

**2022**

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**ANNUAL  
REPORT**

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**17TH EDITION**



International  
Finance  
Authority

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**Government of Samoa**  
**OFFICE OF THE MINISTER OF FINANCE**

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1 November 2022

The Honourable Speaker  
Legislative Assembly of Samoa

Pursuant to section 20(5) of the *Samoa International Finance Authority Act 2005*, I have the honour to submit the report of the Samoa International Finance Authority on its operations for the twelve months that ended on the 30<sup>th</sup> June 2022, together with the audited accounts for that period and the report of the Auditor on those accounts.

SIFA Annual Report and decisions authorised were under the auspices of the previous Minister of Finance and its Administration.

  
Mulipola Anarosa Ale Molio'o  
**MINISTER OF FINANCE**



International  
Finance  
Authority

Please address correspondence to  
THE CHIEF EXECUTIVE OFFICER

31 October 2022

Hon. Mulipola Anarosa Ale Molio'o  
Minister of Finance  
Ministry of Finance  
APIA

Dear Honourable Minister

I have the honour of submitting the Annual Report of the Samoa International Finance Authority as required by the *Samoa International Finance Authority Act 2005* for the financial year 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022.

The report comprises:

- (a) a report on the Authority's operations during the twelve (12) months ending on 30 June 2022; and
- (b) the Authority's audited accounts for the twelve (12) months ending June 2022 together with the auditor's report.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Tuifaasisina Sieni Tualega-Voorwinden".

Tuifaasisina Sieni Tualega-Voorwinden  
**CHIEF EXECUTIVE OFFICER**

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# REPORT FROM THE BOARD OF DIRECTORS

On behalf of the Board of Directors, it is my pleasure once again to present the Annual Report for the Samoa International Finance Authority (SIFA) for the financial year 2021/2022. Comparably to the preceding year, the year under review remained one of recovery, resilience and daunting challenges for the Authority as well as our Samoan economy.

We remained conscious of our regulatory obligations and corporate responsibility to deliver on statutory objectives and made certain that we remained un-phased under challenging circumstances. So with great pressure internationally, much focus was placed on regulatory reforms to address deficiencies in our legal framework in efforts to ensure Samoa is deemed compliant with international standards. Our team has worked assiduously, with extensive collaboration with local stakeholders in government and licensees, to keep them informed and garner their feedback and input on the reforms ensuring we strike the right balance between regulation for compliance and providing the conditions conducive for the right kind of business.

I am proud of how we responded to the lockdowns in January and February, as a Board we continued to meet virtually, every month despite working remotely meeting our obligation as a Board of Governance that requires us to meet every month. It was also pleasing to note the Chief Executive and her team, continuing to provide uninterrupted services to meet the needs of our clients during the first lockdown in January and the extended lockdown in February until May. As a result of working remotely, naturally our systems were now exposed to potential threat of exposure to hackers and unwanted 3<sup>rd</sup> parties, therefore we commissioned a Cyber-security audit the first for the Authority to identify potential risks and threats to the Authority's business as a result of this new way of working. We are excited to receive the final results as we continue to improve our systems.

We have continued to prioritise the delisting of Samoa from the European Union's Blacklist for uncooperative jurisdictions. It has not been an easy nor smooth journey as we have faced difficulties externally and internally, the devotion of limited and scarce resources for all stakeholders tasked and involved with this undertaking. We have cast our nets wide in terms of our approach, where we have now extended our efforts to rally the Pacific Region to take up the cause in view of the fact 4 Pacific countries (Samoa, Fiji, Vanuatu, American Samoa) are on the Blacklist. Submissions have been made to the EU as we continue to engage in constructive dialogue/negotiations to ensure Samoa is removed from the Blacklist, but at the same time preserve its international financial services industry which is a key contributor to the Governments budget not to mention is support for many other sectors of our economy and community groups. This work continues as we are committed to delist Samoa as soon as possible.

A continued decline in revenues has been experienced, resultant from the continuing trend of reductions in new incorporations during the year and a slight decline in renewals, a phenomenon experienced across all jurisdictions offering international financial services. It is anticipated that this negative trend will continue, exacerbated by the global downturn caused by the COVID-19 pandemic, not to mention other geo-political shifts brought about by other factors such as the ongoing war between the Ukraine and Russia, although in the latter months of 2021 and early months of 2022, there has been some upturn in new incorporation business. Despite this, it has been through the prudent management by the Board and Management of SIFA revenues through controlled expenditures has assisted SIFA to mitigate the impacts of the pandemic and the tightening up of standards that govern the conduct of our business.

The net result of SIFAs operations for the year in review is a net profit of SAT 17,776,873. SIFA continues to provide much needed support to the Governments budget therefore the Directors approved \$21,807,795 to be paid from the General Fund to the Government for the year ended 30 June 2022. The total relates to SAT 15,000,000 for contribution to the Government budget and SAT 6,807,795 of dividend payment to the Ministry of Public Enterprise.

On the local front, SIFA continues to extend its generous support through sponsorship and financial assistance to local sporting bodies (rugby, netball etc.). SIFA has also continued to support our wider community through several community projects aimed at assisting youth, faith based, the elderly and our most vulnerable.

Despite the myriad of challenges from the stringent international standards for international financial services centres, constant changes in tax reporting regulations, pressure from international standard setters and competition from renowned offshore markets, SIFA was able to operate successfully due mainly to the support from Government and the diligent and dedicated work of its Directors, Management and Staff.

To conclude, I sincerely thank the Board members, the Chief Executive Officer, and all staff of the Authority for their invaluable support and commitment in this past year in review. We will look back on these unprecedented times as opportunities to build new foundations and safeguard the best interest for the jurisdiction. I record my congratulations to the Board of Directors, Management and Staff of SIFA for a job well done.



Taimalie Ernest Betham

**CHAIRMAN & ON BEHALF OF THE SIFA BOARD OF DIRECTORS**

# CHIEF EXECUTIVE OFFICER'S STATEMENT



It is with great pride, that I reflect on the Samoa International Finance Authority's (SIFA/Authority) journey for the year under review 2021/2022, and recount the accomplishments and challenges faced throughout the year. The foregoing year witnessed significant changes for the Authority. Although our focus was on strengthening our supervisory and regulatory framework with all efforts targeted towards removal of Samoa from the European Union's Blacklist of uncooperative jurisdictions. It was equally necessary for the Authority to take on a more modern approach with the introduction of more features of our online registration

system, new systems, and work processes simultaneously with the reveal of the new SIFA logo, signifying the progress the Authority has made over the past 34 years. The logo, represents transformation, growth, prosperity, and the direction, which the Authority endeavours to go in the future.

SIFA supervises, regulates, and inspects all Trust Company and Service Providers operating in and from within Samoa. This is in addition to operating the Registry of all international entities registered and licensed, advise the government on financial services issues, and provide assistance to authorities locally and overseas to prevent, detect and prosecute financial crime.

We continue to work hard at ensuring that Samoa's hard-won good reputation is not tarnished by lapses and failure to prevent, identify, deter, and address risks effectively. To that end, we devote considerable resource to maintaining a strong working relationship with the government, industry, and other key stakeholders. This partnership has again proved its worth this year, ensuring that Samoa's financial services industry has remained open for business despite the office closures and lockdowns caused by the COVID-19 pandemic. It is also a tribute to the teamwork and dedication of our staff – as well as to our investment in information technology over the years – that the Authority was able to continue performing its regulatory and supervisory functions and meeting industry demands while working remotely.

Working remotely brings with it challenges and threats to our systems with the potential for hackers and unwanted third-party intrusions accessing our systems and confidential information. This led the Authority to undertake a Cyber-security threat assessment and audit of our systems for the purpose of identifying any potential weaknesses within our systems and find the relevant solutions to mitigate these threats and weaknesses. It was also an opportunity to review our current processes and identify work processes we are still conducting manually and transition them to be conducted electronically and in a more streamlined and effective way. This work is ongoing and will be reviewed annually.

Despite the external challenges, we are working on drafting new and amended legislation, responded to regional and international enquiries, issued statistical information, risk-assessed active licensees, renewed compliance inspections once permitted, and kept industry abreast of developments and opportunities. We have continued to work with industry practitioners to promote and ensure compliance with local and international regulatory and supervisory requirements and best practices through 3 rounds of onsite visits

in the 2021/2022 financial year, as well as carrying out desktop reviews of the operations of our TCSPs and other licenced entities to ensure their compliance with standards and legal requirements in the conduct of international financial services. We champion the idea that compliance and competitiveness go hand in hand.

Therefore, maintaining our positive reputation for both is essential and underpins the continuing success of our international financial services industry.

SIFA takes its role of regulator and maintaining Samoa's position as a well-regulated jurisdiction from which to conduct financial services business very seriously. We continue to keep a close eye on international developments and actively participate in regional and international groups and standards-setting bodies. We invest considerably in our employees to enhance their skills by participating in international meetings and other specialist training. With restriction on travel, we have been able to continue this participation in trainings and seminars through virtual meetings, and there have been several in the past financial year. Staff this year participated in virtual meetings of the FATF (Financial Action Task Force), Asia Pacific Group (APG) the Asia Pacific Regional body of the FATF trainings on Beneficial Ownership, Know Your Customer etc., Financial Stability Board (FSB), GIFCS (Group of International Finance Centre Supervisors), Group of International Insurance Centre Supervisors (GIICS), International Association of Insurance Supervisors (IAIS) and International Organisation of Securities Commissions (IOSCO), OECD Global Forum Peer Review Group meetings and trainings, and so forth.

We have continued to again prioritise for the year under review, our efforts to delist Samoa from the European Union's Blacklist for uncooperative jurisdictions. Much progress has been made, and in that process, we have identified much more work is required for Samoa to achieve removal and meet criteria, but more importantly secure the ongoing survival of our international financial services industry which is a critical and significant contributor to Samoa's economy.

Balancing regulation and the need for delivering innovative solutions to meet customer needs, we have continued to attend virtual marketing Webinars and Seminars as well as deliver our very first Webinar focussed on Foundations to maintain a foothold in a competitive international financial services industry. This was coupled with virtual meetings with our industry partners based locally and overseas in Hong Kong, Singapore, and Taiwan, giving our key partners and stakeholders the assurance, we value their business and the decisions made for the future direction of the industry are made with their valuable input. We have been intentional in our engagement with our key stakeholders with the introduction of quarterly industry meetings to provide an open forum for stakeholders to provide feedback on our service delivery and any other issues, as well as for SIFA to provide the most up to date information to keep the industry informed of latest developments.

