

GOVERNMENT OF FIJI

PROSPECTUS OF CASH OFFER

FIJI INFRASTRUCTURE BONDS

(ISSUE DATE: 17 OCTOBER 2012)

(Authorised by the Cabinet in the National Budget on 25th November 2011, the raising of domestic loans totalling \$195,936,800 for approved capital expenditure by the Government of Fiji during 2012.)

**\$10,000,000.00 FIJI GOVERNMENT REGISTERED STOCK
MINIMUM INVESTMENT \$50**

Term	Redeemable at Par Between	Repayable at Par
2 years	-	17/10/2014
3 years	17/10/2014 - 17/10/2015	17/10/2015
6 years	17/10/2016 - 17/10/2018	17/10/2018
8 years	17/10/2018 - 17/10/2020	17/10/2020
10 years	17/10/2019 - 17/10/2022	17/10/2022
15 years	17/10/2023 - 17/10/2027	17/10/2027

Stock will be available for tender from **9.00am to 3.00pm on 15 October** and from **9.00am to 12.00pm on 16 October 2012**.

1. Purpose

The proceeds of the loan will provide part of the \$554,143,200 required to finance the approved Government capital expenditures for 2012 which include, but is 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 equipments; and
- Upgrade and maintenance of hospitals and purchase of new machines and equipments.

For more details and breakdown of the capital expenditure, refer to the 2012 Budget Estimates.

2. 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 submitted on a percentage yield per annum basis and must be expressed to the second decimal place (e.g. 9.17%, 10.70%, 12.25%). Decimal points beyond two places will be disregarded. Each tender must be for one rate, and be made on the form attached to the prospectus.

Non-Competitive Tenders will be accepted for a minimum nominal amount of \$50 and for multiples of \$50 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.

2. Lodgement of Tenders

All tenders must be lodged at the Reserve Bank of Fiji, Pratt Street, Suva and placed in the special tender box at the "Enquiries" counter at Tower 2 of the Bank between the hours of **9.00am to 3.00pm on 15 October and from 9.00am to 12.00pm on 16 October 2012.**

3. Payment

A separate cheque for each tender for the full face value of the amount tendered for, must accompany each tender lodged. Such cheque is to be made payable to the Reserve Bank of Fiji. If the settlement amount for an accepted tender exceeds the face value, the successful bidder is to settle the difference by **12.00pm on 17 October, 2012.** If, however, the settlement amount is lower than the face value, then any excess payment will be refunded on the day following the allotment of tenders.

4. Allotment

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

In the event of a shortfall in allotments, the Reserve Bank of Fiji may accept for its own account the balance of stock not allotted by tender at the weighted average yield for accepted and allotted competitive tenders. However, if no competitive bids are allotted, the Reserve Bank may use the yield for the relevant maturities as per the latest yield curve published by the Reserve Bank of Fiji.

Letters of allotment will be despatched on **17 October, 2012** together with:-

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

Non-Competitive Tenders: Will be allotted in full.

Registered stock certificates will be issued within thirty days of the closing of the Loan.

5. Interest and Repayment

Interest is due on **17 October** and **17 April** each year during the duration of the loan and will be paid by the Registrar. Cheques will be forwarded at the stockholder's risk to the stockholder's registered address or to any bank in Fiji, which the stockholder may nominate. In the case of joint holders of stock, interest will be paid to the person first named in the tender form.

The Government of Fiji will have, on the expiry of the minimum period or any earlier period mutually agreed to by the Government and the investor, the option of redeeming all or part of this issue of Stocks at par on giving not less than three months notice in the Fiji Republic Gazette and at least one daily newspaper circulating in Fiji of its intention to do so and upon expiration of the said three months the principal shall become payable and interest shall cease to accrue.

Stocks repayable on:	Redemption option from:
17/10/2014	-
17/10/2015	17/10/2014
17/10/2018	17/10/2016
17/10/2020	17/10/2018
17/10/2022	17/10/2019
17/10/2027	17/10/2023

The Registered Stock Certificate must be presented to the Registrar for payment at maturity.

6. Registration and Transfer of Ordinary Stock

Stock 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 stock shall be entered on the register, or be received by the registering authority.

Transfer of Fiji Stock must be in multiples of \$50.00. Forms of transfer are obtainable from the Registrar. The Registrar shall not be required to make transfer during a period of 14 days preceding any interest payment date. Transfers are free from Government Stamp duty.

7. Trustee Investment

Fiji Stock is an authorised investment for trustees in Fiji.

8. Security

The loan and interest payable on it are a charge on and payable out of the Consolidated Fund of the Fiji Government.

9. Public Debt

The Government of Fiji domestic debt amounted to \$2,734,376,500.00 on 31 December 2011.

10. Tender Form

A tender form is attached to this Prospectus.

11. Income Tax

Interest is subject to normal tax and should be included in returns of income submitted to the Commissioner of Inland Revenue.

12. Registry

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

13. Over Subscriptions

The Government of Fiji 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 Cabinet.

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

Mr. Aiyaz Sayed-Khaiyum
Acting Prime Minister and Minister for Finance, Strategic Planning, National
Development and Statistics, The Public Service, Peoples Charter for Change and
Progress, Information, Itaukei Affairs, Provincial Development, Sugar Industry, Lands
and Mineral Resources

Date: 26 September 2012