enterprises (SOEs) in Fiji are concentrated in utilities and key services and industries including aerospace (Fiji Airways, Airports Fiji Limited); agribusiness (Fiji Pine Ltd); energy (Fiji Electricity Authority); food processing (Fiji Sugar Corporation, Pacific Fishing Company); information & communication (Amalgamated Telecom Holdings); and media (Fiji Broadcasting Corporation Ltd). There are 11 Government Commercial Companies which operate commercially and are fully owned by the government, six Commercial Statutory Authorities (CSA) which have regulatory functions and charge nominal fees for their services, six Majority Owned Companies (MAC), and one Minority Owned Company (MIC) with some government equity in the company. The SOEs that provide essential utilities, such as energy and water, also have social responsibility and non-commercial obligations.

Aside from the CSAs, SOEs do not exercise delegated governmental powers. In the energy sector, the Fiji Electricity Authority is the generator and distributor of energy as well as the industry regulator. SOEs benefit from economies of scale and may be favored in certain sectors. The Fiji Broadcasting Company Ltd (FBCL) is exempt from the Media Decree, which governs private media organizations and exposes private media to lawsuits, and has been designated an essential industry under the Essential National Industries Decree (ENID). In some sectors, the government has pursued a policy of opening up or deregulating various sectors of the economy, even those where an SOE had a monopoly status, such as international airline routes.

The government is still in the process of selling of a number of its blue-chip public assets, including Airports Fiji Ltd and Fiji Government Printing and Stationary Department. The sale was expected to raise an estimated USD 257 million (FD 534 million) in revenues.

Fiji is not a party to the Government Procurement Agreement (GPA).

OECD Guidelines on Corporate Governance of SOEs

SOEs follow a normal corporate structure with a board of directors and executive management. All SOEs have boards of directors appointed by a cabinet minister. Some SOEs have board seats allocated specifically to the heads of certain government departments. Usually the Permanent Secretary for Finance is a board member. There is no explicit requirement for SOEs to consult the government before making policy decisions but officials likely do so under current government scrutiny.

All SOEs are required to publish annual reports, although not all SOEs comply. Fiji hosts domestic and international auditing firms, and Fijian standards are comparable to international financial reporting standards. Although the government requires a rate of return of ten percent by SOEs, this is not strictly enforced, and generally the performance of SOEs is poor.

Sovereign Wealth Funds

There is no sovereign wealth fund or asset management bureau in Fiji. The country has the Fiji National Provident Fund which manages and invests members' savings for their retirement. The fund invests in equities, bonds, commercial paper, mortgages, real estate and various offshore investments.

10. Responsible Business Conduct

Responsible Business Conduct (RBC) is still a relatively new concept in Fiji, although it is increasingly promoted, with both multi-national companies and established large local companies practicing RBC through charitable foundations. Major companies' advertising often promotes the company's social benefits or charity sponsorships. There is no official favoring of RBC-friendly businesses, and consumers tend to seek value for price. The government has included a social responsibility component for SOEs that provide essential utilities.

11. Political Violence

The country has been a constitutional republic since general elections held in September 2014 ended eight years of military rule. In an election deemed free and fair by the international community, citizens elected Josaia Voreqe Bainimarama as prime minister. Bainimarama overthrew the elected government in a bloodless coup in 2006. In 2009 the interim government he headed abrogated the existing constitution, imposed a state of emergency, and, in the absence of a parliament, ruled by decree until national elections returned the country to democracy. The Public Order (Amendment) Decree (POAD) restricts freedoms of speech, assembly, and movement. The POAD, media decree, and other decrees promulgated since the 2006 coup remain in force under the new constitution.

Although there have been human rights concerns in previous years, the possibility of civil disturbances is deemed to be fairly low.

12. Corruption

The law provides criminal penalties for corruption by officials, but the government does not implement the law effectively. The government established an independent commission against corruption, the Fiji Independent Commission Against Corruption (FICAC), with broad powers of investigation. FICAC's public service announcements encouraging citizens to report corrupt government activities have had some effect on systemic corruption. The media published articles on FICAC investigations on abuse of office, and anonymous blogs reported on some government corruption. The return of parliamentary oversight after the 2014 elections improved transparency of government decision making. In 2015, the auditor general's reports from 2007 to 2013 were reviewed by the finance minister and tabled in parliament and are now publicly available. However, Fiji's relatively small population and limited circles of power often lead to personal relationships playing a major role in business and government decisions.

Fiji's constitution provides for public access to government information, and for the correction or deletion of false or misleading information that affects each person. The constitution requires that a freedom of information law be enacted but does not specify a deadline for parliament to pass such a law.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Fiji acceded to the UN Convention Against Corruption in 2008 but is not a party of the OECD Convention on Combating Bribery.