The experiences of 2021 have led us to be more innovative in delivering services despite challenges to our operating environment and availability of employees. For the year ahead we propose to review manual process with the aim to have all services available and functional in various situations through the provision of more electronic certificates and documents. We will also continue in our efforts to improve and measure customers' satisfaction while proactively improving service delivery and maintaining the integrity of the register.

Amid the many changes on the regulatory front and market fluctuations due to *inter alia*, geopolitical power shifts, not to mention Covid-19, SIFA performed well; shown in its net profit of SAT\$17.7 million for this financial year. Whilst our new companies are still declining, we have been able to reduce this declining trend and our rate of renewal of existing companies is above 90%. This in turn has allowed us to continue our sizeable contributions to the Government budget and continue our financial support through sponsorship of our National Manu Samoa 7s team and Manu Samoa 15s and other sporting codes. We have not neglected our local community through financial assistance to community groups such as faith-based groups, youth programs, health programs and others.

We therefore continue to give God the glory for all the blessings and success SIFA has experienced over these past twelve (12) months, and we thank and honour Him and ask that His face continue to shine upon us.

*Faafetai tapuai aua lea ua tini pa'o le uto i lenei tausaga fa'a le tupe e pei o faiva i vai. A iai ni aleu, lafoia I le alo galo.*



Tuifaasisina Sieni Tualega-Voorwinden

**CHIEF EXECUTIVE OFFICER**

## ***1. Management and Functions of the Samoa International Finance Authority***

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The Samoa International Finance Authority (SIFA) is managed by a Chief Executive Officer (CEO) appointed by Cabinet on the advice of the Minister. SIFA assumes responsibilities of a one stop regulatory shop which is in accordance with accepted international standards for banking, insurance and trust company service providers.

SIFA is administered by a Board of Directors consisting of 2 Government Officials (Chief Executive Officers of the Ministry of Finance and SIFA) and 4 Directors from the Private Sector. The latter must have financial services background with relevant knowledge, experience and expertise to help SIFA in its operations. The Chairman is elected from the 4 Private Sector Directors.

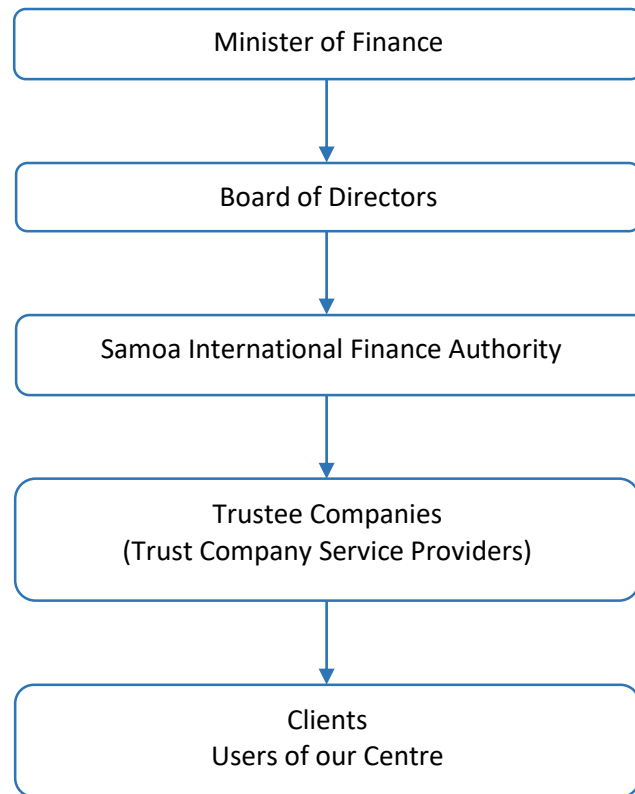
SIFA performs a regulatory and supervisory function where the ultimate objective is to protect and uphold the reputation and integrity of our Centre whilst occasionally raise the awareness of potential investors of its financial facilities and explore ways to enhance the attraction of Samoa as an international finance centre.

SIFA's functions pursuant to section 4 of the *Samoa International Finance Authority Act 2005* are:

- ⇒ To monitor and supervise the conduct of international financial services provided within Samoa;
- ⇒ To protect and maintain the good repute of Samoa as a centre for international financial services;
- ⇒ To ensure coordination and cooperation between the public sector agencies, private corporations and non-governmental organizations concerned in any way with international financial services;
- ⇒ To promote Samoa as a centre for international financial services;
- ⇒ To make recommendations for the introduction, amendment or replacement of legislation pertaining to international financial services, companies and other forms of business structures;
- ⇒ To carry out research and to commission studies on the international business sector and related services;
- ⇒ To be responsible for the general administration of international financial services legislation and for the collection of all fees, charges and other revenue due thereunder;
- ⇒ To advise and make recommendations to the Government generally on any matter relating to international financial services; and
- ⇒ Such other functions in relation to international financial services as may by Order be made by the Head of State.



The following represents the Current Structure of Samoa International Finance Authority:



## ***2. Structure of the Samoa International Finance Authority***

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### **2.1 Board of Directors**

The SIFA Board of Directors are responsible for the policy and general administration of the Authority and report to Cabinet through the Minister of Finance. Representation on the Board of Directors is defined and established under section 6 of the SIFA Act 2005

#### **Current SIFA Board of Directors:**

Taimalie Ernest Betham (Board Chairman)

Taima'aiono Agnes Falelua Kerslake

Tufuga Fagaloa Tufuga

Galumalemana Patrick Rasmussen

Saoleititi Maeva Betham-Vaai

### **2.2 Management**

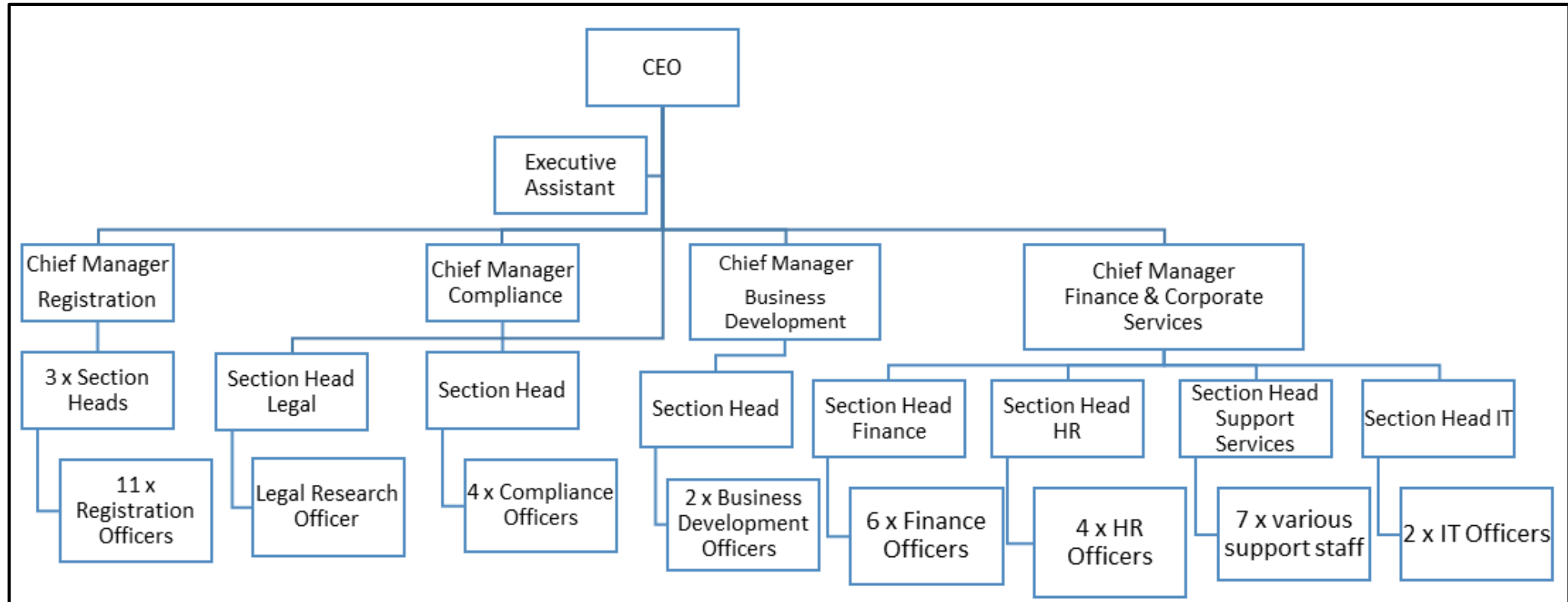


The SIFA Management Team is made up of the Chief Executive Officer (CEO), three Chief Managers, and ten Section Heads. The Management team is responsible for the daily operations of the Authority.

**Standing (L-R):** Cheshire Malua – Chief Manager Compliance, Tagaloa Koroseta Lesatele – Section Head Human Resources, Filimone Masei – Section Head Legal, Aliimalemanu Kolisi Simamao – Section Head Compliance, Li’o Heinrich Siemsen – Chief Manager Registration, Desmond Chan Ting – Section Head Finance.

**Sitting (L-R):** Watsonia Fereti – Section Head Business Development, Ramona Rimoni-Jahnke – Section Head Archives, Apostilles & Charges, Tuifaasisina Sieni Tualega-Voorwinden – Chief Executive Officer, Tuala Mesepa Tapuitea Lafaialii-Petaia – Chief Manager Business Development, Moana Ah Poe – Section Head Support Services, Victoria Lui – Section Head IT, Taofinuu Kalala Mataia – Section Head Quality Assurance, Luaipou Iosefa – Section Head Registration & SRS.

### 2.3 Organisational Structure



## 2.4 Staff Members



### ***3. Governing Legislation of SIFA***

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The Samoa International Finance Authority (SIFA) was established by the *Samoa International Finance Authority Act 2005* and administers the following legislation. To ensure compliance with international standards and keeping abreast of developments in the offshore world, SIFA regularly review its laws.

