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Fijians to Benefit from Reforms Making Banking Safer, More Reliable and Efficient

Suva, Fiji, September 30, 2022 –Fijians stand to benefit from important regulatory changes that will make everyday bank transactions easier, helping boost financial inclusion while supporting financial stability and economic activity.

The National Payment System Act 2021 and Regulations 2022 have been published in the Fijian Government Gazette, becoming effective today. This marks a critical milestone in a broader ongoing reform program led by the Reserve Bank of Fiji (RBF). This new legislation and regulation will enable an upgraded national payment and settlement system and central securities depository. In turn, the new infrastructure and systems will facilitate enhanced electronic fund transfers, retail payments and agent banking.

These legislative reforms, as part of a broader national payments program, will provide the platform to boost access to affordable payment services through digital solutions, reduce reliance on cash and help drive e-commerce. Transactions will be safer, more reliable and more efficient for businesses and households.

“At a time when Fiji is building back after the impact of the COVID-19 pandemic the commencement of these regulations will help modernize our financial system, paving the way for payment systems that support the needs of rural and urban businesses and households,” said **RBF Governor Ariff Ali**. “Once this reform program is complete, we will have the right infrastructure for innovative payments, with the benefit of increasing access to important financial services for all businesses in Fiji, including micro, small and medium enterprises.”

Cash is widely used in Fiji now, both for retail payments and in many types of business transactions, including paying bills. The use of electronic payment systems and services is limited. The payment system reforms, which are being implemented in phases, will allow financial and payment service providers to develop and introduce additional non-cash payment services and products for their clients in a faster and more secure manner, and at a lower cost.

“These new regulations will help the citizens of Fiji benefit from innovation in payments, offering the potential for digital solutions to help drive financial inclusion, by bringing more people into the banking system, fostering development,” said **Judith Green, IFC Country Manager for Australia, New Zealand, Papua New Guinea and the Pacific Islands**. “IFC is proud to have provided technical assistance to the RBF to help develop these new measures, using our global expertise to help Fiji make banking transactions safer, more reliable and more efficient, while aligning itself with international financial markets.”

These important changes to Fiji's regulatory environment were introduced by the RBF with technical assistance from IFC, a member of the World Bank Group, with the support of the governments of Australia and New Zealand. The World Bank also provided technical expertise to the RBF in relation to this landmark reform program.

"Australia is proud to support these important reforms. They'll encourage greater innovation, as well as the entry of more payment solution providers into the Fijian market," said **John Williams, Australia's Chargé d'Affaires to Fiji**. "More efficient transactions will benefit all sectors, support financial inclusion in Fiji and ensure a robust, sustainable and inclusive recovery."

"Aotearoa New Zealand is proud to have supported the Fiji Partnership. We wish to congratulate the Government of Fiji and the Reserve Bank of Fiji for undertaking reform to achieve this important milestone", said **Virginia Dawson, Development Counsellor at the New Zealand High Commission in Suva**. "We are hopeful this will help to build a strong foundation for a modern payment system that drives safe and secure e-commerce that benefits all."

The changes to payment system regulations in Fiji come as similar reforms are being undertaken by central banks in Samoa, Solomon Islands and Vanuatu.

About IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2022, IFC committed a record \$32.8 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit www.ifc.org.

About RBF

The RBF is the central bank of the Republic of Fiji established under the Reserve Bank of Fiji Act 1983. The principal purposes of the Bank are to regulate the issue of currency and the supply, availability and international exchange of money, to promote monetary stability, to promote a sound financial structure, to foster credit and exchange conditions conducive to the orderly and balanced economic development of the nation and to regulate the capital markets and insurance industry.

Partnership in Fiji

IFC's payment system work in Fiji has been supported by the governments of Australia and New Zealand under the Fiji Partnership, and by the government of Australia under the IFC-Fiji Private Sector Development Partnership which aims to improve the competitiveness of the private sector and stimulate inclusive and climate-smart private investment in Fiji.

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