

GOVERNMENT OF THE REPUBLIC OF FIJI

PROSPECTUS FOR ISSUES OF FIJI GOVERNMENT INFRASTRUCTURE BONDS

(Authorised by Parliament via 2019-2020 Appropriation Act 2019 on 20 June 2019 the raising of domestic loans totalling \$412,464,563 for approved capital expenditure by the Fijian Government ('Government') from August 2019 to July 2020).

1. Purpose

The proceeds of the bonds will provide part of the \$1,252,640,200 required to finance the approved Government capital expenditures from August 2019 to July 2020 which include, but are not limited to:

- Upgrade of various 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; and
- Upgrade and maintenance of hospitals and purchase of new machines and equipment.

For more details and a breakdown of the capital expenditure, refer to the 2019-2020 Budget Estimates.

2. Auction Calendar

A tentative schedule of issues of Government Infrastructure Bonds ('Bond or Bonds') in the 2019-2020 financial year is attached to the Prospectus.

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. 9.0%, 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**

All tenders must be lodged at the Reserve Bank of Fiji (**‘the Bank’**), Pratt Street, Suva and placed in the special tender box at the “Enquiries” counter at Tower 2 of the Bank. Details on the opening hours for lodgement of tenders will be published in the Notices of Issuance.

6. **Payment of Tenders**

A bank cheque for the full Face Value of the amount tendered for, must accompany all tender forms lodged. Such cheque is to be made payable to the Bank.

Successful bidders are required to settle their bids within one day after notification of the auction results (T+1), the issue date. If the settlement amount for an accepted tender exceeds the Face Value, the successful bidder is to settle the difference through FIJICLEAR by 12.00pm 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 in case no interest has been paid or from the last date of coupon payment to the issuance date. Note that the settlement for the successful tenders will be on ‘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 = Clean Price + Accrued Interest

The transfer details for FIJICLEAR are provided below:

SWIFT: RBFJFJFA

Beneficiary Name: Fiji Government Central Account

Beneficiary Account No.: 31501

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 Bank 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 Bank may use the yield for the relevant maturities as per the latest yield curve published by the Bank.

Letters of allotment will be despatched on **the issue date** together with:-

- a) refund cheques (for any difference in the nominal amount tendered);
- b) cheques for unsuccessful tenders.

Non-Competitive Tenders: Will be allotted in full.

Registered Bond certificates will be issued within thirty days from the issue date.

8. Interest Payments

Interest is calculated on the Face Value of the Bonds and payable by the Bank every six months over the duration of the Bond. Interest due will be paid by the Bank directly into the Bondholder's nominated commercial bank account through the FIJICLEAR payment system. 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 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.

The Registered Bond Certificate must be presented to the Bank for payment at maturity. Bondholders are also required to notify the Bank of any changes in address or contact details without delay to assist with the above.

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 Bank. The Bank shall not be required to make transfer during a period of 14 days preceding any interest payment date.

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

The Government domestic debt amounted to \$4,278,488,500 on 31 July 2019.

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. Stamp Duty

Issues and Transfers of Bonds will be free of stamp duty imposed by Government.

16. Tender Cancellation or Postponed

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

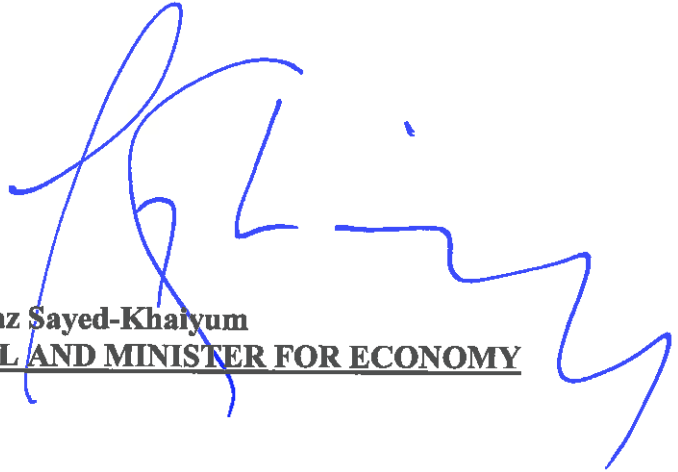
17. Over Subscriptions

The Government reserves the right to accept tenders in excess of the amount specified in this invitation to tender, within the limits for loan raising laid down by the Parliament.

18. 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.



Aiyaz Sayed-Khaiyum
ATTORNEY-GENERAL AND MINISTER FOR ECONOMY

Date: 21 August 2019

Government of the Republic of Fiji-2019/2020 Domestic Borrowing Program

Domestic Borrowing Limit: **\$M**
\$412.46

Fiji Infrastructure Bond
 10 year FIB: **\$50.00**
 15 year FIB: **\$150.00**
 20 year FIB: **\$202.46**
 Total FIB: **\$402.46**

YFI Bond: **\$10.00**

Total Domestic Borrowing: **\$412.46**

Fiji Infrastructure Bond

Security Type	August	September	October	November	December	January	February	March	April	May	June	July	TOTAL
Treasury Bills	0.0	40.0	40.0	40.0	40.0	39.0	20.0	40.0	40.0	40.0	40.0	40.0	402.5
Security Type	0.0	40.0	40.0	40.0	40.0	39.0	20.0	40.0	40.0	40.0	40.0	40.0	425
TOTAL	0.0	40.0	40.0	40.0	40.0	39.0	20.0	40.0	40.0	40.0	40.0	40.0	420.0

*YFI Bond will be issued on 15th and available for investment from the date of signed Prospectus until 22 July 2020.

Issue Dates

Floatation	August	September	October	November	December	January	February	March	April	May	June	July
FIB	0.0	Sept 4th/25th	Oct 16th/30th	Nov 6th/20th	Dec 4th/18th	Jan 8th	Feb 5th/26th	Mar 4th/18th	0.0	May 6th/20th	June 3rd/17th	July 8th/22nd
Treasury Bills	Aug 21th/28th	Sept 11th/18th	Oct 2nd/23rd	Nov 13th/27th	Dec 11th	Jan 15th	Feb 12th/19th	Mar 11th/25th	April 15th	May 13th /27th	June 10th /24th	July 15th/15th
FIB Tenor	0.0	15 year	15 year	15 year	20 year	20 year	15 year	10 year	0.0	20 year	20 year	20 year
Benchmark / Reopening	0/B	B	R	R	R	R	R	B	0/R	R	R	R

DISCLAIMER: The Government domestic borrowing program is for information purposes only. The monthly floatation amount, issue dates and other information are subject to change at the discretion of the Ministry of Economy.