

# BILL NO. 24 OF 2020

## A BILL

FOR AN ACT TO AMEND THE RESERVE BANK OF FIJI ACT 1983

ENACTED by the Parliament of the Republic of Fiji—

*Short title and commencement*

**1.**—(1) This Act may be cited as the Reserve Bank of Fiji (Budget Amendment) Act 2020.

(2) This Act comes into force on 1 August 2020.

*Section 51 amended*

**2.** The Reserve Bank of Fiji Act 1983 is amended by—

(a) in subsection (2), deleting “30% of the average annual ordinary” and substituting “50% of the average annual total”;

(b) deleting subsection (3) and substituting the following—

“(3) For the purposes of this section—

(a) “total revenue of the Government” includes revenue from taxes, levies, duties, fees, fines and penalties, rents, grants, other forms of economic aid, the sale of Government assets, insurance

recoveries relating to Government assets, profits and income from any investment or undertaking by the Government and any contribution to the revenue of the Government from any statutory corporation but does not include loans or other forms of capital raised;

- (b) the average of the annual total revenue means the average of the annual total revenues for the 3 financial years immediately preceding for which accounts are available.”; and
- (c) in subsection (5), deleting “40% of the average annual ordinary revenue of Government” and substituting “60% of the average annual total revenue of the Government”.

July 2020

## **RESERVE BANK OF FIJI (BUDGET AMENDMENT) BILL 2020**

### **EXPLANATORY NOTE**

*(This note is not part of the Bill and is intended only to indicate its general effect)*

#### **1.0 BACKGROUND**

- 1.1 The Reserve Bank of Fiji (Budget Amendment) Bill 2020 (**‘Bill’**) seeks to amend the Reserve Bank of Fiji Act 1983 (**‘Act’**) to increase the limit for outstanding advances, holdings by the Reserve Bank of Fiji (**‘RBF’**) of notes, bills, securities or other evidence of indebtedness of or guaranteed by the Government and statutory corporations and the credits established for the Government and statutory corporations by the RBF.

#### **2.0 CLAUSES**

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2020.
- 2.2 Clause 2 of the Bill amends section 51 of the Act to allow RBF to increase the limit for outstanding advances, holdings by RBF of notes, bills, securities or other evidence of indebtedness of, or guaranteed by, the Government and statutory corporations and the credits established for the Government and statutory corporations by the RBF, from 30% to 50% of Government’s average total revenue.
- 2.3 Clause 2 of the Bill also amends section 51 of the Act to allow RBF to extend the limit referred to in paragraph 2.2 up to a maximum limit of 60% of the average total revenue of the Government.

#### **3.0 MINISTERIAL RESPONSIBILITY**

- 3.1 The Act comes under the responsibility of the Minister responsible for finance.

A. SAYED-KHAIYUM  
Attorney-General