Resources to Report Corruption

Contact at Fiji Independent Commission Against Corruption (FICAC)

NAME: Mr. George Langman

TITLE: Deputy Commissioner

ORGANISATION: Fiji Independent Commission Against Corruption (FICAC)

ADDRESS: P.O. Box 2335, Government Buildings, Suva, FIJI

TELEPHONE NUMBER: (679) 3310290

EMAIL ADDRESS: info@ficac.org.fj

Contact at Transparency International

NAME: Dr. Joseph Veramu

TITLE: Chair Person
 ORGANIZATION: Transparency International Fiji
 ADDRESS: 72 Pratt Street, G.P.O Box 12642, Suva, FIJI
 TELEPHONE NUMBER: (679) 3304702
 EMAIL ADDRESS: oa@transparencyfiji.org

13. Bilateral Investment Agreements

Bilateral Taxation Treaties

Fiji has double taxation agreements with Australia, Japan, Malaysia, New Zealand, Papua New Guinea, the Republic of Korea, Singapore, and United Kingdom. Fiji has not entered into a bilateral investment treaty or a double taxation agreement with the United States.

14. Foreign Trade Zones/Free Ports/Trade Facilitation

The northern and selected maritime regions of Fiji have been declared Tax Free Regions (TFR) to encourage development in these isolated outposts. The specific areas include Vanua Levu, Rotuma, Kadavu, Levuka, Lomaiviti, and the Korovou-Tailevu area in the east of Viti Levu. Businesses that are established in such a region and meet the prescribed requirements will enjoy a corporate tax holiday for up to 13 years and import duty exemption on raw materials, machinery, and equipment.

15. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical source		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2014	3000	2014	4532	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	N/A	2014	-40	http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm
Host country's FDI in the United States (\$M USD, stock positions)	N/A	N/A	N/A	N/A	http://bea.gov/international/direct_investment_multinational_companies_comprehensive_data.htm

Total inbound stock of FDI as % host GDP	N/A	N/A	N/A	N/A	N/A
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Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

Legal system:

common law system based on the English model

International organization participation:

ACP, ADB, AOSIS, C (suspended), CP, FAO, G-77, IAEA, IBRD, ICAO, ICRM, IDA, IFAD, IFC, IFRC, IHO, ILO, IMF, IMO, Interpol, IOC, ISO, ITSO, ITU, ITUC (NGOs), MIGA, NAM, OPCW, PCA, PIF, Sparteca (suspended), SPC, UN, UNCTAD, UNESCO, UNIDO, UNMISS, UNMIT, UNWTO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO

Section 6 - Tax

Exchange control

Overseas remittances in and out of Fiji, including repatriation of capital and remittance of profits, dividends, interest and loan repayments, generally require prior approval of the Reserve Bank of Fiji.

Currently, there are certain restrictions on repatriation of capital and remittance of profits and dividends. Non-resident controlled entities are subject to certain borrowing restrictions.

Treaty and non-treaty withholding tax rates

	<i>Dividends</i>	<i>Interest</i>	<i>Royalties</i>	<i>Know-how, management charges and others</i>
	(%)	(%)	(%)	(%)
<i>Non resident corporations and individuals:</i>				
<i>Non-treaty Countries</i>	15	10	15	15
<i>Treaty Countries:</i>				
Australia	20	10	15	15
Japan	15	10	15	15
Korea, Republic of	10-15	10	10	15
Malaysia	15	15	15	15
New Zealand	15	10	15	15
Papua New Guinea	17	10	15	15
Singapore	5-15	10	10	15
United Kingdom	15	10	15	15

Dividend withholding tax is not payable to the extent that such dividend is paid out of tax-paid company profits.

Withholding tax is levied subject to tax treaty provision.

Methodology and Sources

Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
FATF List of Countries identified with strategic AML deficiencies	Not Listed	AML Deficient but Committed	High Risk
Compliance with FATF 40 + 9 recommendations	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
US Dept of State Money Laundering assessment (INCSR)	Monitored	Concern	Primary Concern
INCSR - Weakness in Government Legislation	<2	2-4	5-20
US Sec of State supporter of / Safe Haven for International Terrorism	No	Safe Haven for Terrorism	State Supporter of Terrorism
EU White list equivalent jurisdictions	Yes		No
International Sanctions UN Sanctions / US Sanctions / EU Sanctions	None	Arab League / Other	UN , EU or US
Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network	>69%	35 – 69%	<35%
World government Indicators (Average)	>69%	35 – 69%	<35%
Failed States Index (Average)	>69%	35 – 69%	<35%
Offshore Finance Centre	No		Yes

Section 3 - Economy

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

Section 4 - Foreign Investment

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

Section 5 - Government

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

Section 6 - Tax

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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Gary Youinou

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