

REPRINT

EXCHANGE CONTROL ACT (CAP. 51)

As in force at: 1 March 1996

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AN ACT EMPOWERING THE MAKING OF REGULATIONS TO CONFER POWERS, AND IMPOSE DUTIES AND RESTRICTIONS, IN RELATION TO FOREIGN EXCHANGE, FOREIGN EXCHANGE RESOURCES, PROTECTION OF CURRENCY OR PUBLIC CREDIT OR REVENUE AND FOR MATTERS CONNECTED THEREWITH AND INCIDENTAL THERETO

EXCHANGE CONTROL ACT (CAP. 51)

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EXCHANGE CONTROL ACT (Cap. 51)

As in force at: 1 March 1996

1 Short title

This Act may be cited as the *Exchange Control Act*.

2 Interpretation

(1) In this Act, unless the context otherwise requires:

“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 Solomon Islands currency, and also includes rights, and instruments of title, to currency, other than Solomon Islands currency;

“foreign securities” means securities or other property included in a class of securities or property prescribed as foreign securities;

“property” includes securities and rights under securities;

“resident” means:

- (a) a person, not being a body corporate, who is ordinarily resident in Solomon Islands; and
- (b) a body corporate which is incorporated in Solomon Islands;

“securities” include shares, stock, bonds, debentures, debenture stock, treasury bills and notes, 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;

“Solomon Islands currency” includes notes, coin, postal notes, money orders, bills of exchange, promissory notes, drafts, letters of credit and travellers’ cheques payable or expressed in currency that is legal tender in Solomon Islands, and also includes rights, and instruments of title, to any such Solomon Islands currency;

“Solomon Islands securities” means securities or other property included in a class of securities or property prescribed as Solomon Islands securities.

- (2) A reference in this Act to property that is in Solomon Islands shall be read as including a reference to a right, not being property, that is exercisable in Solomon Islands, and a reference in this Act to property that is outside Solomon Islands shall be read as including a reference to a right, not being property, that is not exercisable in Solomon Islands.

3 Power to make regulations

- (1) Whenever the Minister considers it expedient to do so for purposes related to:
- (a) foreign exchange or the foreign exchange resources of Solomon Islands;
 - (b) the protection of the currency or the protection of the public credit or revenue of Solomon Islands; or
 - (c) foreign investment in Solomon Islands, Solomon Islands investment outside Solomon Islands, foreign ownership or control of property in Solomon Islands or of Solomon Islands property outside Solomon Islands or Solomon Islands ownership or control of property outside Solomon Islands or of foreign property in Solomon Islands,

he may make regulations in accordance with this section.

- (2) In particular and without prejudice to the generality of the powers conferred by this section, the Minister may make regulations making provision for or in relation to:
- (a) rates of exchange;
 - (b) the control or prohibition of the buying, borrowing, selling, lending or exchanging in Solomon Islands of, or other dealing in Solomon Islands with, foreign currency by or on behalf of any person, and of the buying, borrowing, selling, lending or exchanging outside Solomon Islands of, or other dealing

outside Solomon Islands with, foreign currency by or on behalf of a person who is resident;

- (c) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, foreign currency, being a transaction that takes place in whole or in part in Solomon Islands or to which a person who is a resident is a party;
- (d) the control or prohibition of the buying, borrowing, selling, lending or exchanging outside Solomon Islands of, or other dealing outside Solomon Islands with, Solomon Islands currency by or on behalf of any person, and of the buying, borrowing, selling, lending or exchanging in Solomon Islands, or other dealing in Solomon Islands with, Solomon Islands currency by or on behalf of a person who is not a resident;
- (e) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, Solomon Islands currency, being a transaction that takes place in whole or in part outside Solomon Islands or to which a person who is not a resident is a party;
- (f) the control or prohibition of the taking or sending out of Solomon Islands, and of the bringing or sending into Solomon Islands, of Solomon Islands currency or foreign currency;
- (g) requiring any person who is a resident and who has power to sell, or to procure the sale of, any foreign currency, or any person (whether a resident or not) who has power to sell in Solomon Islands, or to procure the sale in Solomon Islands of, any foreign currency, to sell, or to procure the sale of that currency as prescribed;
- (h) requiring any person who is not a resident and who has power to sell, or to procure the sale of, any Solomon Islands currency, or any person (whether a resident or not) who has power to sell outside Solomon Islands, or to procure the sale outside Solomon Islands of, any Solomon Islands currency, to sell, or to procure the sale of, that currency as prescribed;
- (i) the control or prohibition of the taking, sending or transfer of any

securities to a place outside Solomon Islands (including the transfer of securities from a register in Solomon Islands to a register outside Solomon Islands), and of the bringing, sending or transfer of any securities to the Solomon Islands from a place outside Solomon Islands (including the transfer of securities from a register outside Solomon Islands to a register in Solomon Islands);

