

RESERVE BANK OF FIJI

PRESS RELEASE



Press Release No. : 09/2019

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Date : 31 May 2019

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PERSONAL PROPERTIES SECURITIES REGISTRY GOES LIVE

The Personal Properties Security Registry, the cornerstone of the Personal Property Securities Act 2017 ('PPSA'; 'Act') was launched today at the Reserve Bank of Fiji by the Regional Director of Asian Development Bank's Pacific Sub-Regional Office, Mr Masayuki Taichiiri.

Fiji now joins eight other Pacific Island countries, and numerous other countries all over the world in the reform of its secured transaction framework which will enable borrowers to have more access to finance by pledging movable assets as security for loans. Development work on this initiative commenced in 2015 and culminated in the enactment of the PPSA which was unanimously supported by all members of Parliament on 15 September 2017. The Act and its accompanying Personal Property Securities Regulations will be effective from 31 May 2019.

Mr Taichiiri in launching the Registry, acknowledged and commended the years of development work undertaken by Fiji, as well as the other countries in the region, in achieving such an important reform milestone in the development agenda of enabling access to credit. He stated that, "the online registry and associated law reform will give lenders certainty as to their interest in any asset offered as collateral, and it provides a coherent set of rules for using movable assets, such as invoices, inventory and contracts, as collateral. This work in Fiji builds on the lessons learned from similar work that ADB's Pacific Private Sector Development Initiative (PSDI) has completed in other Pacific countries supported by funding from the Governments of Australia and New Zealand."

Mr Kip Hanna, Chief Executive, Westpac Fiji commented that "Westpac supports the move to an online PPSA which should be a more efficient tool for the management of securities and in line with global best practice. Westpac is well underway in its work to transition its existing security documentation to the online registry."

The reform was led by the Reserve Bank of Fiji with technical assistance from PSDI and close collaboration with the Secured Transactions Reform Taskforce which comprised key industry stakeholders and the Office of the Solicitor-General. Reserve Bank of Fiji Governor Mr Ariff Ali applauded the collaboration with the Fijian banking industry which provides 80 percent of secured loans in Fiji. In highlighting the experience of other countries, Mr Ali explained that such reforms improve access to credit by the SME sector, as well as the Ease of Doing Business ranking of a country.

ANZ CEO Mr Saud Minam also remarked that "it has been a great pleasure working on this important initiative. We feel that this initiative will be a great platform to drive the digital agenda and bring about transparency, accuracy and speed to the whole process."

The online Registry is a crucial component of the secured transactions reform, as it allows lenders to file their interests in moveable assets pledged to them by borrowers, thus enhancing the transparency and efficiency with which lenders can secure their interests and verify assets that have been previously pledged to other borrowers.

There will be a transition period of 180 days from 31 May 2019 to allow lenders to upload required notices of existing security interests and other information onto the registry during the period. The electronic online register will be available 24/7 and will be managed by the Reserve Bank of Fiji. No fees will be charged for the first two years to file or search at the Registry, with this arrangement to be reviewed in due course.

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