



RESERVE BANK OF FIJI

DISASTER REHABILITATION AND CONTAINMENT FACILITY GUIDELINES

**(For the use of Commercial Banks, Licensed Credit Institutions and the
Fiji Development Bank)**

Revised 02 August 2021

Financial Markets Group



RESERVE BANK OF FIJI

1. Introduction

In 2020, the Reserve Bank of Fiji (RBF) expanded the coverage of the Natural Disaster and Rehabilitation Facility to include businesses affected by health epidemics or pandemics such as the COVID-19. The expanded facility was also renamed as the Disaster Rehabilitation and Containment Facility (DRCF).

The Facility is available through ‘**approved lenders**’ including the commercial banks, Fiji Development Bank (FDB) and licensed credit institutions (LCIs)¹. The interest rate charged on these advances is 0.25 percent per annum. The approved lenders can borrow from RBF at this rate and on-lend to eligible applicants at a maximum rate of 3.99 percent per annum for a maximum term of up to five years. To be eligible, borrowers must meet the requirements stipulated by their respective approved lenders.

The total amount available under this Facility is **\$150.0 million**. Loans will be limited to a maximum of \$0.50 million per business and will be allocated on a first-in basis. The RBF reserves the right to award loan amounts greater than these in special circumstances.

This Facility is effective immediately and will be subject to ongoing review.

2. Eligibility

Businesses may apply for DRCF funds to cover financial and economic losses including working capital arising from the impact of COVID-19.

Clarifications on the eligibility requirement can be sought from the Reserve Bank.

Loan Application

Applications from businesses for funding under the DRCF must be submitted through their approved lenders using a copy of the attached Application Form.

All completed forms and other accompanying documents are to be submitted to RBF by email to domesticmarkets@rbf.gov.fj.

3. Loan Term

The maximum loan term under this Facility is five years.

4. Interest Rate

The Reserve Bank will charge approved lenders an interest rate of 0.25 percent per annum for all advances under this Facility. Interest on all loans is payable twice annually on 30 June and 31 December.

The maximum interest rate that can be charged to eligible businesses will be 3.99 percent per annum.

The above rate is subject to periodic review. RBF reserves the right to make changes in line with movements in market interest rates.

¹ LCIs include Credit Corporation (Fiji) Limited, Merchant Finance Limited, BSP Finance (Fiji) Limited and Kontiki Finance Limited.



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5. **Repayment**

All advances under this Facility are due and repayable on maturity.

Should a borrower effect settlement or refinance their loan within the agreed terms, the approved lender is required to immediately reimburse the funds advanced under the Facility to the Reserve Bank.

6. **Loan Disbursement**

Upon approval, the RBF will credit the commercial bank's exchange settlement account, the FDB call account or nominated commercial bank account and the LCI's advance account or nominated commercial bank account with the full amount of the advance.

7. **Existing Disaster Rehabilitation and Health Epidemic/Pandemic Related Loans**

Existing loans held by commercial banks that are eligible under the Facility, following approval by the RBF, can be refinanced under the DRCF. However, upon transfer the maximum interest charged should not exceed 3.99 percent per annum.

8. **Lenders Responsibility**

Processing of applications under the DRCF is delegated to the commercial banks, FDB and LCIs.

Lenders are responsible for:

- verifying financial and economic losses and needs arising from the impact of the disaster and health epidemic or pandemic,
- credit-screening, and
- calculating loan eligibility amounts.

Granting of the loans is at the discretion of the commercial banks, FDB and LCIs. Eligible businesses are subject to their lending institution's credit requirements since the institution bears the credit risk without recourse to the RBF.

In case of default, the commercial bank's exchange settlement accounts, FDB call account and LCIs advance account will be debited with the total outstanding amount loaned and the interest thereon.

9. **Exceptions**

The Reserve Bank exercises reasonableness and accords due consideration for any doubt or query arising from these guidelines. However, the Reserve Bank reserves the right to make the final decision for every application.

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DISASTER REHABILITATION AND CONTAINMENT FACILITY APPLICATION FORM

Application Details	
Name of Company	
Address	
Contact Person	
Phone Contact	
Fax/ Email	
Funding Details	
Estimated Losses (\$)	
Total Funding Required (\$)	
Estimated Funding Duration	
Proposed Drawdown Date	
Declaration	
I/ We hereby certify that the information provided is true and correct to the best of my/our knowledge.	
Name:.....	Signature:.....
Title:.....	
Name:.....	Signature:.....
Title:.....	
<i>Name(s) and Signature(s) of applicant(s). (If signing on behalf of a corporate body, indicate in what capacity and stamp with the appropriate company seal/stamp).</i>	
Lending Institution Verification	
Institution Name	
Branch	
Assessing Officer	
Signature	
Date	
Note: <i>1. Loans under the Facility are limited to \$0.5 million per affected business. 2. In the event that the lender is unable to pay RBF on the specified date due date, RBF will debit the respective lending institution's ESA/Call/Advance account for the total outstanding advance, including interest accrued. 3. Completed forms and other accompanying documents are to be submitted to the Manager Domestic Markets, Financial Markets Group, Reserve Bank of Fiji by email through domesticmarkets@rbf.gov.fj</i>	