- (j) the control or prohibition of the buying, borrowing, selling, lending or exchanging of, or other dealing with, property that is in Solomon Islands or of Solomon Islands securities that are outside Solomon Islands by or on behalf of a person who is not a resident;
- (k) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, property that is in Solomon Islands, or of Solomon Islands securities that are outside Solomon Islands, being a transaction to which a person who is not a resident is a party;
- (l) the control or prohibition of the buying, borrowing, selling, lending or exchanging of, or other dealing with, property that is outside Solomon Islands or of foreign securities that are in Solomon Islands, by or on behalf of a person who is a resident;
- (m) the control or prohibition of any transaction that has the effect of or involves a purchase, borrowing, sale, loan or exchange of, or that otherwise relates to, property that is outside Solomon Islands, or of foreign securities that are in Solomon Islands, being a transaction to which a person who is a resident is a party;
- (n) requiring any person who is a resident and by whom moneys are payable to a person who is not a resident to pay those moneys within such time as is fixed by or under the regulations;
- (o) the control or prohibition of the importation or exportation of goods;
- (p) the obtaining by any prescribed person of information, and the examination by any prescribed person of accounts, books,

documents or other papers for purposes related to the exercise of any powers, or the performance of any functions, conferred on any prescribed person under the regulations;

- (q) prescribing penalties not exceeding a fine of twenty thousand dollars, or imprisonment for a period not exceeding five years, or both, for offences against the regulations made under this section; and
 - (r) empowering a court to order the forfeiture, or the disposal in accordance with the directions of any prescribed person, of Solomon Islands currency, foreign currency, goods or other property in respect of which an offence against the regulations made under this section has been committed.
- (3) Without limiting the generality of the power of the Minister to make regulations under this section, the regulations may:
- (a) for any purpose of the regulations, prohibit the doing of any act or thing (including the importation or exportation of goods) specified in the regulations either absolutely or subject to conditions, being conditions which may prohibit the doing of the act or thing without the authority of any prescribed person or except in pursuance of a licence granted under the regulations;
 - (b) make provision for, or in relation to, terms and conditions subject to which such authorities or licences shall or may be granted, being terms and conditions which may require the deposit of money with any prescribed person; and
 - (c) make provision for, or in relation to, the granting of exemptions, either unconditionally or subject to conditions determined by any prescribed person, from the application of any provision of the regulations.
- (4) Regulations under this section may provide:
- (a) that the regulations, or a particular provision of the regulations specified in the regulations, shall apply, without modification or with such modifications as are prescribed, to, and in relation to, a resident included in a prescribed class of persons as if the person were not a resident; and

- (b) that the regulations, or a particular provision of the regulations specified in the regulations, shall apply, without modification or with such modifications as are prescribed, to, and in relation to, a person who is not a resident but is included in a prescribed class of persons, as if the person were a resident.
- (5) Regulations under this section may provide:
 - (a) that, where a body corporate that is not a resident has a place of business in Solomon Islands, the body corporate shall be deemed, for the purposes of the regulations or a particular provision of the regulations specified in the regulations, to be a resident in relation to the affairs of the body corporate conducted by the body corporate at, or through, that place of business, including any business carried on, transactions entered into and acts and things done by the body corporate at, or through, that place of business; and
 - (b) that, where a body corporate that is a resident has a place of business outside Solomon Islands, the body corporate shall be deemed, for the purposes of the regulations or a particular provision of the regulations specified in the regulations, not to be a resident in relation to the affairs of the body corporate conducted by the body corporate at, or through, that place of business, including any business carried on, transactions entered into and acts and things done by the body corporate at, or through, that place of business.
- (6) Regulations under this section may provide that no act or thing done, or contract or other transaction entered into, is invalid or unenforceable by reason only that the provisions of the regulations have not, or a particular provision of the regulations specified in the regulations has not, been complied with, but regulations so made shall not be construed as having the effect of preventing a person from being convicted of an offence against the regulations by reason of his having failed to comply with the provision of the regulations.
- (7) Regulations under this section may provide that, in the exercise of any powers or the performance of any functions under the regulations, or under a particular provision of the regulations specified in the regulations, a prescribed person is subject to the directions of the Minister.

ENDNOTES

1

KEY

amd = amended	Pt = Part
Ch = Chapter	rem = remainder
Div = Division	renum = renumbered
exp = expires/expired	rep = repealed
GN = Gazette Notice	Sch = Schedule
hdg = heading	Sdiv = Subdivision
ins = inserted	SIG = Solomon Islands Gazette
lt = long title	st = short title
LN = Legal Notice	sub = substituted
nc = not commenced	

NOTE

This Reprint comprises the Act and amendments as in force on 1 March 1996 and published as Chapter 51 of the Revised Edition of the Laws of Solomon Islands.

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LIST OF LEGISLATION

Exchange Control Act (Cap. 51)

Constituent legislation: 21 of 1976 (Commenced 1 March 1977)

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LIST OF AMENDMENTS