

Reserve Bank of Fiji
Banking Supervision Policy Statement No. 15

NOTICE TO LICENSED FINANCIAL INSTITUTIONS UNDER THE BANKING ACT 1995

**MINIMUM REQUIREMENTS FOR APPOINTING HEADS OF
LICENSED FINANCIAL INSTITUTIONS IN FIJI**

1.0 Introduction

- 1.1 This policy is issued under Section 14(3) of the Banking Act 1995 as part of the Reserve Bank of Fiji's standards governing the conduct of banking business in the Fiji Islands.
- 1.2 The requirements of this policy complement the requirements of Section 19(1) of the Banking Act 1995 and the Banking Supervision Policy Statement No 10 on Fit and Proper Requirements for LFIs in Fiji. The Reserve Bank of Fiji has also taken into account the nature of licensed financial institutions (LFIs) operating in Fiji and consulted with the industry¹.
- 1.3 LFIs licensed to conduct banking business play an indispensable role in the developing economy of Fiji and ensuring a sound and effective financial system. Hence, without their support the Reserve Bank would not be able to effectively implement policies for financial system development and growth

2.0 Objective of the Policy

- 2.1 The objective of the policy is to ensure that Heads of LFIs conducting banking business in Fiji appreciate the vital role their institutions play in Fiji, understand their responsibility in the economic growth of Fiji and have the ability to effectively review and align policies and procedures to the long term growth needs of Fiji's financial system.
- 2.3 This draft policy has been developed to outline the Reserve Bank of Fiji's minimum requirements for the appointment of Heads of LFIs in Fiji.

3.0 Minimum Requirements for Heads of LFIs

3.1 Requirements for Fit & Proper

- 3.1.1 The Heads of Fiji Operations must meet the minimum requirements stipulated in the Banking Supervision Policy Statement No 10: on Fit and Proper Requirements for Licensed Financial Institutions in Fiji. At a minimum this includes assessment of the following:

¹ Association of Banks in Fiji and Finance Companies Association.

- a) character;
- b) competencies and capabilities; and
- c) financial soundness of the person.

3.2 Documentary Requirement and Interview Process

- 3.2.1 Each LFI must provide a copy of the appointee's curriculum vitae for assessment. This should clearly state the professional qualifications, previous and current employment details and names and contact details of referees.
- 3.2.3 The Reserve Bank may also conduct an interview as part of its assessment whereby the appointee may be required to meet the Governor and the Deputy Governor prior to being appointed Head of Fiji operations.

3.3 Requirement for Additional Qualifications

- 3.3.1 To effectively implement and facilitate the requirements of this policy, LFIs need to ensure that appointees possess, at a minimum, the following qualitative attributes:
 - a) higher level experience in dealing with governments and central banks;
 - b) an understanding of the Pacific culture and/or other developing countries with similar background;
 - c) an understanding and empathy for the culture in developing countries;
 - d) a willingness to understand, appreciate and work within the policies of the Reserve Bank of Fiji and the Fiji Government;
 - e) willingness to co-operate and work with other LFIs in Fiji to promote and develop the banking industry and the financial system of Fiji; and
 - f) ability to negotiate with the Head Office on revenue/profit targets and finalise targets for the Fiji operations, that are sustainable for Fiji's environment. Due regard must be given to the development priorities of Fiji in setting corporate wide targets.

4.0 Oversight of the Reserve Bank of Fiji

- 4.1 As per Section 19(1) of the Banking Act, if the Reserve Bank of Fiji forms the opinion that an elected or appointed person is not fit and proper or failed to perform adequately the required responsibilities, as per the Banking Act and Banking Supervision Policy Statement No 10, Reserve Bank of Fiji shall disqualify the person.

5.0 Implementation Arrangements

- 5.1 This policy must be clearly communicated to the Board of the LFI to ensure that it is understood by those responsible for recruiting the Head of Fiji Operations.
- 5.2 This guideline applies to all LFIs licensed under the Banking Act and will be effective after consultation with the industry.

**Reserve Bank of Fiji
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