GOVERNMENT OF FIJI

TREASURY BILLS – PROSPECTUS

(ISSUE AUTHORISED BY THE FINANCIAL MANAGEMENT ACT OF 2004)

ISSUE

1. Treasury Bills are issued under the authority of the Financial Management Act 2004.

2. The Reserve Bank of Fiji has been appointed to act as the agent of Fiji Government for the purpose of the Financial Management Act 2004 – Part IX.

3. Issues of Treasury Bills will be made at a discount and may be offered over a range of maturities from 7 days to a maximum of 1 year.

TENDERS

4. Invitations to tender for Bills will be made regularly by the Reserve Bank by announcement in nominated daily newspapers. Each invitation will include details of:

   - The amount offered and maturity dates of the Bills offered;
   - The date and closing time of tenders;
   - Settlement arrangements.

   All invitations to the tender and all tenders for the Bills shall be made in terms of and pursuant to this prospectus or any prospectus issued by the Reserve Bank in substitution of this prospectus.

5. Tenders will be received on a competitive or non-competitive basis as follows:

   - Competitive tenders will be received in multiples of $10,000 (face value) and the minimum tender will be $10,000 (face value). Each tender must be submitted on a percentage yield per annum basis and must be expressed to the second decimal place (e.g. 5.17%, 4.05%, or 3.50%). 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 in multiples of $250 for a minimum amount of $250 (face value) up to a maximum amount of $100,000 (face value). Non-competitive tenders will be limited to one

tender per maturity. These tenders will be accepted at the weighted average annual yield of the accepted competitive tenders.

6. Sealed tenders for Treasury Bills (on the special tender form titled Tender for Fiji Government Treasury Bills) must be lodged in the "TENDER BOX" placed at Tower 2, Financial Markets Group, Reserve Bank of Fiji, Pratt Street, Suva.

ALLOTMENT

7. Allotments of Treasury Bills will be made by the Reserve Bank of Fiji within the limits prescribed by the Minister of Finance. Notification will be sent on the same day set aside for the receipt of the tenders to tenderers advising of their allotment.

For competitive tenders, allotments will be made in ascending order of annual percentage yield tendered. The Reserve Bank 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 TBills not allotted by tender at the weighted average yield of allotted competitive tenders.

SETTLEMENT

8. The settlement price shall be calculated on the basis of the following formula:

$$\text{Price} = \frac{\text{face value tendered}}{1 + (i \times n/365)}$$

where i = annual percentage yield tendered/100

n = days to maturity

Payment for Bills allotted must be made by FijiClear to the Reserve Bank of Fiji, before 12.00 p.m. on the first business day after allotment.

REDEMPTION

9. Treasury Bills will be redeemed on the due date for the face value. If maturing on a weekend or statutory holiday then the Bills will be payable the first working day after such holiday.

In the event the Government wants to redeem Treasury Bills before the maturity date, it may do so at a mutually agreed price between the Government and the investor.

TRANSFER OF TREASURY BILLS

10. Treasury Bills can be issued to order or bearer. Transfers of Bills can be made in multiples of $250, by endorsement and delivery in the case of those issued to order, and by delivery if issued to bearer.

11. Treasury Bills may be presented to the Reserve Bank of Fiji for re-issue in smaller denominations totaling the original amount and on the original terms.

RE-DISCOUNTING

12. The Reserve Bank of Fiji may provide re-discount facilities for Treasury Bills.

GENERAL

13. Treasury Bills are an authorised investment for Trustees in Fiji.

14. The principal money represented by Treasury Bills issued under the Financial Management Act 2004 is a charge on the Consolidated Fund of the Fiji Government.

15. All the amounts in this Prospectus are expressed in Fiji Currency.

Aiyaz Sayed-Khaiyum
Attorney General and Minister for Finance

Date: 13th March 2015