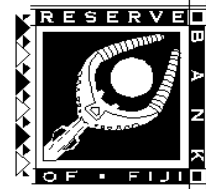


RESERVE BANK OF FIJI



CHECKLIST OF REQUIREMENTS FOR APPLICATION FOR A LICENCE TO CONDUCT BANKING BUSINESS IN FIJI

- I. The following are minimum requirements that applicants must submit to the Reserve Bank of Fiji as part of their proposal to set up a bank or a credit institution in Fiji.

The minimum requirements have been divided into two categories, firstly, requirements under the Banking Act, 1995 and secondly, requirements specified by Reserve Bank of Fiji.

II. Primary Requirements Detailed in the Banking Act, 1995.

1. Application Letter – Letter of Intent
2. Applications Fees (non-refundable)

Banks	:	F\$ 25,000 (Plus VAT)
Credit Institutions	:	F\$ 15,000 (Plus VAT)
3. Authenticated Copy of Instrument under which the applicant company is formed [Section 8 (2) (a) of Banking Act] and associated by-laws pertaining to the incorporation of a company.
4. Copies of latest 3 Annual Balance Sheets.
[Section 8 (2) (a) of Banking Act]
5. Copies of latest 3 Annual Profit and Loss Accounts.
[Section 8 (2) (a) of Banking Act]
6. In the case of an applicant incorporated overseas:
 - written confirmation from the banking supervisory authority in the applicant's country of incorporation stating no objection to the proposal to carry on banking business in Fiji;
 - a sworn undertaking by its Head Office on the proforma Letter of Undertaking, supported by an appropriate resolution of the board of directors that it will, on demand of the Reserve Bank, provide, in the currency specified by the Reserve Bank, funds necessary to cover all obligations and liabilities incurred in the conduct of banking business in Fiji (also required of local applicants); and
 - a written undertaking from the ultimate holding company that it will provide unconditional ongoing capital support to its local

operations if capital falls below Reserve Bank of Fiji minimum guidelines on Capital Adequacy (even if incorporated locally).

III. Other Primary Licensing Requirements Specified by the Reserve Bank of Fiji

7. Evidence of ability to maintain a minimum unencumbered capital for the applicant's business in Fiji should a license be granted.
8. Completed Information and Personal Declaration Sheets from incorporators, directors, officers and the ten largest shareholders. It is essential that professional and character references be provided with the Personal Declaration Sheets.
9. Economic justification. Particular emphasis should be placed on impacts on the financial system; its components and the economy.
10. Three years projections of financial position including:
 - Statement of Financial Condition,
 - Earnings and Expenses, and
 - Cash Flow.The basis on which these assumptions are made must be included.
11. In the case of an overseas applicant a further written confirmation from the home supervisor is required to confirm that the applicant:
 - is conforming to existing laws, accounting standards and audit standards in its country of incorporation;
 - holds the status of a bank in its home country (even if incorporated locally); and
 - is operating in that jurisdiction.
12. Overseas applicants are additionally required to provide written agreement that if granted a licence, the applicant will comply unconditionally with all rules, regulations, laws and policies supervised and regulated by the Reserve Bank of Fiji. This written agreement is to be signed by the Board of the applicant.
13. Details of Operational Expenses expected to be incurred, and projected establishment expenses to be written off against capital in Fiji. These require confirmation by an auditor.

IV. The following additional material may also be required to assist in the evaluation of an application, as and when directed by the Reserve Bank:

- Intentions for initial capital and subsequent capital increases to support expansion of business in Fiji.
- Intentions for internal and external audit of the Fiji operations.
- Summary of internal controls to be effected over Fiji operations, including lending approval limits, policies on provisions for and write offs of bad and doubtful debts and related reports, policies on

liquidity management, accounting systems and risk management policies and procedures.

- Indication of intent to conform to all Reserve Bank of Fiji policies on banking supervision.
- Intentions for future branches or expansion of operations in Fiji or from Fiji.
- Legally binding letter of comfort for capital support for the licence applicant from its major shareholders supported by a resolution of the applicant's Board.
- Any other documentation as the Reserve Bank may specify.

V. Further pertinent information regarding an application for a licence to conduct banking business in Fiji, can be sourced from the Supplementary Information to the Check-list of Requirements found on the Reserve Bank of Fiji website.

VI. For further enquiries please contact the Reserve Bank of Fiji.

Financial Institutions Group
Reserve Bank of Fiji