1. *International Companies Act 1988*
2. *International Insurance Act 1988*
3. *International Partnership and Limited Partnership Act 1998*
4. *Segregated Fund International Companies Act 2000*
5. *Samoa International Finance Authority Act 2005*
6. *International Banking Act 2005*
7. *International Mutual Funds Act 2008*
8. *Electronic Transactions Act 2008*
9. *Special Purpose International Companies Act 2012*
10. *Trusts Act 2014*
11. *Foundations Act 2016*
12. *Trustee Companies Act 2017*

#### 4. Activities of the SIFA

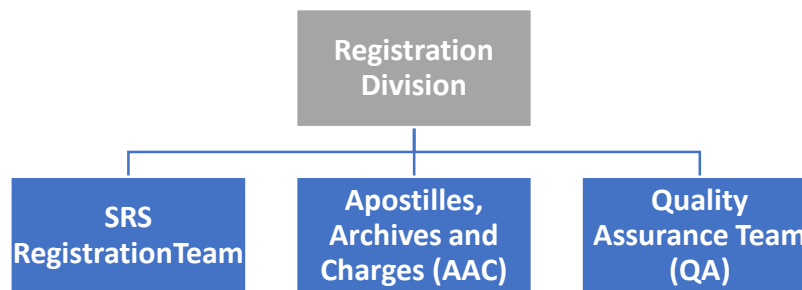
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To ensure that its activities are in line not only with international standards but matching developments applied in other renowned offshore centres, SIFA continues with its active membership in various international fora as follows:

- ⇒ Corporate Registers Forum (CRF);
- ⇒ Group of International Insurance Centre Supervisors (GIICS);
- ⇒ International Tax Planning Association (ITPA);
- ⇒ Group of International Finance Centre Supervisors (GIFCS);
- ⇒ OECD's Global Forum and the Global Forum's Peer Review Group on Transparency and Exchange of Information for Tax Purposes.
- ⇒ International Association of Insurance Supervisors (IAIS)

SIFA through its different Divisions ensures that it performs its respective functions in order to efficiently serve its clientele.

**4.1 Registration Division:** The Registration Division is divided into three (3) Teams below:



The Division is responsible for all registration services for:

- international companies (IBC)
- segregated fund international companies (SFC)
- international mutual fund companies
- special purpose international companies (SPIC),
- limited partnerships and international limited partnership companies (LP/ILP), and
- foundation.

In addition, the Registration team also maintains up-to-date records of all entities registered and licensed by SIFA thus ensuring the accuracy of all Registers kept.

An application for incorporation and/or registration of an entity is made to the Registrar of International and Foreign Companies through a licensed trustee company. The fee for incorporation is USD300 whereas the fee for re-domiciliation is USD100.00. An incorporated entity is required to lodge an application together with the company's Memorandum and Articles of Association and a Notice of situation of registered office. A re-domicile company is required to lodge several other documents in addition to the Memorandum and Articles of Association



and a Notice of situation of registered office. The registration process is relatively simple and has a 24-hour turnaround time. Registration fees are available on the SIFA and the Samoa IBFC websites.

Apart from the incorporation and registration of new entities, the Registration team also deals with other services incidental to the operation of registered entities such as the issuance of a certificate of good standing, name change, winding up, renewal, share capital maintenance, etcetera.

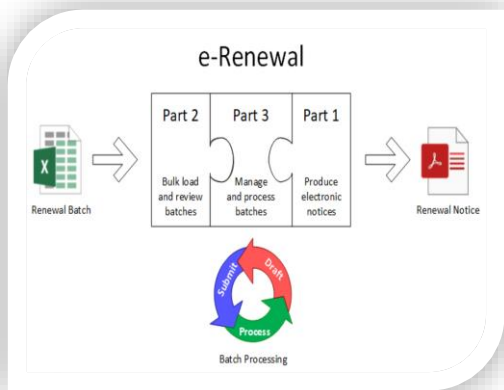
January and February are the peak months for new incorporations, whereas November and December is the busiest time of the year being the renewal period for all international companies on the Register.

**Figures:**

	FY 2021-2022
<b>New Incorporations</b>	1,797
<b>Live companies</b>	30,320
<b>Gross number of companies</b>	89351

The total number of new incorporations registered with SIFA for this financial year is 1,797. The number of live international companies as of 30 June 2022 is 30,320. SIFA since its inception has registered a total of 89,351 gross companies.

**Milestones Achieved:**



**E-Renewal:**

As we head towards achieving a fully online register, we continue to work collaboratively with our IT Team and IT Consultant. Our e-renewal project is complete which means that company renewal which was usually a lengthy process and involved a lot of paper is now fully online. Thus, all our TCSPs can now upload their renewal batches online for processing which will be administered by our Registration officers with an E-renewal notice generated automatically for each IBC, once the process is completed.

**Customer Satisfaction Survey:**

We are also happy to report the positive findings from our customer satisfaction survey using the online survey platform, *Survey Monkey*. This is an annual survey to check on the quality of the services that we are offering to our stakeholders to ensure we continue to serve our clients with the highest professionalism. It is also a good way of getting feedback for improvement.

### **Business Continuity Plan (BCP):**



When the nation went from partial to full lockdowns during the latter part of the financial year (January & March), the Registration Team with the support of the different divisions tested the implementation of our BCP. Thus, the work of the Registration Team continued on with minimal disruption and it was an arrangement that was well received by our stakeholders as evident in our customer satisfaction survey.

### **International Meetings participation:**

As the world continues to transition into the new norm of digitization of operations, the usual face-to-face international meetings we usually attended also utilize various online platforms for the continuation of these. Thus, the Registration Team also attended workshops and meetings held virtually. For instance, the Corporate Registers Forum (CRF) meetings and technical workshops and the OECD Global Forum meetings. The virtual hosting of these meetings was an advantage to us as we were able to extend the invitation to all members of the team to participate compared to funding only one or two participants for an in-person meeting/training. These workshops/meetings were well appreciated by the team.

### **Challenges:**

The demanding pressures from various international standards continue to impact our business. However, despite this, we are seeing a slow increase in our business this financial year compared to the previous financial year.

The demanding pace and high standards expected by our clientele challenge the Registration Team to strive for excellence in delivering a world-class service.

### **Online Registration System (SRS)**

SIFA continues to develop and further strengthen its SIFA Registration System (SRS) together with the addition of new features to eliminate some manual processing whilst ensuring that the information remains secure.

One of these new features is the completion of the e-Renewal function. What took days of work in the past, now takes minutes. Trustee Company Service Providers (TCSPs) can now submit batches of companies for renewal in an Excel file for processing. The SRS can renew 100 companies per minute and process batches of up to 500 companies each. An electronic Renewal notification is automatically generated by the system for successful renewals and the TCSPs can securely download and print for their records.

## **4.2 Compliance Division**

The Compliance Division is mainly involved in the carrying out of the following statutory functions of the Authority which are stipulated in the Authority's principal legislation:

- *To monitor and supervise the conduct of international financial services provided within Samoa;*
- *To protect and maintain the good repute of Samoa as a center for international financial services;*
- *To ensure coordination and cooperation between the public sector agencies, private corporations and non-governmental organisations concerned in any way with international financial services;*

- *To make recommendations for the introduction, amendment or replacement of legislation pertaining to international financial services, companies and other forms of business structures;*
- *To develop national objectives, policies and priorities for the orderly administration of international financial services in Samoa*

To achieve these functions, the Compliance Division ensures that the licensing and supervision of legal entities offering licensed activities, and the monitoring of all registered entities and legal arrangements and other legal arrangements that are not registered are in accordance to the international financial services legislation that are administered by the Authority.

The Compliance Division also ensures that the legal entities and legal arrangements allowed under our international finance regime must comply with the Money Laundering Prevention Act 2007 and Counter Terrorism Act 2014 that are administered by the Ministry of Police and Prisons and the Tax Information Act 2012 that is administered by the Ministry of Customs and Revenue.

## **2021 – 2022 Overview**

The 2021/2022 financial year was a year where the COVID-19 pandemic interrupted our normal compliance work schedule and forced the suspension of our quarterly onsite visits until our national State of Emergency Orders were eased and lifted.

The filing of information was also delayed as trustee companies require more time to file their registered and licensed entities information requested such as annual returns, quarterly financial statements, audited accounts, beneficial ownership information and accounting records as the third parties providing such information were also affected by lockdown restrictions. The Authority in recognition of the severity of COVID-19 and its impact around the world gave extensions of time to file and waived penalties that would have been applied under normal circumstances.

It was also a period of time where our compliance officers need to adapt and embrace changes in carrying out their work from home as our Business Continuity Plan kicked in. It involves the using of laptops, emails and zoom connections as the safety of staff became a priority while ensuring that compliance oversight continues.

The compliance team of 6 had to ensure that all the licensed entities comply with the relevant laws as it was also a time where criminal activities can creep in. The virtual workshops, seminars, conferences and trainings provided by several international standard setters such as the Asia Pacific Group on money laundering, OECD Peer Review Group on tax matters, Bank for International Settlements on banking matters and the Financial Stability Institute on a wide array of topical issues were very helpful as they updated and informed our compliance officers of current issues and trends. These plenaries and forums were usually offered pre COVID-19 in physical meetings which would usually mean only a limited number of the compliance team could participate.

The compliance team carried out its 9<sup>th</sup> round of onsite visits during the financial year covering all the 10 trustee companies plus a special onsite inspection to Asiatic Trust Samoa Limited where 300 international companies were checked of the information on their beneficial ownerships and accounting records to see if there are any red flags to cause a more serious detailed inspection.

These onsite visits also helped to ensure that our 2019 rating of ‘Largely Compliant’ on Exchange of Information upon Request (EOIR) by OECD Global Forum in its Standard on Transparency and Exchange of Information for Tax Purposes is maintained. To-date we have inspected over 4,000 international companies or 13 percent of all the international companies and they have a high compliance rating in the provision of their beneficial ownership information and accounting records. Most of these international companies are pure equity holding companies or asset holding companies with beneficial owners dwelling in the Asian region.

The compliance team is also committed with our overall efforts to remove Samoa from the European Union’s list of non-cooperative tax jurisdictions as soon as we can to preserve the international finance industry and continue its valuable contribution to Samoa’s economy as well as its credible reputation as one of the most stable offshore jurisdictions in the world.

