

E-Guardian

E-Newsletter of the Financial Systems Development & Compliance (FSDC) Group
Development initiatives in our financial industry



Issue 3 / Q 3, 2010



Lt Col Inia Seruiratu at the opening of the Expo in Labasa

In This Issue

Development Plan for the North	p.1
Message from the Editor-in-Chief	p.1
News in brief	p.2
South Pacific Stock Exchange Listing Seminars	p.2
North enjoy RBF Microfinance Expo	p.3
“Get ahead in Life” seminars in Labasa	p.3
Chef shares knowledge – “Be Proud to use local”	p.4
Hi Portfolio Systems upgrade for RBF	p.4
Simione’s Local Pumpkin Soup Recipe	p.4
Schedule of FSDC Events	p.5
Staff Happenings	p.5
Contacts	p.5

Message from the Editor-in-Chief

Welcome to the E-Guardian – the quarterly e-newsletter of the RBF FSDC Group! We are now into the final quarter of 2010 and whilst this publication looks back into Q3 and all the work that has been completed, our commitment and focus is on delivering on all our 2010 outputs and our work plan for 2011.

In Q3 we completed our planned Microfinance Expos in Suva and Labasa. We had a great time going out and promoting the RBF and talking to people we would not normally meet in our professional line of work. We’ve forged many networks in the process and have met and discussed many issues with businesses and communities impacted by what we do here. In Q4 we plan to complete a first draft of the proposed new Microfinance Decree.

In the Capital Markets, the RBF partnered with the South Pacific Stock Exchange (SPSE) and hosted 2 listing seminars for potential companies in Suva and Nadi. The responses received by the SPSE are encouraging. Amendments to the Capital Markets Decree 2009 are currently out for market comments and stakeholders are encouraged to obtain a copy and make submission on the amendments. Expected implementation date is 1 January, 2011.

We have made inroads in our work on a new Payments Systems Decree and with external technical assistance we envisage completing the draft by 30 December, 2010.

Our Complaints Management framework for the various financial sectors is nearing completion in line with our planned output for this year.

We thank all our partners and stakeholders for making the quarter a successful one for us all.

Alimone Waqabaca

Development Plan for North

The Commissioner Northern, Lieutenant Colonel Inia Seruiratu, announced at the Microfinance Expo in Labasa, that his office had completed a Development Plan for the North. The Plan works on a partnership between Government, the business community, NGOs, donors and surrounding communities; a partnership, which he added, was critical to developing Vanua Levu.

The Commissioner thanked the Reserve Bank (RBF) for bringing the Microfinance Expo to the North saying that this was an opportunity for many citizens to see and talk to RBF staff and officers from financial institutions and government agencies on their specific needs and requests. He also added that the financial literacy seminars being conducted by the RBF and ANZ Bank were “eye openers” for many who attended and requested that this initiative be continued.

Businesses and people of the North were challenged by the Commissioner to work together to realise the potential that the North had in the fisheries, forestry and agriculture sectors, to name a few. At the same time he called on the financial services sector to ensure that their services were accessible to people in the rural areas of Vanua Levu – a sector that was cash-rich but poor insofar as access to basic financial and other services were concerned.

The Commissioner also called on government agencies to work towards improving their services by going out to the communities and forming networks with businesses, listening to the development challenges they faced and working out practical solutions with the concerned sectors. This, he said, required a change in mindset and a paradigm shift from how things have always been done.

South Pacific Stock Exchange Listing Seminars

NEWS IN BRIEF

RBF Technical Workshop

A technical workshop on “Valuing Debt & Equity Securities” was organised by the Group on 29 September. The workshop was facilitated by Bradley Schwarz, Director Debt Markets ANZ Melbourne. Mr. Schwarz’s services were provided by the ANZ Bank. 35 participants attended the 1 day workshop.

Green Ribbon Campaign

The Green Ribbon campaign is the initiative of the Financial Literacy Working Group (FLWG), one of the three working groups reporting to the National Financial Inclusion Taskforce. Launched on 19 August in Suva, the campaign was a joint effort by stakeholders to raise awareness on the importance of financial literacy by everyone.

