

GOVERNMENT OF FIJI

PROSPECTUS OF CASH OFFER

FIJI DEVELOPMENT LOAN

(ISSUE DATE: 14th OCTOBER 2009)

(Authorised by the Interim Government in the Budget Address on 21st November 2008, the raising of domestic loans totalling \$522,500,000 for approved expenditure by the Government of Fiji during 2008.)

**\$15,000,000.00 FIJI GOVERNMENT REGISTERED STOCK
TO BE ISSUED BY TENDER WITH FIXED COUPON.**

Term	Redeemable at Par Between	Repayable at Par	Coupon Rate (per annum)
3 years	14/10/2011 - 14/10/2012	14/10/2012	6.00%
5 years	14/10/2012 - 14/10/2014	14/10/2014	7.00%
10 years	14/10/2016 - 14/10/2019	14/10/2019	8.50%
15 years	14/10/2020 - 14/10/2024	14/10/2024	10.00%
20 years	14/10/2025 - 14/10/2029	14/10/2029	11.00%

Stock will be available for tender **from 9.00am to 12.00pm on 13th October 2009.**

MINIMUM INVESTMENT \$50

1. All tenders will be accepted at par.

Tenders will be accepted for a minimum nominal amount of \$50 and for multiples of \$50. Each tender will be accepted at par as the coupon rate on each maturity is fixed. Each tender must be for one maturity only and be made on the form attached to the prospectus. There is no maximum limit on the number of tenders made by any investor.

2. Lodgement of Tenders

All tenders must be lodged at the Reserve Bank of Fiji, Pratt Street, Suva and placed in the special tender box at the "Enquiries" counter at Tower 2 of the Bank between the hours of **9.00am to 12.00pm on 13th October 2009.**

3. Payment

A separate cheque for each tender for the full face value of the amount tendered for, must accompany each tender lodged. Such cheque is to be made payable to the Reserve Bank of Fiji. If the settlement amount is lower than the face value, then any excess payment will be refunded on the day following the allotment of tenders.

4. Allotment

Allotments will be at par. The Reserve Bank reserves the right to reject any tender or to allot a lesser amount than that tendered for.

In the event of a shortfall in allotments, the Reserve Bank of Fiji may accept for its own account the balance of stock not allotted by tender at par.

Letters of allotment will be despatched on **14th October, 2009** together with:-

- a) refund cheques (for the difference in the nominal amount tendered);
- b) cheques for unsuccessful tenders.

Registered stock certificates will be issued within thirty days of the closing of the Loan.

5. Interest and Repayment

Interest is due on **14th April** and **14th October** each year during the duration of the loan and will be paid by the Registrar.

The interest rate on the **3-year** bond maturing on 14/10/2011-2012 will be **6.00% p.a.**
The interest rate on the **5-year** bond maturing on 14/10/2012-2014 will be **7.00% p.a.**
The interest rate on the **10-year** bond maturing on 14/10/2016-2019 will be **8.50% p.a.**
The interest rate on the **15-year** bond maturing on 14/10/2020-2024 will be **10.00% p.a.**
The interest rate on the **20-year** bond maturing on 14/10/2025-2029 will be **11.00% p.a.**

Cheques will be forwarded at the stockholder's risk to the stockholder's registered address or to any bank in Fiji, which the stockholder may nominate. In the case of joint holders of stock, interest will be paid to the person first named in the tender form.

The Government of Fiji will have, on the expiry of the minimum period or any earlier period mutually agreed to by the Government and the investor, the option of redeeming all or part of this issue of Stocks at par on giving not less than three months notice in the Fiji Republic Gazette and at least one daily newspaper circulating in Fiji of its intention to do so and upon expiration of the said three months the principal shall become payable and interest shall cease to accrue.

Stocks repayable on:	Redemption option from:
14/10/2012	14/10/2011
14/10/2014	14/10/2012
14/10/2019	14/10/2016
14/10/2024	14/10/2020
14/10/2029	14/10/2025

The Registered Stock Certificate must be presented to the Registrar for payment at maturity.

6. Registration and Transfer of Ordinary Stock

Stock can be registered in the name of one, two or three individuals, or of corporate bodies, but not in the name of unincorporated trusts, clubs, societies etc.

No notice of any trust, expressed, implied or constructive, in respect of any stock shall be entered on the register, or be received by the registering authority.

Transfer of Fiji Stock must be in multiples of \$50.00. Forms of transfer are obtainable from the Registrar. The Registrar shall not be required to make transfer during a period of 14 days preceding any interest payment date. Transfers are free from Government Stamp duty.

7. Trustee Investment

Fiji Stock is an authorised investment for trustees in Fiji.

8. Security

The loan and interest payable on it are a charge on and payable out of the Consolidated Fund of the Fiji Government.

9. Public Debt

The Government of Fiji domestic debt amounted to \$2,410,953,000.00 on 31 December 2008.

10. Tender Form

A tender form is attached to this Prospectus.

11. Income Tax

Interest is subject to normal tax and should be included in returns of income submitted to the Commissioner of Inland Revenue.

12. Registry

The Registry of the Loan will be at the office of the Reserve Bank of Fiji in Suva, Fiji.

13. Over Subscriptions

The Government of Fiji reserves the right to accept tenders in excess of the amount specified in this invitation to tender, within the limits for loan raising laid down by the Cabinet.

14. Purpose

The proceeds of the loan will provide part of the sum required to finance the approved Government expenditures for 2009.

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

Aiyaz Sayed-Khaiyum
Acting Minister for Finance

Date: 17th September 2009