As at the end of this financial year, the total number of international entities licensed and registered with SIFA are as follows:

<i>Trustee Companies</i>	10
<i>International Banks</i>	1
<i>International Insurance Companies</i>	2
<i>International Mutual Fund Managers And Administrators</i>	2
<i>International Mutual Fund Companies</i>	3
<i>International Insurance Managers</i>	4
<i>Auditors</i>	17
<i>Liquidators</i>	16

### 4.3 Finance Division

For this financial year, the Finance Team endeavoured to meet all its functions that is to record, report and maintain financial information in order to assist the Board and Management in their decision making.

With the newly custom-made **FRONT ACCOUNTING**, the Finance Team is able to prepare the monthly, quarterly and annual reports in speed let alone maintaining efficiency and reliability.

Our audit for the financial year 2021-2022 commenced on the 30<sup>th</sup> August 2022 and was completed and signed on the 28<sup>th</sup> October 2022.

It has indeed been another successful year for the Finance Team.

### 4.4 Human Resources

The Human Resources Division is responsible for the general administration and coordination of staff in terms of Recruitment & Selection process in an impartial and trustworthy manner. The supervision of Rules and Regulations to ensure staff understand working conditions and to comply with Terms and Conditions of Employment. The administration of other important services to include the payroll, managing of assets and to develop and maintain a knowledgeable workforce to effectively and efficiently carry out SIFA’s functions.

SIFA currently has 14 Management Staff and 38 Support Staff. There were seven (7) new recruits over the last financial year which included an Office Attendant (Support Services), BDD Officer, Compliance Officer, Section Head

Legal and a Legal Research Officer. The two Registration Officers whom the Office recruited on a temporary basis for twelve months in March 2021, are now employed as full-time staff in March 2022. In December 2021, our IT Division was separated from the IT/Support Services Division. There are three members of their team including the Section Head. Five staff members tendered their resignations during this financial year to migrate with families to New Zealand whilst others took up posts within other Government Ministries.

## SIFA CONTINUITY PLAN



During the COVID-19 global crisis, there was no impact on the Human Resource Division’s work schedule. There were plans and arrangements in place for our division to provide the service remotely without any disruptions during the lockdown period (SOE).

As the COVID-19 pandemic continued to dominate the world, we also focus on the physical and mental well-being of our employees through office recreational activities every Friday after work.

### 4.5 IT Division

The IT Division was previously part of the IT/Support Services and was separated in December 2021. There are three (3) members of the team which includes the Section Head and two (2) IT Officers. Our main goals are to provide IT support to SIFA users on the installation, maintenance and monitoring of ICT equipment, software, networks, electronic systems and to review and uphold the SIFA Internal ICT Policy.

The IT Division played a crucial role in setting up our Offsite Office at Vaitele and equipment such as laptops and printers used by the staff during lockdown. We were also able to provide assistance to our staff remotely when needed. The team also provides support to the TCSPs who uses our SIFA Registration System (SRS). The IT team has been afforded the opportunity to gain further knowledge through workshops and virtual trainings on IT matters to keep up to date with changes globally and in local Government ICT policies and legislations.

### 4.6 Legal Division

The Legal Division provides legal advises on all legal matters for SIFA. The Division is responsible for identifying, analysing, researching on legal issues and advising on all legal issues to ensure that SIFA operates within the confines of the laws applicable to it and ultimately that SIFA’s rights, activities and interests are legally protected. The Legal Division currently has two (2) staff members and we aim to provide timely and accurate legal advice and services externally to our Trustees and internally to our Chief Executive Officer, SIFA Management and SIFA Board of Directors on matters of law including but not limited to the effective and efficient management of contracts, leases, legal proceedings, statutory and policy compliance.

The Division also covers all legal issues/matters in other divisions when required. We aim to ensure at all times, that each divisions within SIFA act within the spirit and to the letter of the regulatory laws, and that all laws are kept under review to ensure that they remain effective and is according to international standards. An important task that our Division is prioritizing for 2022 is the amendment of all the international finance legislation to ensure the removal of Samoa from the European Union's list of non-cooperative tax jurisdictions. To date, the international finance legislation is under review and proposed amendments have been recommended to address the deficiencies in our legislation.

This proposed amendments will carefully be negotiated with the EU Code of Conduct Group to ensure that not only Samoa is removed from the blacklist but at the same time we maintain business. The Division is also assisting our IBFC in conducting research and identifying new solutions that will lead to the sustainability of our current business and growing the potential of Samoa to secure more business and a different clientele.

#### **4.7 Support Services**

The Support Services Division continued its key functions as per the SIFA Act to provide adequate support to SIFA. There are 7 support officers, under the guidance of the Section Head. In view of changes in working conditions for State of Emergency (SOE) during the COVID-19 global crisis, there was no impact on support service's work schedule as the team implemented the SIFA Business Continuity Plan (BCP). All office incoming calls were remotely answered and referred to appropriate staff. Transportation of nominated staff, delivery and uplifting of supplies to meet the needs of the office were effectively carried out. We have developed a cleaning plan for the safety and well-being of staff by wearing disposable Personal protective equipment, commonly referred to as "PPE" to minimize exposure to hazards that cause serious workplace injuries and illnesses.



## 4.8 Business Development Division

The Business Development Division (BDD) carried out its core functions as alluded to in the SIFA Act 2005 successfully within this financial year and alongside the challenges posed by Coronavirus.

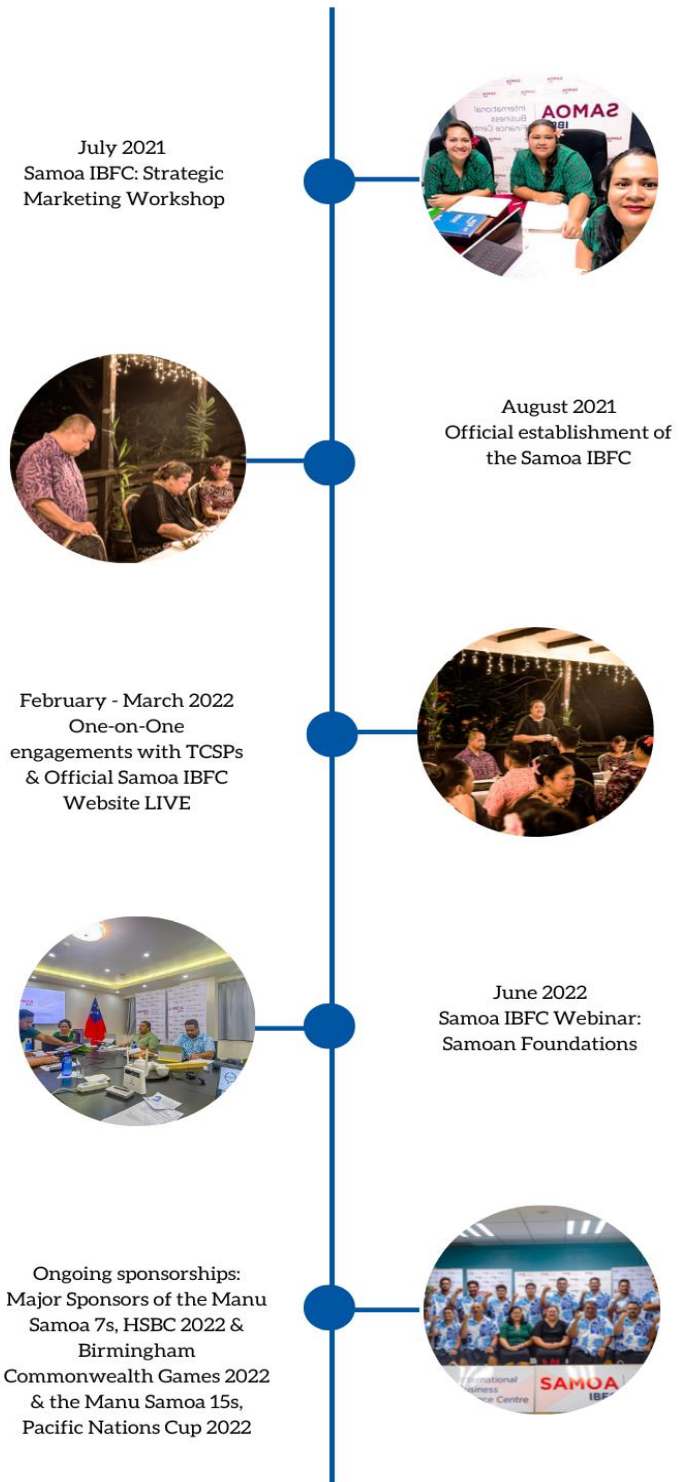
### **Promotional Front**

Through the use of the digital platform, marketing activities were delivered in a completely new pathway, with Webinars and Zoom meetings taking the place of physical gatherings.

The geographical isolation of Samoa was addressed by making information about the island nation widely accessible through the delivery of online webinars and through virtual participation in international conferences.

The Samoa International Business Finance Centre (Samoa IBFC), the SIFA marketing subsidiary that was registered and established in December 2021, launched its official website in February 2022, which marks a significant step for SIFA’s marketing company. It was important to make sure Samoa IBFC established an online presence as the level of competition in international finance increased. This will help to ensure that activities like marketing and research are carried out, as well as that Samoa IBFC conducts robust marketing and promotional activities. The Samoa IBFC has launched its “marketing logo” and has become a fully independent company of SIFA.

### Milestones 2021-2022



Due to the closure of international borders, all promotional and international conferences were postponed. Nonetheless, online promotions were rolled out with the BDD team taking the lead in delivery of presentations on Samoa as a resilient international finance Centre as well as highlighting salient features of Samoan solutions. The focus on infrastructure assistance in terms of market leads, bank account support, and in-market representation within China were some of the new features added to our partnership with MX Media. Collaboration also enabled the delivery of targeted Webinars within Mainland China with trust company service providers, lawyers, and professional advisors. The Samoa IBFC was able to add a new achievement by conducting a Webinar on Samoan Foundations in June 2022 with a delegation in attendance.

**Stakeholders**

Further to our promotional efforts, the Samoa IBFC conducted one-on-one engagements via zoom with local trustee firms and their international directors virtually based at their corporate headquarters. Our Trustee companies have brought in many clients, they have been enabling and acquiring clients from abroad. As part of our marketing strategy, the goal was to collect data, mostly on the present, potential, or future marketing initiatives taken by our trustees. In addition, we posed an enquiry on any needs in terms of resources that trustee would wish we could provide. Given that Samoa was on a nationwide lockdown and that our BDD team required to know how to meet the demands of our trustee companies, it was crucial that the information collection process be carried out.

