



FijiFIU
Fiji Financial Intelligence Unit



PRESS RELEASE

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AUTHORITIES TO TACKLE UNEXPLAINED WEALTH

Fiji has further strengthened its efforts to combat organised crimes and tax evasion with the introduction of the Proceeds of Crime (Amendment) Decree (No. 61 of 2012) in September 2012.

The Director of the Financial Intelligence Unit, Mr Razim Buksh said that the new “unexplained wealth” provisions enables the Court to confiscate any property or benefit that is owned or controlled by a person that cannot be reasonably explained in relation to the lawful income of that person. A person has “unexplained wealth” if the value of the person’s total wealth is greater than the value of the person’s lawfully acquired wealth. The value of the person’s total wealth is the total value of properties, including services, advantages and benefits that together constitute the person’s wealth.

Mr Buksh said that a person who fails to provide a satisfactory explanation to the Court as to how he or she was able to acquire properties and maintain a standard of living beyond his or her means and lawful emoluments, will be ordered to pay the value of his or her unexplained wealth to the State.

The Chief Executive Officer of the Fiji Revenue and Customs Authority (FRCA), Mr Jitoko Tikolevu said that the new Decree would further strengthen tax compliance in Fiji whereby persons and businesses that have been evading tax will be now forced to declare their correct income and lodge accurate tax returns.

Mr Tikolevu said that the authorities now have additional powers to forfeit any undeclared income as “unexplained wealth”. He said that some businessman in Fiji have been showing losses or lesser revenues for tax purposes that is not commensurate with their accumulation of properties and their high living standards. He further said that the intention was to create a strong tax compliance regime in Fiji that will not only support fair business competitiveness but will also eliminate tax evasion and fraud.

Commissioner of Police, Mr Ioane Naivalurua, said that the Fiji Police Force has committed substantial resources in investigating complex financial crimes. These include the establishment of specialised units within the Police Force such as the Anti-Money Laundering Investigation Unit, Human Trafficking Unit, Counter-Terrorism Unit, Cyber-Crime Unit, Major Crime Unit, Transnational Crime Unit and the overall Criminal Investigation Division. “The new unexplained wealth provisions empower the Police to take away the wealth that is generated from various criminal activities. This can now be achieved without a criminal conviction. The rules have been further simplified whereby persons now have the burden of explaining to the law enforcement agencies and to the Court the source of their wealth. If the person fails to provide explanation to the satisfaction of the Court, the assets will be forfeited to the State” said Commissioner Naivalurua.

Commissioner Naivalurua said that the Proceeds of Crime Act already had provisions to forfeit properties with or without conviction of a serious offence. However, the new unexplained wealth forfeiture provisions do not require the law enforcement authorities to establish that a serious offence is linked to the proceeds held by a person.

Mr Buksh said that the new provisions requires the persons to show that wealth was obtained lawfully in order to keep it, rather than the law enforcement agencies to show that the wealth was obtained unlawfully in order to forfeit it. The idea is to deprive persons from enjoying their ill-gotten wealth and this would hit the hardest on persons who live and profit from unlawful activities.

The new “unexplained wealth” provisions are now in effect and law enforcement agencies are considering a number of cases that will be investigated. Members of the public and businesses are encouraged to report suspected cases of unexplained wealth to the FIU, FRCA or the Police. Informants will be subject to anonymity and strict confidentiality of information will be also maintained.

Fiji Revenue & Customs Authority Fiji Police Force Financial Intelligence Unit

[Download POC \(Amendment\) Decree 2012 - Unexplained Wealth](http://www.fjifu.gov.fj/docs/Decree%2061%20-%20Proceeds%20of%20Crime%20%28Amendment%29%20Decree.pdf)
<http://www.fjifu.gov.fj/docs/Decree%2061%20-%20Proceeds%20of%20Crime%20%28Amendment%29%20Decree.pdf>

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