RBF induction for LAB members

Pursuant to the RBF’s Policy on the Local Advisory Boards (LAB) issued to the commercial banks, 3 of the 4 commercial banks have formally established their LABs. To date the RBF has conducted formal LAB inductions for 2 banks. The induction briefings included a presentation on the state of the economy and the banking and financial sectors, responsibilities of the LAB, and relevant government policies.

The SPSE successfully organised 2 listing seminars in Suva and Nadi in August and an investor education seminar combined with a listing seminar in Labasa in September. The seminars, targeted at companies who could benefit from listing on the Exchange, included owners and directors of various private companies, provincial companies, government agencies and family owned businesses. Titled **“Grow your Company, Grow the Economy: Have you considered the Capital Markets?”** the seminars included presentations from current listed companies, FIRCA, RBF, SPSE and investment advisers on the benefits of listing and how the capital markets can be a tool for growing their companies.

The seminars were well received by the business community and responses from participants have been very encouraging with the SPSE planning personal visits to companies who have shown some interest in the listing process. Through these and future seminars, the SPSE aims to tap into the pool of businesses who would consider capital markets as an option to further grow their businesses and in-turn will assist us in developing a vibrant capital markets in Fiji and the region.

Amendments to the SPSE Listing Rules, the 20% reduced tax incentives for listed companies provided by the Government and treatment of certain tax issues for the capital markets were also discussed in detail.

For more information on these and other services of the SPSE please email Ms Jinita Prasad, CEO SPSE at jinita.Prasad@spse.com.fj.



Participants at the ANZ Financial Literacy workshop in Labasa. More than 200 participants attended the workshops over the 2 days.

North enjoy RBF Microfinance Expo



Ministry of Agriculture Show of aquarium fish and other sea life being exported to the USA.

The two day Microfinance Expo in Labasa was held at the Court House grounds, from Friday 24 to Saturday 25 September, 2010.

The RBF has been actively promoting microfinance to assist the unbanked in Fiji to access appropriate and affordable financial services and believes that microfinance and the promotion of greater financial inclusion can generate new employment opportunities in rural areas whilst contributing positively to improved living standards.



Pure Honey on sale in Labasa

The RBF plans to continue the promotion of microfinance and financial inclusion for all in 2011. Through possible funding from donor agencies, other activities and initiatives targeted at specific sectors and groups will be undertaken to take next year's expo to the next level. This requires partnership with organisations and experts in the area the RBF plans to do that in 2011.

This year, the RBF Microfinance Expos have been staged in Ba, Suva and Labasa and will

pave the way for all other RBF led activities and initiatives in this area.



Craft made from bamboo & pandanus

The RBF thanks all partners, entities in the financial sector, stakeholders, government agencies and offices around Fiji, business enterprises, NGO's and microfinance operators and entrepreneurs for partnering with the RBF in our microfinance expo initiative.



RBF's Mervin Singh interviews a student at the Expo

"Get Ahead in Life" seminars in Labasa



Participants in Cawa-I-Ra, Labasa

The Labasa Expo was also a chance for some capital markets awareness seminars in Labasa. "Get ahead in Life" was the theme of the seminars conducted at basic level and focused on the benefits of having a financial plan and why everyone should save.

Through the assistance of the Ministry of Multi-Ethnic affairs, the team also visited the farming and fishing community of Cawa-I-Ra near Labasa and conducted a seminar for the 30 or so families in the settlement.

Seminars were also conducted on Friday 24 September, at Macuata House. The workshop was well attended by government and microfinance officials, SME entrepreneurs, women's groups and young people from various youth group communities around Labasa.

Participants also took this opportunity to share their views of the current levels of service provided to them by commercial banks and lending agencies and the difficulties they faced accessing services, branches etc.

The seminars were conducted by RBF staff, Ma'ake Komailevuka and Melania Tamaue.



RBF staff Melania Tamaue giving the presentation in vernacular

Chef Shares Knowledge - "Be Proud to Use Local"



Fiji has a large array of local foods and produce that is not only nutritious and tasty, but a lot cheaper than imported foods. In its efforts to reduce imports and encourage locals to increase the use of local produce in food menus, the RBF has partnered with the Training and Productivity Authority of Fiji (TPAF) to conduct a series of commercial cooking workshops around Fiji.