**TCSP**

End of 2021-2022 FY Dinner





2022

# MANU SAMOA 7S TEAM

Samoa IBFC as Major Sponsor

## *Sponsorship Front*

The Manu Samoa 7s have been loyally supported by the Samoa IBFC. The Samoa IBFC received visibility as a naming rights sponsor by supporting the Manu Samoa 7s at the HSBC 2022 competition. Additionally, SIFA continued to support local charities and churches through the sponsorship of fundraising events like golf tournaments, educational initiatives, spiritual gatherings, corporate tables, and a variety of neighborhood initiatives.



## 5. Development

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### 5.1 Professional Webinars, Conferences and Seminars

- \* Samoa IBFC & Trustee Companies - February – March 2022 – Zoom/Online
- \* RAK Foundations Webinar – March 2022 – Online
- \* Samoa Foundations Webinar – June 2022 – Live Webinar/Online
- \* Development of e-renewal function on the SRS – May 2022
- \* APG Mutual Evaluation Committee (MEC) and Operation Committee (OC) Pre-Plenary Meeting – July 2021
- \* GIICS Training on Fintech and Insurtech, Bermuda Monetary Authority (BMA) – July 2021
- \* APG Ad Hoc Committee on FATF Strategic Review – September 2021
- \* 38<sup>th</sup> Meeting of the Peer Review Group (PRG) – September 2021
- \* APG 3<sup>rd</sup> Webinar on DNFBP – October 2021
- \* 39<sup>th</sup> Meeting of the PRG – November 2021
- \* FSI BIS GIFCS Seminar – November 2021
- \* IAIS AGM & Annual Conference – November 2021
- \* IMF Article IV Staff Visit Consultation – November 2021
- \* APG Virtual Assessor Training – December 2021
- \* APG Ad Hoc Committee on the FATF Strategic Review – January 2022
- \* AML/CFT National Task Force Meeting – February 2022
- \* IAIS Roadmap Information Session – March 2022
- \* APG MEC Videoconference – March 2022
- \* BIS FSI – Special Virtual Session on Cybersecurity – March 2022
- \* APG Regional Webinar Series – 4<sup>th</sup> webinar Risk Based Supervision on DNFBPs – April 2022
- \* APG Focused Virtual Standards Training Course – April 2022
- \* GIFCS – Plenary Meeting – April 2022
- \* ACP an EU Taxation and Business in the Caribbean and the Pacific – May 2022
- \* APG – Pacific AML/CFT Supervision of Remittance Providers Workshop – May 2022
- \* APG Training Series on the Implementation of the FATF Standards on VA/VASPs – May 2022
- \* GIICS Annual Seminar and AGM 2022 – June 2022
- \* Introductory Joint Meeting PRG and GF on Future Monitoring and Peer Review Processes – June 2022
- \* FATF Plenary Meeting – June 2022

### 5.2 Social Club

When the staff voted to us as Social Committee, the main goal is to put together the activities for our staff to interact and socialise with one another. The following are the events and activities the Social Committee had put together for its members in the last 12 months: Zumba, Canteen, Monthly Casuals, Mother's/Fathers' Day/White Sunday celebrations, Public Service Day, End-of-Year Christmas Dinner, Guest Speakers, visit at Mapu-i-Fagalele, netball tournament, and Sports day. Furthermore, we celebrated the birth of 2 new babies, fare-welled colleagues, visited those who were sick, and honoured the lives of loved ones who passed away. In that regard, the Committee acknowledge the support by the Management, the staff and families throughout the year. Faafetai tele!

## 6. Samoa International Finance Authority Financial Performance

### *Audited Accounts Summary:*

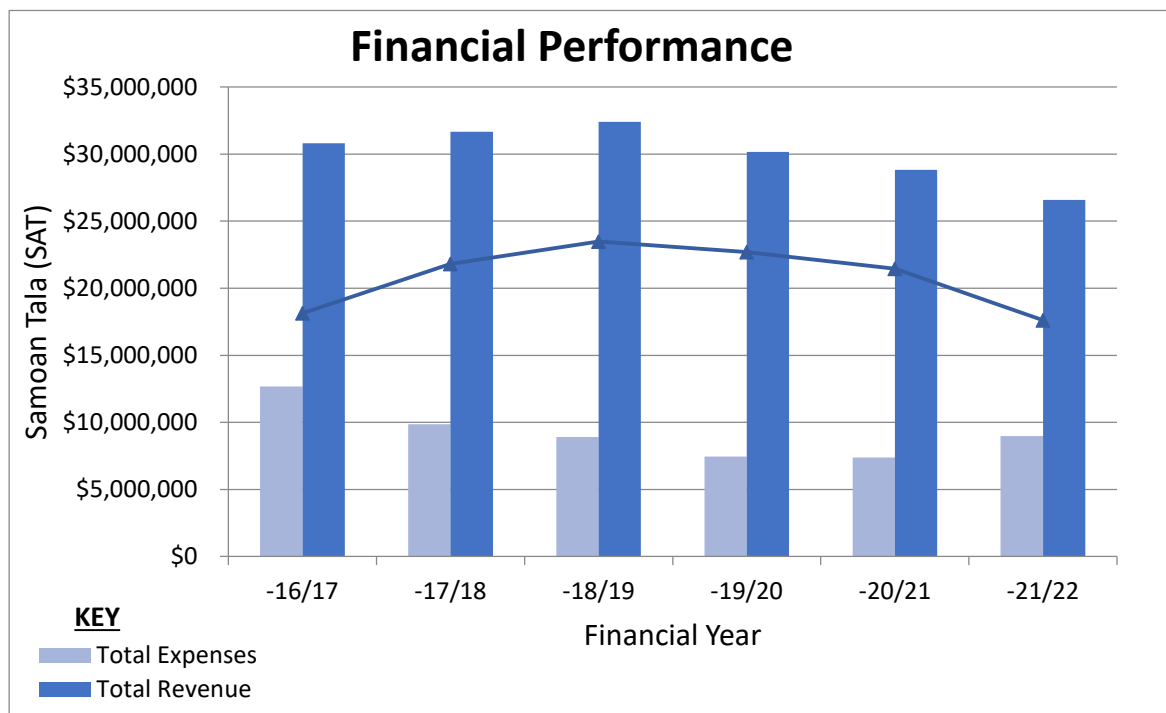
#### **Financial position:**

SIFA recorded a decrease of approximately 4.9 percent in Total Assets from SAT99.2million in the prior year to SAT94.3million this financial year. These assets are mainly cash and term investments representing 90 percent of Total Assets.

#### **Financial Performance:**

SIFA recorded a decrease of 7.2 percent of total income from SAT28.8million to SAT26.7 million recorded at the end of June 2022. The decrease is mainly due to the reduction of its core revenue from renewals, lower interest rates for term deposits and lower fair value recorded from equity investment with UTOS. Total expenses showed an increase of approximately 21.7 percent from SAT7.4 million to SAT8.9 million in this financial year. This increase is mainly due to promotional cost recorded during the year. The Authority's total comprehensive income for the year ending 30 June 2022 has decrease by 17.1 percent from SAT21.4 million to SAT17.8 million.

#### **CHART 1:**



# FINANCIAL STATEMENTS

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**Samoa International Finance Authority**  
**Directors' Report**  
**For the Year Ended 30 June 2022**

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The Directors of the Samoa International Finance Authority (SIFA) present their Report for the year ended 30 June 2022 together with the Financial Statements as set out on the accompanying pages and the Auditor's Report thereon in accordance with the Samoa International Finance Authority Act 2005 (SIFA Act).

### **Directors**

The following persons were Directors of the Authority during the financial year and up to the date of this report:

Taimalie Ernest Betham (Board Chairman)  
Taima'aiono Agnes Falelua Kerslake  
Tufuga Fagaloa Tufuga

Galumalemana Patrick Rasmussen  
CEO - Ministry of Finance ( Ex-Officio)

### **Principal Activity**

The principal activity of SIFA is to monitor and supervise the conduct of international financial services in Samoa. There has been no change in the principal activity of SIFA during the year or any of the classes of business that it operates in.

### **State of Affairs**

In the opinion of the Directors:

- (i) The accompanying Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash Flows are drawn up so as to give a true and fair view of the operations and results of SIFA for the year ended 30 June 2022.
- (ii) The accompanying Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of SIFA as at 30 June 2022.

### **Operating Results**

The net profit for the year is SAT 17,776,873 (2021: net profit SAT21,447,754).

### **General Fund**

The Directors approved \$21,807,795 to be paid from the General Fund to the Government for the year ended 30 June 2022. The total relate to SAT 15,000,000 for contribution to the Government budget and SAT 6,807,795 of dividend payment to the Ministry of Public Enterprise.

### **Dividends**

The total dividend of SAT 6,807,795 was paid to the Ministry of Public Enterprise at the end of the financial year 30 June 2022.

**Samoa International Finance Authority  
Directors' Report (continued)  
For the Year Ended 30 June 2022**

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**Events subsequent of balance date**

No matters or circumstances have arisen since the end of the financial year which would require adjustment to or disclosure in the Financial Statements.

Dated at Apia, this 28<sup>th</sup> day of October 2022.

Signed in accordance with a resolution of the Directors.



Taimalie Ernest Betham (Board Chairman)  
CHAIRMAN



Galumalemana Patrick Rasmussen  
DIRECTOR

**Samoa International Finance Authority  
Management Responsibility Statement  
For the Year Ended 30 June 2022**

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The accompanying Financial Statements are the responsibility of management. The Financial Statements have been prepared according to International Financial Reporting Standards and include amounts based on management's best estimates and judgements.

Management has established and maintains accounting and internal control systems that include written policies and procedures. These systems are designed to provide reasonable assurance that our financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements, and that our assets are properly safeguarded.

The Board of Directors oversees management's responsibilities for Financial Reporting. The Financial Statements have been reviewed and approved by the Board of Directors on recommendation from Management.

The Samoa Audit Office has audited our Financial Statements. The accompanying independent Auditor's report outlines the scope of their examination and their opinion.



