

GOVERNMENT OF FIJI GAZETTE SUPPLEMENT

No. 5

FRIDAY, 22nd JANUARY

2021

[LEGAL NOTICE NO. 5]

COMPANIES ACT 2015

**Companies (Wholesale Corporate Bonds)
Regulations 2021**

In exercise of the powers conferred on me by sections 283(4)(d) and 713 of the Companies Act 2015, I hereby make these Regulations—

PART 1—PRELIMINARY

Short title and commencement

1.—(1) These Regulations may be cited as the Companies (Wholesale Corporate Bonds) Regulations 2021.

(2) These Regulations come into force on the date of publication in the Gazette.

Interpretation

2.—(1) In these Regulations, unless the context otherwise requires—

“Act” means the Companies Act 2015;

“eligible investor” means an investor listed in regulation 4;

“Information Memorandum” means the disclosure document for a wholesale corporate bond issued in accordance with these Regulations, the contents of which are required by regulation 5;

“issuer” means any person who makes available, offers for subscription or purchase, or issues an invitation to subscribe for or purchase a wholesale corporate bond;

“licensed investment adviser” means an investment adviser holding a securities industry licence issued by the Reserve Bank of Fiji under section 273 of the Act;

“listed” means granted admission to listing under the listing rules, or other relevant rules, of an approved securities exchange for the quotation and trading of wholesale corporate bonds;

“multilateral development bank” means a supranational institution set up by sovereign states as shareholders, with the common task of fostering economic and social progress in developing countries by financing projects, supporting investment and generating capital for the benefit of the citizens of the relevant countries; and

“wholesale corporate bond” means a debenture issued in accordance with these Regulations.

(2) In these Regulations, words and phrases that are not defined in subregulation (1) have the same meaning as under the Act unless the context otherwise requires.

PART 2—REGULATION OF OFFERS OF SECURITIES

Eligible securities

3.—(1) The securities under these Regulations are limited to the class of debentures with a trustee duly appointed under Part 27 of the Act, being issued under the exception provided for in section 283(4)(d) of the Act.

(2) The securities under these Regulations must be listed under listing rules, or other relevant rules, of an approved securities exchange for wholesale corporate bonds.

Eligible investors

4.—(1) A wholesale corporate bond must only be offered or issued to an investor that falls into one or more of the following categories—

- (a) a bank, credit institution or other financial institution licensed by the Reserve Bank of Fiji under the Banking Act 1995;
- (b) a credit union licensed under the Credit Unions Act 1954;
- (c) a licensed investment adviser and any other licensee for capital markets activities approved under the Act;
- (d) an approved securities exchange or central depository licensed by the Reserve Bank of Fiji under the Act;
- (e) an insurance company licensed by the Reserve Bank of Fiji to conduct insurance business under the Insurance Act 1998;
- (f) a fund established by, or approved under, the Fiji National Provident Fund Act 2011;
- (g) an approved managed investment scheme licensed by the Reserve Bank of Fiji under the Act;
- (h) the Fiji Development Bank;
- (i) a foreign entity that is the equivalent in its country of operation or domicile of the entities covered in one or more of the preceding paragraphs, and which makes its investment through a licensed investment adviser;
- (j) a multilateral development bank; and
- (k) any other investor that purchases securities with a value of more than FJ\$200,000, provided that the purchase of the wholesale corporate bond is on the advice of a licensed investment adviser.

(2) Each investor under subregulation (1)(k) must purchase securities as a single investor without beneficial ownership being shared with any other investor, and joint applications to purchase securities are prohibited.

(3) The trust deed must include a provision prohibiting a transfer to any person who does not qualify as an eligible investor under these Regulations.

(4) The trust deed must state that if any such transfer in subregulation (3) is made, the issuer will be responsible for arranging for the non-eligible investor to be divested, remitting the sale proceeds to the non-eligible investor.

(5) The issuer is responsible for brokerage and other selling costs of any transfer made in subregulation (3).

PART 3—REQUIREMENTS FOR INFORMATION MEMORANDUM

Contents of Information Memorandum

5.—(1) To be able to issue a wholesale corporate bond, an issuer must produce an Information Memorandum that contains all information that is necessary to enable an investor to make an assessment of the securities.

(2) The Information Memorandum, the corresponding trust deed and trustee agreements must be filed with the Reserve Bank of Fiji prior to the issuer issuing the wholesale corporate bond.

(3) The Information Memorandum must be filed with the Reserve Bank of Fiji in the form and manner as determined by the Reserve Bank of Fiji, accompanied by a fee as determined by the Reserve Bank of Fiji.

(4) The Reserve Bank of Fiji must carry out a check of the compliance of the wholesale corporate bond with these Regulations.

(5) The compliance check must be done within 48 hours of the filing, but does not include a check of the accuracy of information or the creditworthiness of the issuer.

(6) The Information Memorandum must include a disclaimer on page one, as follows—

“This issuance is made under the Companies (Wholesale Corporate Bonds) Regulations 2021 pursuant to section 283(4)(d) and section 713 of the Companies Act 2015 and while its contents have been checked for compliance with these Regulations, there should be no reliance on this for the accuracy of information or creditworthiness of the issuer. The Reserve Bank of Fiji and the South Pacific Stock Exchange accept no liability for any statement contained in this document or any information omitted from it. The investors must carry out their own review of the issuance and seek any advice that they consider necessary.”

(7) Information already in the public domain may be incorporated by reference in the Information Memorandum, provided that this is indicated clearly within the Information Memorandum with a reference to where that information can be publicly accessed.

Made this 21st day of January 2021.

A. SAYED-KHAIYUM
Attorney-General and Minister responsible for justice