

“PAID PUBLIC NOTICE”

**To: Religious Organisations in Fiji**

13 December 2014

**RELIGIOUS ORGANISATIONS ADVISED TO COMPLY WITH THE FTR ACT**

A number of cases have been brought to the attention of the Financial Intelligence Unit (FIU) involving diversion and abuse of funds by officials of religious organisations in Fiji. Most of the cases involved the collection of funds outside of Fiji, the manner in which the funds are brought into Fiji, and subsequently how the funds were deposited and used.

The FIU has introduced a number of measures in Fiji under the Financial Transactions Reporting (FTR) Act since 2006 to protect our citizens and our financial system from money laundering and other financial criminal activities. In January 2008, border currency reporting requirements were introduced. The Exchange Control Act also imposes certain conditions and requirements when dealing with import, export and exchange of foreign currency.

As part of our awareness and outreach program to combat financial crimes, and promote prudent and legitimate financial dealings, we would like to advise you as follows:

**1. Funds Collected Offshore/Outside of Fiji**

Officials of religious organisations who are involved in collecting funds outside of Fiji are required to do the following:

- a) Convert the foreign currency at any commercial bank or authorised remittance service provider in the foreign country and transfer the funds equivalent in Fijian currency to Fiji through an international remittance transaction. International remittance transactions should be conducted in the name of the organisation and not under any personal name. The funds should be deposited directly into the nominated bank account in Fiji that is held in the name of the organisation and not under any personal name.
- b) Funds collected as cash in foreign currency may also be brought into Fiji.
- c) When bringing the foreign currency to Fiji and if the amount is \$10,000 or more, or equivalent in foreign currency, officials will be required to declare this in the Fiji Arrival Card in the first instance and complete a border currency report form. In the BCR form, it must be stated that the foreign currency is brought on behalf of the organisation (under Part C of the BCR form).
- d) Any foreign currency that is brought into Fiji must be exchanged for Fijian currency either at a commercial bank or at an authorised foreign exchange dealer. The funds should be deposited into the bank account of the organisation and not in personal bank accounts of the officials or members of your organisation.
- e) Funds collected offshore by or on behalf of any local religious organisations must not be deposited into the offshore bank account of the official, member of the organisation, or any other person, company or organisation. The FIU has received reports that funds are deposited into the personal bank accounts offshore and the persons, company, organisation would make arrangement for the funds, equivalent in Fijian currency to be collected by the officials in Fiji. In this way, funds collected outside of Fiji are left behind and an equivalent amount in Fijian currency is paid in Fiji by the person collecting the funds or by other persons. This practice is illegal.

**2. Funds collected in Fiji**

- f) Religious organisations also collect funds locally. Many times officials and other persons assist the organisation to collect the funds on their behalf. The funds collected must be deposited into the bank account of the organisation and not into the personal bank account of the officials or other parties.
- g) It is also recommended that well-wishers and supporters of the religious organisations obtain receipt for any financial contributions they make. Wherever possible they may also make direct deposit into the bank account of the organisation.

Collection of funds by foreign organisations and individuals that are done under your approval or permission and in the name of the local religious organisations should also be mindful and aware of the local requirements.

In one case, funds raised and collected locally for a religious organization were deposited into the personal bank account of a member of the organization. The funds were eventually withdrawn by the member.

In another case, an expatriate religious worker received international remittances for the organization from overseas donors into his personal bank account without the knowledge of the organisation. The religious worker withdrew the funds and remitted it back to his family members in his home country.

In a recent case, a religious worker received numerous overseas remittance transactions. This religious worker is alleged to have paid off an expensive residential property, traveled overseas frequently and has sent his child to an expensive private training school.

The FTR Act also requires you to provide all relevant background information of your organization, source of funds, particulars of trustees and authorized officials to the commercial banks when opening bank accounts.


These organisations should exercise prudent, transparent and honest practices that will ensure that all funds of the organisation are fully accounted for and are spent in a manner that is consistent with the purpose and objectives of the organization's stated activities. This will also assist the organization to prepare financial statements that provide detailed breakdown of income and expenditure.

The FIU wishes to caution and advise these organisations to comply with the relevant laws and regulations.

Officials and religious workers of these organizations who receive frequent financial support directly from well-wishers are required to declare and also seek clarification from the Fiji Revenue and Customs Authority on tax and unexplained wealth implications.

Members of religious and charitable organizations and the general public are also advised to report suspected fraudulent activities to the Fiji Police Force and to the FIU.

The role of the FIU is to also ensure that members of the public and other stakeholders are aware of matters relating to money laundering and fraudulent activities.



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