

GOVERNMENT OF THE REPUBLIC OF FIJI

PROSPECTUS FOR ISSUE OF FIJI INFRASTRUCTURE BONDS

(Authorised by Parliament via 2024-2025 Appropriation Act 2024 on 12 July 2024 the raising of domestic loans totalling \$686,295,939.20 for approved expenditure by the Fiji Government ('Government') from August 2024 to July 2025).

1. Purpose

The proceeds of the bonds will finance the approved Government expenditures from August 2024 to July 2025 which include, but are not limited to:

- upgrade of roads;
- upgrading of ports, jetties and airports;
- Rural Electrification Project;
- divisional development projects;
- repair and upgrade of public buildings, water supplies and sewer lines;
- drainage, dredging works and bridge construction;
- upgrade of school buildings and equipment;
- upgrade and maintenance of hospitals; and
- funding other expenditures as detailed in the 2024 – 2025 Budget Estimates.

For more details and a breakdown of Government expenditure, refer to the Budget Estimate 2024-2025 which is available on the Ministry of Finance's website (www.finance.gov.fj).

2. Auction Calendar

A tentative schedule of issues of Fiji Infrastructure Bonds ('Bond' or 'Bonds') in the 2024-2025 financial year is outlined in the Annual Borrowing Plan which is available on the Ministry of Finance's website (www.finance.gov.fj) and Reserve Bank of Fiji's website (www.rbf.gov.fj).

3. Issuance Method

The Bonds will be made available to the market by means of auction or any other method as determined by Government.

The issuing of Bonds by auction will be on a yield basis and bids must be expressed to a maximum of two decimal places (e.g. 9.01%). Decimal points beyond two places will be disregarded.

The Government will be at liberty from time to time to issue Bonds fungible and respectively, with any outstanding series of Bonds. Any such new issuances, which include the reopening of existing Bonds, will have the same Maturity Date, Coupon Rate and Security Identification Code but a different issue date and usually a different settlement price.

4. Competitive and Non-Competitive Tenders

Tenders will be received on a competitive or non-competitive basis as follows:-

Competitive Tenders will be accepted for a minimum nominal amount of \$10,000 and for multiples of \$1,000. Each tender must be made on the form attached to the Prospectus.

Non-Competitive Tenders will be accepted for a minimum nominal amount of \$1,000 and for multiples of \$1,000 up to a maximum amount of \$100,000 limited to one tender only per maturity. These tenders will be accepted at the weighted average yield of accepted competitive tenders only.

5. Lodgement of Tenders

The Central Securities Depository (CSD) participants are to submit their bids using the CSD bidding platform. The non-CSD participants are to email their bids to tender-markets@rbf.gov.fj together with evidence of payment for the full face value of the tendered amount through FIJICLEAR to the Reserve Bank of Fiji (RBF). Details on the opening hours for lodgement of tenders will be published in the Notices of Issuance.

6. Payment of Tenders

Once allotment of stock has been made, the settlement for successful bids will be done through FIJICLEAR on the issue date.

For non-CSD participants, if the settlement amount for an accepted tender exceeds the Face Value, the successful bidder is to settle the difference through FIJICLEAR by 2.00pm on the issue date. If, however, the settlement amount is lower than the Face Value, then any excess payment will be refunded on the issue date.

For reopened Bond issues, the settlement amount will include the face value and accrued interest on the existing Bond, either from the original date of issuance of the Bond if no interest has been paid yet or from the last date of coupon payment to the issuance date. Note that the settlement for the successful tenders will be on a 'dirty price' basis. Payment by the successful bidders on reopened Bonds will be the sum of the clean price plus accrued interest on the existing Bonds:

Settlement Price (Dirty Price) = Clean Price + Accrued Interest

Transfer details for FIJICLEAR are provided below:

SWIFT: RBFJFJFA

Beneficiary Name: Fiji Government Securities Proceeds & Refunds

Beneficiary Account No.: 36019

Narration: Purchase of Government Bonds

7. Allotment

Competitive Tenders: Allotments will be made in ascending order of percentage yield tendered. The Government reserves the right to accept tenders less than or in excess of the amount in the invitation to tender.

In the event of under subscription of tenders, the RBF may accept for its own account the balance of Bonds not allotted by tender at the weighted average yield for accepted and allotted competitive tenders. However, if no competitive bids are allotted, the RBF may use the yield which is published on the RBF website for the relevant maturities. Further consultations between the RBF and Government will need to be undertaken if such event occurs.

CSD generated Bid Awarded Report will be emailed to the successful non-CSD participants to settle their payments through FIJICLEAR or advising the successful CSD participants of the amount that will be settled directly through FIJICLEAR, on the issue date.

Non-Competitive Tenders: Will be allotted in full provided that a competitive tender has been allotted.

CSD will generate a Portfolio Statement that will be issued to bondholders. .

8. Interest Payments

Interest is calculated on the Face Value of the Bonds and payable by the RBF every six months over the duration of the Bond. Interest due will be paid by the RBF from the Government Central Account ('GCA') directly into the Bondholder's nominated commercial bank account through FIJICLEAR. In the case of joint Bondholders, interest will be paid to the person first named on the tender form. Bondholders may liaise directly with their commercial banks to confirm receipt of funds.

The first Interest payment up until the maturity date of the bonds will be for a full semi interest annual period. If the Interest date is not a working day, payment will be made on the next business day without payment of additional interest.

Interest will cease to accrue on the Bonds from the Maturity Date.

Upon maturity of FIB, the CSD will generate the redemption corporate action settlement and payments are settled in to the bondholders commercial bank account through FIJICLEAR.

9. Registration and Transfer of Ordinary Bonds

Bonds can be registered in the name of one, two or three individuals, or of corporate bodies, but not in the name of unincorporated trusts, clubs, societies etc.

No notice of any trust, expressed, implied or constructive, in respect of any Bond shall be entered on the Register, or be received by the registering authority.

Transfer of Bonds must be in multiples of \$1,000. Forms of transfer are obtainable from the RBF. The RBF shall not be required to make transfer during a period of seven (7) days preceding any interest payment date.

Transfer of Bonds will be executed via the CSD platform.

10. Trustee Investment

A Bond is an authorised investment for Trustees in Fiji.

11. Security

The Bond and interest payable on the Bond are a charge on and payable out of the Consolidated Fund of Government.

12. Public Debt

Government domestic debt is forecasted to amount to \$6.6 billion or 50.1 percent of Gross Domestic Product by 31 July 2024.

13. Tender Form

A tender form is attached to this Prospectus.

14. Income Tax

Interest income on Government Bonds are exempt from income tax with an exception to Financial Institutions.

15. Tender Cancellation or Postponed

The Government reserves the right to cancel or postpone a tender by reason of any circumstance.

16. Over Subscriptions

The Government reserves the right to accept tenders more than the amount specified in this invitation to tender, within the limits for loan raising authorised by the Parliament.

17. Registry

The Registry of the Bonds will be at the office of the Reserve Bank of Fiji in Suva, Fiji.

All the amounts in this Prospectus are expressed in Fijian Currency.



Professor Biman Prasad
MINISTER FOR FINANCE, STRATEGIC PLANNING, NATIONAL
DEVELOPMENT AND STATISTICS

Date: July 2024