Tuifaasisina Sieni Voorwinden  
**CHIEF EXECUTIVE OFFICER**

Dated: 28<sup>th</sup> October 2022



Please address all correspondences  
to the Controller and Auditor General

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## REPORT OF THE AUDIT OFFICE

### TO THE GOVERNING BODY IN CHARGE OF GOVERNANCE- SAMOA INTERNATIONAL FINANCE AUTHORITY

#### **Audit Opinion**

We have audited the accompanying Financial Statements of the Samoa International Finance Authority which comprise the Statement of Financial Position as at 30 June 2022, the Statements of Financial Performance, Changes in Equity and Cash Flows for the year then ended, a Summary of Significant Accounting Policies and Other Explanatory Notes. The Firm of the XSAO Consult Ltd assisted in the audit. The Engagement Partner on the audit resulting in this Independent Auditor's Report is Violet Roebeck-Fasavalu.

In our opinion, the financial statements give a true and fair view of the financial position of the Samoa International Finance Authority as at 30 June 2022, and of its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Samoa International Finance Authority in accordance with the ethical requirements that are relevant to our audit of financial statements in Samoa, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

#### **Responsibilities of Those Charged with Governance for the Financial Statements**

Directors and Management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with these International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



**AUDIT OFFICE**

Please address all correspondences  
to the Controller and Auditor General

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors and Management regarding, among other matters, the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion the financial statements have been prepared in accordance with and complies with the requirements of:

- i. Public Bodies (Performances and Accountability) Act 2001, and the
- ii. Public Finance Management Act 2001.

We also confirm that:

- a. we have been given all information, explanations and assistance necessary for the conduct of the audit; and
- b. the Authority has kept financial records sufficient to enable the financial statements to be prepared and audited.

Our audit was completed on the 28<sup>th</sup> October 2022 and our opinion is expressed as at that date.

**Samoa International Finance Authority**  
**Statement of Financial Position**  
**For the Year Ended 30 June 2022**

	Note	2022 WS\$	2021 WS\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	6	6,033,833	5,642,847
Intangible Assets	7	156,813	191,838
Receivables and prepayments	8	731,116	865,852
Investments	9	27,648,813	26,424,064
Right of use of Asset (ROU)	16	496,942	284,606
<b>Total non-current assets</b>		<b>35,067,517</b>	<b>33,409,206</b>
<b>Current assets</b>			
Cash and cash equivalents	10	57,598,630	64,133,778
Receivables and prepayments	8	1,676,763	1,685,084
		<b>59,275,393</b>	<b>65,818,862</b>
<b>TOTAL ASSETS</b>		<b>94,342,910</b>	<b>99,228,068</b>
<b>Non-current liability</b>			
Lease Liability	16	139,512	63,007
<b>Current liabilities</b>			
Deposits and payables	11	1,817,266	2,936,894
Provisions	12	129,729	76,672
Lease Liability	16	357,430	241,340
<b>Total liabilities</b>		<b>2,443,937</b>	<b>3,317,913</b>
<b>Net assets</b>		<b>91,898,974</b>	<b>95,910,156</b>
<b>Equity</b>			
General Fund		91,898,974	95,910,156
<b>Total equity</b>		<b>91,898,974</b>	<b>95,910,156</b>

The accompanying notes form part of these Financial Statements

Signed for and on behalf of the Directors of the Samoa International Finance Authority on 28<sup>th</sup> October 2022.



Taimalie Ernest Betham  
Chairman  
Apia, Samoa  
28<sup>th</sup> October 2022



Galumalemana Patrick Rasmussen  
Director  
Apia, Samoa  
28<sup>th</sup> October 2022

**Samoa International Finance Authority**  
**Statement of Financial Performance**  
**For the Year Ended 30 June 2022**

	<b>Note</b>	<b>2022</b> WS\$	<b>2021</b> WS\$
<b>Income</b>			
Incorporation and annual fees		22,380,958	22,673,518
Licence fees		183,438	177,361
Other income and gains	3(d)	1,727,280	1,716,705
Interest Income		1,880,638	3,044,770
		<b>26,172,313</b>	<b>27,612,353</b>
<b>Expenses</b>			
Audit fees		55,807	31,536
Depreciation Costs	6	210,310	162,827
Amortisation Costs	7	93,435	116,269
Interest ( Lease Liability)	16	44,725	48,897
Depreciation (ROU Asset)	16	270,499	225,628
Communication		184,532	148,032
Directors Fees		76,500	71,002
Doubtful loans expense		20,284	22,559
Printing and stationery		94,814	84,074
Promotions	13	1,989,032	843,313
Occupational Costs		153,448	133,943
Personnel costs		3,771,621	3,048,310
Others		2,016,548	2,443,148
		<b>8,981,555</b>	<b>7,379,538</b>
<b>Other Gains/Losses</b>			
Exchange Gain / (Loss)		416,725	423,419
Impairment on building design costs		-	-
<b>Total Other Gains/(Losses)</b>		<b>416,725</b>	<b>423,419</b>
<b>Net profit for the year</b>		<b>17,607,484</b>	<b>20,656,234</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of equity investment	9	169,389	791,520
<b>Total Net Comprehensive Income</b>		<b>17,776,873</b>	<b>21,447,754</b>

The accompanying notes form part of these Financial Statements.

**Samoa International Finance Authority  
Statement of Changes in Equity  
For the Year Ended 30 June 2022**

	<b>Note</b>	<b>2022</b> WS\$	<b>2021</b> WS\$
<b>Balance in General Fund at beginning of year</b>		95,910,155	96,755,386
Add:			
Net profit for the year		17,607,484	20,656,234
Other comprehensive income for the year		169,389	791,520
Less Payment for contribution to the Government Budget		(15,000,000)	(15,000,000)
Less Payment for dividend to the Ministry of Public Enterprise		(6,807,795)	(7,295,549)
Less Lease restatement as per IFRS 16		19,741	2,564
<b>Balance in General Fund at end of year</b>		<b>91,898,974</b>	<b>95,910,155</b>

The accompanying notes form an integral part of the above Financial Statements.



**Samoa International Finance Authority**  
**Statement of Cash Flows**  
**For the Year Ended 30 June 2022**

	Note	2022 SAT	2021 SAT
<b>Cash flows from operating activities</b>			
Fees and license revenues		23,077,752	23,451,012
Cash paid to employees		(3,512,415)	(3,213,224)
Cash paid for rent and maintenance		(13,870)	(29,761)
Cash paid for promotional expenses		(1,989,032)	(884,967)
Cash paid for other expenses		(3,435,448)	(2,285,345)
Net advanced deposits		(643,486)	1,383,701
<b>Net cash generated from Operating activities</b>		<b>13,483,501</b>	<b>18,421,416</b>
<b>Cash flows from investing activities</b>			
Interest received from Term Deposits		1,832,836	2,808,463
Gain on Sale of Fixed Asset		62,568	-
Acquisition of fixed assets		(659,707)	(536,126)
Investment in UTOS		(0)	4,000,000
Dividend and interest received from UTOS		136,724	858,077
<b>Net cash generated from Investing activities</b>		<b>1,372,420</b>	<b>7,130,414</b>
<b>Cash flows from financing activities</b>			
Payment for the contribution to the Government Budget		(15,000,000)	(15,000,000)
Payment for dividend to the Ministry of Public Enterprise		(6,807,795)	(7,295,549)
<b>Net cash generated from Financing activities</b>		<b>(21,807,795)</b>	<b>(22,295,549)</b>
<b>Net Increase/Decrease in Cash</b>		<b>(6,951,874)</b>	<b>3,256,281</b>
Cash and cash equivalent as at beginning of year		64,133,778	60,454,078
Plus: Effect of Exchange Differences		416,725	423,419
<b>Cash and Cash Equivalentents at end of year</b>	10	<b>57,598,630</b>	<b>64,133,778</b>

The accompanying notes form an integral part of the above Financial Statements

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

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## **1. General Information**

The Samoa International Finance Authority (SIFA) is established under the Samoa International Finance Authority Act 2005. The address of its main office and principal place of business is at Level 6 of the Development Bank of Samoa Building. SIFA administers and supervises the registration of companies and the licensing of banks, insurance, mutual funds and trustee companies under various international financial services legislation.

## **2. Adoption of new and revised Standards**

### **New standards adopted as at 1st January 2018**

#### *IFRS 15 'Revenue from Contracts with Customers'*

In 2018 the Authority has adopted new guidance for the recognition of revenue from contracts with customers. This guidance was applied using a modified retrospective ('cumulative catch-up') approach under which changes having a material effect on the statement of financial position as at 1 January 2018 are presented together as a single adjustment to the opening balance of retained earnings. Accordingly, the Authority is not required to present a third statement of financial position as at that date.

There has been no change on the date of initial application, 1 January 2018, in the classification and measurement of the Authority's revenues.

#### *IFRS 9 'Financial Instruments'*

"IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. When adopting IFRS 9, the Authority has applied transitional relief and opted not to restate prior periods. Differences arising from the adoption of IFRS 9 in relation to classification, measurement, and impairment are recognised in retained earnings.

The adoption of IFRS 9 has impacted the following areas:

- the classification and measurement of the Authority's financial assets. Management holds financial assets to hold and collect the associated cash flows. The UTOS promissory notes previously classified as held-to maturity (HTM) investments under IAS 39 continue to be accounted for at amortised cost as they meet the held to collect business model and contractual cash flow characteristics test in IFRS 9.
- the Authority's investments in convertible notes that were measured at fair value through profit and loss (FVTPL) continue to be measured at FVTPL.
- the Authority's investments in equity instruments (i.e.: UTOS units that were not held for trading) that were previously classified as available-for-sale financial assets and were measured at fair value at each reporting date under IAS 39 have been designated as at FVTOCI.
- the impairment of financial assets applying the expected credit loss model. This affects SIFA's trade receivables and investments in debt-type assets measured at amortised cost. The expected credit loss model requires the Authority to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. In particular, IFRS 9 requires the Authority to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Authority is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

On the date of initial application, 1 January 2020, the financial instruments of the Authority were reclassified as follows:

		<u>Carrying Amount</u>			
	Original IAS 39 category	New IFRS 9 category	Closing balance 30 June 2020 IAS 39	Adoption of IFRS 9	Opening balance 1 July 2021 IFRS 9
<b>Non-current financial assets</b>			SAT	SAT	SAT
UTOS units	Available for sale	FVTOCI	24,178,812		24,178,812
UTOS promissory notes	Held to Maturity	Amortised cost	3,470,000		3,470,000
UTOS convertible notes	FVTPL	FVTPL	-		-
Staff loan receivables	Loans and receivables	Amortised cost	730,900		730,900
<b>Current financial assets</b>					
Cash at bank and term deposits	Loans and receivables	Amortised cost	57,598,630		57,598,630
<b>Total financial asset balances</b>			<b>85,978,342</b>		<b>85,978,342</b>

**Standards, amendments and interpretations not yet effective and not early adopted by the Authority**

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Authority.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Authority's financial statements.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

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*IFRS 16 'Leases'*

IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months.