The first of these workshops was organised in Labasa from the 24 - 25 September 2010. Producing mouth watering spreads, desserts, cocktail savouries, hot and cold dishes and use of leftovers were some of the topics that were covered in the two day training.

There were 8 participants at this first training with 4 coming from as far as Nabouwalu Hospital for this unique opportunity. The participants expressed their thanks for such a great learning experience – the first for the majority of them. Participants were excited about the many possibilities for utilising local and easily accessible products to add variety and flavour to their cooking. The RBF and TPAF plan to conduct similar workshops around the country in the coming months.

Chef Simione Toanikeve was sponsored by the RBF for a 2 month attachment at the Crowne Plaza Hotel in Kuala Lumpur, Malaysia.

RECIPE

Simione's Local Pumpkin Soup



Ingredients

Pumpkin (*peel and chop into small pieces*)
Garlic
Onions
Ginger
Salt

(according to individual taste)

Lolo (*depends on amount of soup being made. Replaces cream in traditional pumpkin soup recipes*)

Method

Sauté onions, garlic and ginger in a little butter or oil. Then add pumpkin, enough lolo to cover pumpkin, salt to taste and cook over medium heat. As soon as pumpkin is cooked, turn off heat. Place all contents from the pot into a blender and blend until smooth. If soup is too thick, add some more lolo. Serve hot.

All ingredients can be varied according to taste.

Hi Portfolio Systems Upgrade for RBF

Foreign currencies, short-term securities, bonds, deposits, current accounts – how does the Bank keep track and record its F\$1.2 billion worth of foreign currency investments?

The Hi-Portfolio system does that for us. Hi Portfolio/3 is a Windows based system that went live in November 2008 replacing the older MS-DOS based Impart system. Hi Portfolio is a multicurrency module which records investment transactions as well as cash deposits, withdrawals, foreign exchange income and expenditure by RBF. Other enabled functionality include mark-to-market revaluations and accruals.

After using the system for 2 years, the RBF recently upgraded Hi Portfolio 3v2 to Hi Portfolio 3v8c, gaining access to all enhancements incorporated since the 3v2 was created in 2006. Software support service is provided by DST Global Solutions [NZ] Limited. The Settlements and Payments Systems unit, the business users for this software, is currently parallel testing the upgraded version and will sign-off as successful once the full testing scope is completed. Implementation is currently targeted for the end October 2010.

...STAFF HAPPENINGS...



Part of the RBF team to the Labasa Microfinance Expo



(L-R) RBF A/Chief Manager Economics & FSDC Chief Manager during the RBF cocktail in Labasa

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Schedule of Upcoming FSDC Events for Q4

- 19-21 Oct On site Follow-Up Inspection – *South Pacific Stock Exchange*
- 26 Oct Capital Markets Development Taskforce Meeting
- Oct (tbc) RBF Complaints Forum
- Oct (tbc) NFIT Meeting
- 9-12 Nov On site Inspection – *Fijian Holdings Unit Trust/ Property Trust/ Securities Ltd*
- 23-24 Nov RBF Technical Workshop: *Fundamentals of Fund Management*
- 24 Nov Capital Markets Securities Licensing Exams – T11: Reserve Bank Bldg
- Nov (tbc) National Microfinance Workshop
- Nov (tbc) RBF In-House Financial Literacy Training

* Capital markets licensed intermediaries who participate in the technical workshops will be able to claim CPE points. The RBF technical workshops are accredited by the Fiji Institute of Accountants.

Industry Type	Status of Complaints by Quarter as at 30 September 2010								
	Q3			Q2			Q1		
	Received	Closed	Under Investigation	Received	Closed	Under Investigation	Received	Closed	Under Investigation
Banking	8	3	5	11	9	2	6	6	0
Insurance	6	2	4	5	4	1	4	4	0
Cap Mkts	0	0	0	3	3	0	0	0	0
Superann.	1	1	0	2	1	1	0	0	0
NBFIs	3	1	2	3	1	2	2	2	0
Forex	0	0	0	0	0	0	0	0	0
Total	18	7	11	24	18	6	12	12	0