



PRESS RELEASE

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RESERVE BANK ANNOUNCES REQUIREMENTS FOR APPOINTING HEADS OF LICENSED FINANCIAL INSTITUTIONS

The Reserve Bank of Fiji announced the issue of Banking Supervision Policy No. 15 “Minimum Requirements for Appointing Heads of Licensed Financial Institutions in Fiji”. The policy guideline came into force from 1 March 2010 and was issued under its powers in the Reserve Bank of Fiji Act Rev. 1985 and the Banking Act 1995. It is applicable to all commercial banks and credit institutions licensed to operate in Fiji.

In making the announcement, the Governor, Mr. Reddy said that the Reserve Bank of Fiji is of the view that any financial institution operating in the country should ultimately be willing and able to work within the policy directives that are set out by the Reserve Bank and the Government, to assist in the development of the nation. It is therefore critical that heads of these institutions possess a good understanding of the banking environment and culture in developing countries, have a willingness to understand and work within the policies of the central bank and generally be prepared to prioritise the developmental aims of the country.

Governor Reddy said that in articulating the minimum requirements of appointment, the Reserve Bank is communicating expectations from the outset to licensed financial institutions as they proceed through the process of appointing the head of their operations. The Governor added that the policy guideline complements earlier policies, particularly “*Minimum Guidelines for the Establishment of Local Advisory Boards*” and “*Policy Guidelines on Complaints Management*”, to impose a high degree of accountability of licensed financial institutions to the people of Fiji.

While the Reserve Bank has been generally satisfied with the cooperation it has received from licensed financial institutions in the past, Governor Reddy explained that, in response to the recent financial crisis, financial sector regulation has been and continues to be strengthened globally. Fiji is no exception and the Reserve Bank will continue to introduce policy guidelines, not only to develop, but strengthen the resilience of the financial sector and ensure responsiveness in crisis situations.

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