

Fiji Infrastructure Bonds – Tender Process

The Fiji Infrastructure Bonds are issued in an open bid-offer tender process which is very transparent and accountable. The prospectus, which contains details about each bond issue, is published on the RBF website and circulated to the RBF's investor mailing list. Key details about each issue are also published on both Reuters and Bloomberg. The issue is advertised in the Fiji Sun up to two working days before the date of issuance.

The RBF prepares the Fiji Infrastructure Bond (FIB) prospectus for each tender. This is then sent to the Minister for Finance for signed approval. The prospectus is made publicly available on at least two clear working days before the date of issuance.

Key features of the tender process are:

- There is a range of maturities on offer but there is no specified allotment limits on any maturity offered. Investors may also over subscribe the advertised tender offer. This allows the Debt Unit of the Ministry of Finance to allot bids that best meet their financing needs without limitation.
- Tender bids must be manually posted in the tender box held at the RBF office in Suva which is open between 9.00am and noon on the day that tenders close and between 9.00am and 5.00pm on the day before tender closes. Bid details are filled out on the official tender form which is available with the prospectus from the RBF website.
- To ensure credibility, bids for FIBs (received from any person, company or institute other than a commercial bank) must be accompanied by a bank cheque for the full face value of the tender.

At 12.00pm on the day that tenders close, RBF opens the tender box and tallies all bids received. Details are entered into RBF's registry system. The same details are provided to the Debt Unit of the Ministry of Finance (MOF) along with RBF's recommendation for allotment.

The allotment decision is made by the Debt Unit taking into consideration the current maturity and repayment profile for outstanding bonds, other upcoming payments due, as well as tendered rates. MOF would usually discuss any deviations from the allotment advice received with RBF.

After MOF has made an allotment decision, this is communicated to RBF for processing on the registry system. RBF then sends statements from the registry system confirming allotment to MOF for signing. Once signed, the same is returned to RBF. Allotment results are communicated to all bidders on the same day in order to initiate settlement for the next day (issue date). The cheques of unsuccessful bidders are returned whilst the successful bidders' cheques are processed for exchange settlement. Government receives funds in their RBF Central Government account on the following day (i.e. T+1).

All tender results are posted on the RBF Website.