IFRS 16 is effective from periods beginning on or after 1 January 2019. The Authority has implemented the Modified Retrospective Approach under IFRS 16 to account for the leases in the Financial Statements for the year ended 30 June 2022.

### **3. Statement of significant accounting policies**

The principle accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the financial year, unless otherwise stated.

#### **a. Basis of preparation**

The Financial Statements of the Samoa International Finance Authority have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Financial Statements have been prepared on historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical Cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

#### **b. Foreign currency translation**

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Authority operates ("Functional Currency") which is the Samoan Tala (SAT). The Authority operates in Samoa and therefore the Financial Statements are presented in Samoan Tala which is the Authority's functional and presentation currency.

Foreign Currency Transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transactions at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. Monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions.

Foreign Exchange Gains and Losses that related to borrowings and cash equivalents are presented in profit or loss together with all other foreign exchange gains and losses and are presented in profit or loss at a net amount.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**3. Statement of significant accounting policies (continued)**

**c. Comparative figures**

To ensure consistency with the current year, comparative figures have been reclassified where appropriate.

**d. Revenue**

Company Incorporation and Renewal Services

The Authority earns most of its revenue from international companies under the International Companies Act 1988. Revenue from companies incorporated and renewed is recognised in the accounting period in which the services are rendered.

Advanced Deposits from Trustee Companies are deferred to current liabilities and recognised as revenue when it is used to pay for company transactions.

Interest

Interest income from financial assets at fair value through profit or loss (FVTPL) is included in the net fair value gains / (losses) on these assets. Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income (FVOCI) calculated using the effective interest method is recognised in the Statement of Profit or Loss and Other Comprehensive Income. Interest income relates to interests from Term deposits held at the commercial banks and interest from investment Notes held at UTOS.

Other income and gains	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>SAT</u></b>	<b><u>SAT</u></b>
Penalty Fees	268,100	282,230
Application Fees	245,057	317,452
Dividend Received - UTOS	1,105,317	1,055,359
Staff Loan Interest Income	46,238	61,663
Gain on Sale of Fixed Assets	62,568	0
<b>Total</b>	<b><u>1,727,280</u></b>	<b><u>1,716,705</u></b>

Majority of the other income and gains balance relates to the dividend from UTOS.

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI).

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

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**3. Statement of significant accounting policies (continued)**

**e. Financial instruments**

**Recognition and derecognition**

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Classification and measurement of financial assets**

**Classification and initial measurement**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial Assets of the Authority, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

**Subsequent measurement of financial assets**

*Financial Assets at amortised cost*

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'interest income' using the effective interest rate method. This category includes cash balances and staff loan receivables.

*Financial Assets at fair value through profit and loss (FVTPL)*

Financial Assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. This category includes the UTOS convertible notes. Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

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**3. Statement of significant accounting policies (continued)**

*Equity investments at fair value through other comprehensive income (FVOCI)*

The Authority accounts for equity investments at FVOCI if they are not held for trading. This category includes investments in UTOS units and the Authority has made the irrevocable election to recognise the equity investment at FVOCI. All fair value changes (i.e.: gains or losses) are recognised in other comprehensive income (OCI) and are not recycled upon derecognition of the asset.

**Impairment of financial assets**

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

*Trade and other receivables and contract assets*

The Authority makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Authority uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Authority assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

**Classification and measurement of financial liabilities**

As the accounting for Financial Liabilities remains largely the same under IFRS 9 compared to IAS 39, the Authority's Financial Liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Authority's Financial Liabilities include borrowings, trade and other payables and are classified into the amortised cost category.

Financial Liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Authority designated a financial liability at fair value through profit or loss.

Subsequently, Financial Liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

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**3. Statement of significant accounting policies (continued)**

**f. Employee entitlements**

The provision for employee entitlements to annual leave and long service leave are accrued at current pay rates in respect of an employee's service up to the balance date.

**g. Leases**

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the lease items, are included in the determination of the net surplus in equal instalments over the period of the lease.

**h. Taxation**

SIFA is exempt from income tax under section 23 of Samoa International Finance Authority Act 2005.

**i. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank and bank term deposits which have an insignificant risk of change in value upon drawdown.

**j. Plant and equipment**

Depreciation is provided on all property, plant and equipment so as to write off the assets over their estimated economic lives. The straight-line method of depreciation has been used. The main categories of property, plant and equipment and their respective economic lives are:

Furniture and fittings	10 years
Office equipment	5 years
Motor Vehicle	5 years
Leasehold improvements	10 years
Land	Not depreciated
Building	20 years

**k. Intangible Assets**

The computer software is subsequently carried at cost less accumulated amortisation. These costs are amortised to profit or loss using the straight-line method over their estimated useful life of five (5) years.



**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**4. Financial risk management**

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially subject SIFA to credit risk principally consist of bank deposits and staff receivables.

The Authority exposure to credit risk is limited to staff loans. Staff loans are no longer allowed under Government Cabinet directive for all state owned enterprises. The current staff loan balances will continue to be reduced from direct repayments from salaries of existing staff.

On leaving employment with the Authority those who have loans are required to pay the full amount of the outstanding balance at the time of leaving or make necessary repayment arrangements. The inability to repay the amount in full at the time of termination results in a loss that is fully provided for.

Because all loan repayments are deducted from employee wages the ageing analysis for staff loans is always current. The Authority has used the simplified model for calculating lifetime expected credit losses and has applied the probability of default (PD) to those balances that are current as follows:

	PD	Gross carrying amount SAT	Loss allowance SAT	Credit impaired SAT
<b>30 June 2022</b>				
Staff loans gross amounts	2.10%	821,407	90,507.00	90,507.00
		<b>821,407</b>	<b>90,507</b>	<b>90,507</b>

Balances which are not current are assessed individually for impairment. The movement in the loss allowance for staff loan receivables is disclosed in Note 8.

**ii. Currency risk**

SIFA manages its exposure to credit risk by investing in financial institutions with ratings equal or higher than its own and by taking security for advances to staff.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**4. Financial risk management (continued)**

At balance date SIFA has the following exposure to the US Dollar:

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
<b>Financial assets:</b>		
Cash and cash equivalents	2,648,367	370,210
<b>Financial liabilities</b>		
Customer deposits	(1,369,746)	(2,148,683)
<b>Net Exposure</b>	<b>1,278,621</b>	<b>(1,778,473)</b>

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date and the effect on net profit:

	<b>Higher/(Lower)</b>	<b>Higher/(Lower)</b>
	<b>SAT</b>	<b>SAT</b>
<b>SAT/USD + 5%</b>	<b>63,931</b>	<b>(88,924)</b>
<b>SAT/USD - 5%</b>	<b>(63,931)</b>	<b>88,924</b>

The Following Rates were used for conversion of USD Balances as at:

06/2022 - 0.3773

06/2021 - 0.3988

**iii. Liquidity risk**

Liquidity Risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation. The Authority carries out cash flow projections taking into account cash inflows and outflows annually which assist it in monitoring cash flow requirements and optimizing its cash returns on investments. Typically, the Authority ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. Cash position is monitored on a daily basis.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

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#### **4. Financial risk management (continued)**

##### **iv. Interest rate risk**

###### *Fair value interest rate risk*

Fair Value Interest Rate Risk arises from the potential for a change in interest rates to cause a fluctuation in the fair value of financial instruments. SIFA's loans to Staff are generally at fixed rates and therefore do not pose any significant interest rate risk.

###### *Cash flow interest rate risk*

The Authority has interest-bearing asset in the form of term deposits. This is at fixed interest rate and hence, there are no interest rate risks during the period of investment.

For re-investment of term deposits, the Authority negotiates an appropriate interest rate with the commercial Banks and invests with the Banks that offers the highest interest return. Given the fixed nature of interest rates, the Authority has a high level of certainty over the impact on cash flows arising from interest income derived from these term deposits.

###### Other risks

###### *Operational risk*

Operational Risk is the risk of loss arising from systems failure, human error and fraud. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial crisis. The Authority cannot eliminate all operational risk, but through a control framework and by monitoring and responding to potential risks, the Authority is able to manage risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment procedures.

#### **5. Critical accounting estimates and judgements**

SIFA provides estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### **a. Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**5. Critical accounting estimates and judgements (continued)**

**b. Useful lives of depreciable assets**

On acquiring an asset, Management determines the most reasonable length of time it expects SIFA to maintain that asset with reference to characteristics of similar assets or classes of assets held by SIFA presently or in the past. Where there is no reference available to assets or classes of assets held at present or in the past, reference is made to industry benchmarks.

**c. Impairment of non-financial assets**

Each year Management assesses the carrying value of assets to determine whether they are impaired. Appropriate revisions to policies are made, if necessary, or any significant impairment losses are accounted for in the financial statements as corrective measures. Appropriate disclosures would normally follow.

**6. Plant and Equipment**

	Land & Buildings	Equipment & Furniture	Motor Vehicles	Leasehold improvements	Work in Progress	Total
	SAT	SAT	SAT	SAT	SAT	SAT
<b>Cost</b>						
Balance as at 30/06/21	4,816,000	2,243,278	361,500	156,363	240,750	7,817,891
Additions		116,297	295,000		190,000	601,297
Disposals		(90,360)				(90,360)
<b>Balance as at 30/06/22</b>	<b>4,816,000</b>	<b>2,269,214</b>	<b>656,500</b>	<b>156,363</b>	<b>430,750</b>	<b>8,328,828</b>
<b>Accumulated Depreciation</b>						
Balance as at 30/06/21	-	1,657,180	361,500	156,364	-	2,175,044
Depreciation	-	173,060	37,250	-	-	210,310
Disposals	-	(90,360)	-	-	-	(90,360)
<b>Balance as at 30/06/22</b>	<b>-</b>	<b>1,739,880</b>	<b>398,750</b>	<b>156,364</b>	<b>-</b>	<b>2,294,994</b>
<b>Written down value:</b>						
<b>As at 30/06/21</b>	<b>4,816,000</b>	<b>586,098</b>	<b>0</b>	<b>(1)</b>	<b>240,750</b>	<b>5,642,847</b>
<b>As at 30/06/22</b>	<b>4,816,000</b>	<b>529,335</b>	<b>257,750</b>	<b>(1)</b>	<b>430,750</b>	<b>6,033,833</b>

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**7. Intangible Assets**

	SIFA Registration System	Front Accounting System	Total
	SAT	SAT	SAT
Cost			
Balance as at 30/06/21	897,410	225,428	1,122,838
Additions	58,410	-	58,410
Disposals	-	-	-
<b>Balance as at 30/06/22</b>	<b>955,820</b>	<b>225,428</b>	<b>1,181,248</b>
<b>Accumulated Depreciation</b>			
Balance as at 30/06/21	769,276	161,724	931,000
Amortisation	53,489	39,946	93,435
Disposals	-	-	-
<b>Balance as at 30/06/22</b>	<b>822,765</b>	<b>201,670</b>	<b>1,024,435</b>
<b>Written down value:</b>			
<b>As at 30/06/21</b>	<b>128,134</b>	<b>63,704</b>	<b>191,838</b>
<b>As at 30/06/22</b>	<b>133,055</b>	<b>23,758</b>	<b>156,813</b>

**8. Receivables and Prepayments**

	2022	2021
	SAT	SAT
<b>Movement in Provision for Doubtful Loans</b>		
Gross amount of staff loans	821,407	956,858
Less provision for doubtful loans	(90,507)	(70,223)
	<u>730,900</u>	<u>886,635</u>

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**8. Receivables and Prepayments (continued)**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
<i>Represented and classified in the balance sheet:</i>		
<b>Non-Current</b>		
Employee loans - secured	731,116	865,852
	731,116	865,852
<b>Current</b>		
Employee loans - secured	90,291	91,006
Less provision for doubtful loan	(90,507)	(70,223)
	(216)	20,783
Interest receivables	355,149	461,754
Dividend receivable	1,105,317	1,055,360
Prepaid expenses	216,513	147,186
<b>Total Receivables and Prepayments</b>	<b>1,676,763</b>	<b>1,685,083</b>

Employee loans are interest bearing secured over loan assets of the employee and generally for terms of 5 to 20 years.

These loans are expected to mature as follows:

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Not later than 12 months	7,054	6,339
Later than 1 year but not later than 5 years	18,293	23,971
Later than 5 years	796,060	926,548
	<b>821,407</b>	<b>956,858</b>

**9. Investments**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Units in UTOS at fair value at beginning	22,954,064	22,162,544
Additional value of units purchased during the year	1,055,359	0
Movement in fair value at balance date 30 June 2022	169,389	791,520
Investment in UTOS at fair value at end	24,178,812	22,954,064

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**9. Investments (continued)**

UTOS investment – promissory notes	3,470,000	3,470,000
	27,648,812	26,424,064

Additional 606,000 units were purchased during the year. The fair value of these units were calculated based on the unit price publicised by UTOS at SAT1.74 per unit at the time of purchase.

**10. Cash and Cash Equivalents**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Cash and Bank Balances	6,793,346	1,025,856
Fixed Deposits	50,805,284	63,107,923
Cash and cash equivalent as per Cash Flow Statement	57,598,630	64,133,778

Included in the balances of cash and bank balances are debit balances on SIFA credit cards as follows:

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Total debit balances on credit cards	36,738	39,794
	<b>36,738</b>	<b>39,794</b>

Both cards have credit limits of NZD10,000.00 and are securely kept in the Safe Box under the custody of the Finance and Corporate Services Division. The cards are used when the CEO and the Chairman are on official travel and also used to secure accommodation bookings for all Board and Staff members when on official travel.

Fixed Deposits are held with the local commercial banks at terms ranging from 3 to 6 months at interest rates of between 2% to 3% pa. Spread of the total term deposit as at 30 June 2022 which are held by the 4 local commercial banks is shown below:

	<b>%</b>	<b>2022</b>
		<b>SAT</b>
ANZ	11%	5,532,195
BSP	13%	6,431,726
NBS	38%	19,511,391
SCB	38%	19,329,973
Total		<b>50,805,284</b>

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

**11. Deposits and Payables**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Client deposits	1,369,746	2,148,683
Accrued expenses	447,519	788,211
Trust Fund	-	-
<b>Total</b>	<b>1,817,266</b>	<b>2,936,894</b>

Client Deposits are funds deposited by trustee companies in advance to pay for incorporation and or renewal fees of their clients when due.

**12. Provision for Leave**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Opening Balance	76,672	76,649
Accrued during the year	89,037	19,584
Utilised during the year	(35,980)	(19,561)
	<b>129,729</b>	<b>76,672</b>

**13. Promotions**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Promotions	1,989,032	843,313

Promotions include sponsorship costs for national sporting teams and presentations for the promotion of Samoa's international financial services.

**14. Contribution to Government**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
Contribution to the Government Budget	15,000,000	15,000,000
Dividend to the Ministry of Public Enterprise	6,807,795	7,295,549
	<b>21,807,795</b>	<b>22,295,549</b>



**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

Total budget contribution of SAT 15m was committed to the Government for the Current Financial Year 2021/2022 under section 18 of the Samoa International Finance Authority Act 2005. The dividend payment was based on the 35% of the un-audited net profit at the end of December 2021.

**15. Contingent Liabilities**

SIFA remains a defendant in a litigation currently before the Supreme Court of Samoa. However, the court proceedings are yet to be completed and any costs or liability at the date of this financial report are uncertain (2021/2022: nil).

**16. Lease Commitments**

SIFA has adopted the Modified Retrospective Approach to disclose its leases to align with the new requirements under IFRS 16. The right of use assets (ROU) and the lease liability are now recognised on the statement of financial position. The interest on lease and depreciation on ROU are now recognized on the statement of financial performance based on the terms of the lease agreements.

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
<b>Lease commitments</b>		
Interest ( Lease Liability)	44,725	48,897
Depreciation (ROU Asset)	270,499	225,628
	<b>315,224</b>	<b>274,525</b>
Lease Assets (ROU)	<b>496,942</b>	<b>284,606</b>
<b>Lease Liability</b>		
Not later than 1 year (current)	357,430	241,340
Later than 1 year (non Current)	139,512	63,007
	<b>496,942</b>	<b>304,347</b>

**17. Key Management personnel disclosures**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
<b>Compensation of key management personnel:</b>		
Remuneration	1,172,635	1,135,571
Directors fees and allowances	76,500	71,002
	<b>1,249,135</b>	<b>1,206,573</b>

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

The remuneration of Key Management personnel is determined by Cabinet and the Board. Key Management personnel includes the CEO, Chief Managers (3), Section Head Business Development, Section Head IT and Support Services, Section Head Human Resources, Section Head Finance, Section Head Compliance, Section Head Archives, Apostilles & Charges, Section Head Quality Assurance and Section Head Registration and SRS System.

**18. Reconciliation for Operating Cash Flows**

	<b>2022</b>	<b>2021</b>
	<b>SAT</b>	<b>SAT</b>
<b>Net Profit</b>	17,776,873	21,447,754
<b>Adjustment for:</b>		
Depreciation of property, plant and equipment	210,310	162,827
Impairment of property, plant and equipment	-	-
Amortisation of intangible fixed assets	93,435	116,269
Change in value of investment property	(169,389)	(791,520)
Finance Income	(361,077)	(423,419)
Finance Expenses	55,648	16,410
Interest Income	(1,937,632)	(2,808,463)
UTOS Dividends	(1,105,317)	(1,055,359)
Loss/(gain) on sale of property, plant and equipment	-	-
Increase/ (Decrease) in trade and other receivables	(12,679)	315,527
Increase/(Decrease) in trade and other payables	(1,119,728)	1,441,368
Increase/(Decrease) in provisions and employee benefits	53,057	22
	<b>13,483,501</b>	<b>18,421,416</b>

**19. Samoa International Business Finance Centre (SIBFC)**

The SIBFC was established and registered with MCIL on the 16th December 2020 in accordance with the Cabinet Directive -FK 20(48)

The creation of the SIBFC marketing company set out to achieve the following:

1. To promote, develop and grow the international finance services industry within Samoa through the close corporation with the Regulator being SIFA.
2. To assist in the implementation of promotional activities of SIFA services and solutions.
3. To address the conflicting functions of SIFA, being the Regulator and Promoter at the same time.
4. To research, develop and diversify international financial services and solutions.
5. To work closely with trust companies, laws firms and accountancy firms on the provision of international financial services within Samoa
6. To establish a dedicated marketing team in developing solutions to increase the efficiency of SIFA.

**Samoa International Finance Authority**  
**Notes forming part of the Financial Statements**  
**For the Year Ended 30 June 2022**

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All transactions have been recorded as part of SIFA's financials at the end of the financial year 30th June 2022.

## **20. Subsequent Events after Reporting Period**

### Financials

SIFA has forecasted for a negative impact on its core revenues (Renewal/New Incorporation) as a result of COVID-19 in the new financial year starting 1st July 2022. However, the actuals for the first quarter shows positive results and we hope it will continue throughout the financial year ending 30th June 2023.

### Others

SIFA as the regulator of the international finance industry is a member of the Task Force designated to lead negotiations with the European Union's Code of Conduct Group to get Samoa off their blacklist of non-cooperative jurisdictions for tax purposes. We have presented a submission to begin negotiations and have made considerable exchanges accordingly. There are currently 12 jurisdictions on the EU Blacklist including 6 from the Pacific and 6 from other parts of the world. There is no guarantee that getting off the blacklist will end the interests of the Code of Conduct Group in our international finance industry as they continue to develop criteria to assess jurisdictions on this front.

## **21. Approval of Financial Statements**

The Financial Statements were approved by the Board on the date that they were signed by the Board of Directors.