

**RESERVE BANK OF FIJI**



**FINANCIAL INCLUSION AND  
DERISKING**

**COUNTRY EXPERIENCE -FIJI**

**Regional Conference on Financial Inclusion  
in Asia-Pacific, Cambodia**

**SESSION IV**

**December 8, 2017**

# OUTLINE

**ABOUT FIJI**

**FINANCIAL INCLUSION**

**REMITTANCES**

**DERISKING**

# LOCATION OF FIJI



# MAP OF FIJI

**FIJI**

PACIFIC OCEAN



**LEGEND**

	Other Road
	Major City
	Other City
	Country Capital
	Major Airport
	Major Point of Interest
	National Park



# FIJI STATS

## POPULATION

- **869,458** (e)
- 53.4%urban  
46.6 rural
- **62%** below  
the age of  
**34years**

## LITERACY

- % of pop age  
15yrs >
- Male – 95.5%  
Female 91.9%  
(2003)



## ECONOMY

upper middle  
income

- **Per capita  
income**  
around **USD  
5,153** ( 2016  
WB)

## INCIDENCE OF POVERTY%

**National -28.4**

- Rural - 36.3
- Urban -20.8
- **Gini  
Coefficient**  
- 0.32

# FIJI FINANCIAL INCLUSION PROFILE

- **64%** of adults 15yrs or > have some form of formal financial services

## Banks

- 6 Comm
- 1 Devlp
- 3 Agent Networks
- 70 Branches
- 326 ATMs
- 95 Agents
- 6081 EFTPOS

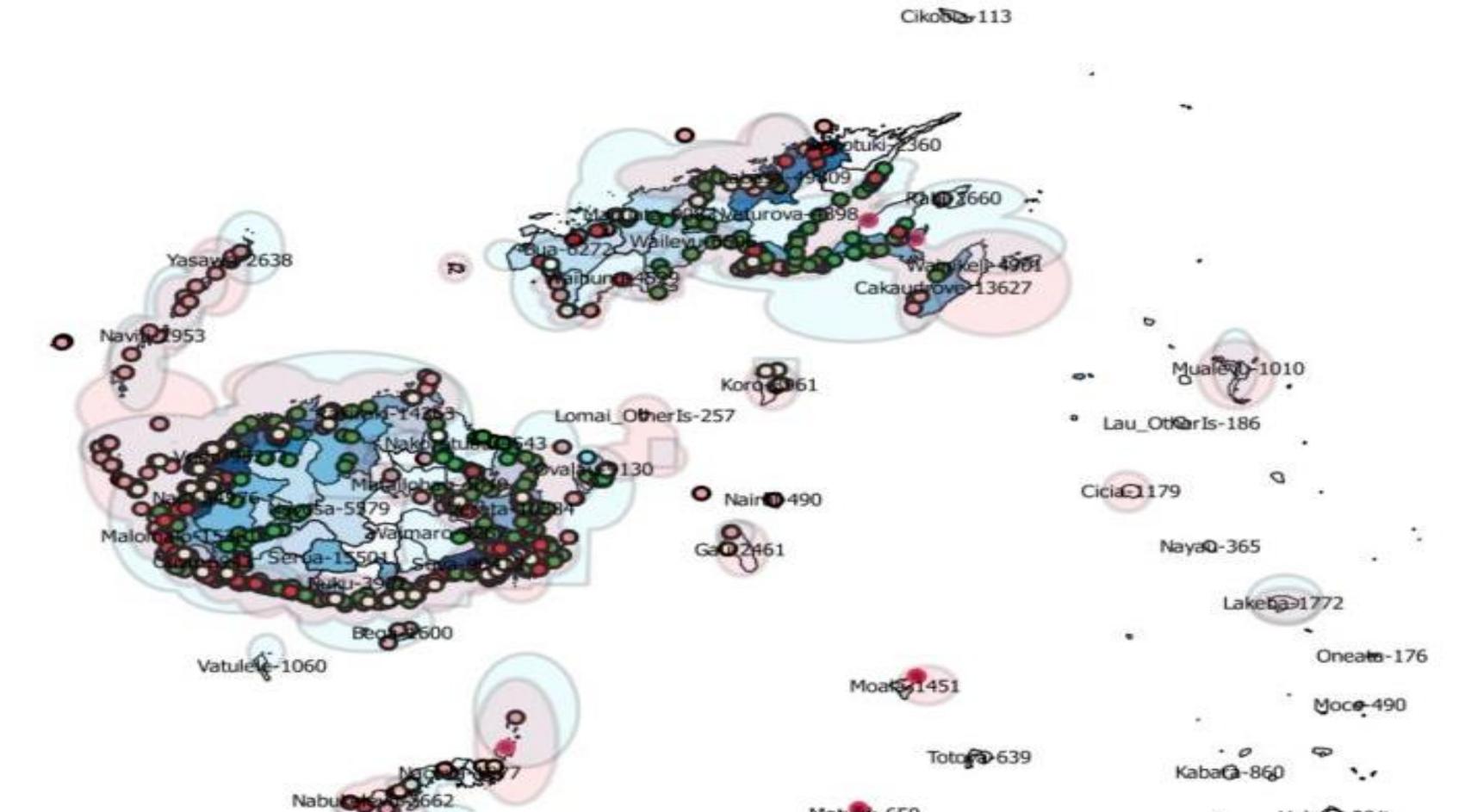
## Other Formal Financial Providers

- 9 Insurers
- 22 Credit Unions
- 2 MFIs
- 4 Finance Co.
- 1 Retirement Fund

## Mobile Network

- 2 MNOs
- 2 Mobile Products
- 351 Agents

# FINANCIAL ACCESS POINTS



- Digicel\_Network\_Coverage
- Vodafone\_Network\_Coverage
- Digicel\_Outlets
- Vodafone\_Outlets
- SPBD\_Microfinance
- Life\_Insurers
- Life\_Agents
- General\_Insurer\_Branches

- FCOSS\_Access\_Service\_Points
- Credit\_Institution\_Branches
- Credit\_Institution\_Agents
- Brokers
- Bank\_EFTPOS
- Bank\_Branches
- Bank\_Agencies
- Bank\_ATMs



Ono=542

# FIJI'S FINANCIAL INCLUSION JOURNEY

**2010:** Established National Financial Inclusion Taskforce

1<sup>st</sup> Strategic Plan - Target: reach 150,000 underserved clients by 2014

**2010** Mobile Money

**2009:** National Consultation Workshop

**2014:** Achieved its target of 150,000. Conducted Demand Side Survey

**2011:** RBF made Global Commitments to Maya Declaration

**2016:** 2<sup>nd</sup> National Financial Inclusion Strategic Plan 2016-2020

Hosted 9<sup>th</sup> AFI GPF

# FINANCIAL INCLUSION

**Main initiatives to improve financial access and financial inclusion more broadly**

NFIT Model  
Stakeholder  
Collaboration

Enabling  
Regulatory  
Environment

Key Enablers:  
FinED, Consumer  
Protection etc.

Enhancing Data  
Measurement

Capacity Building  
and Knowledge  
Sharing

**Associated risks of financial inclusion efforts and measures taken**

Risks

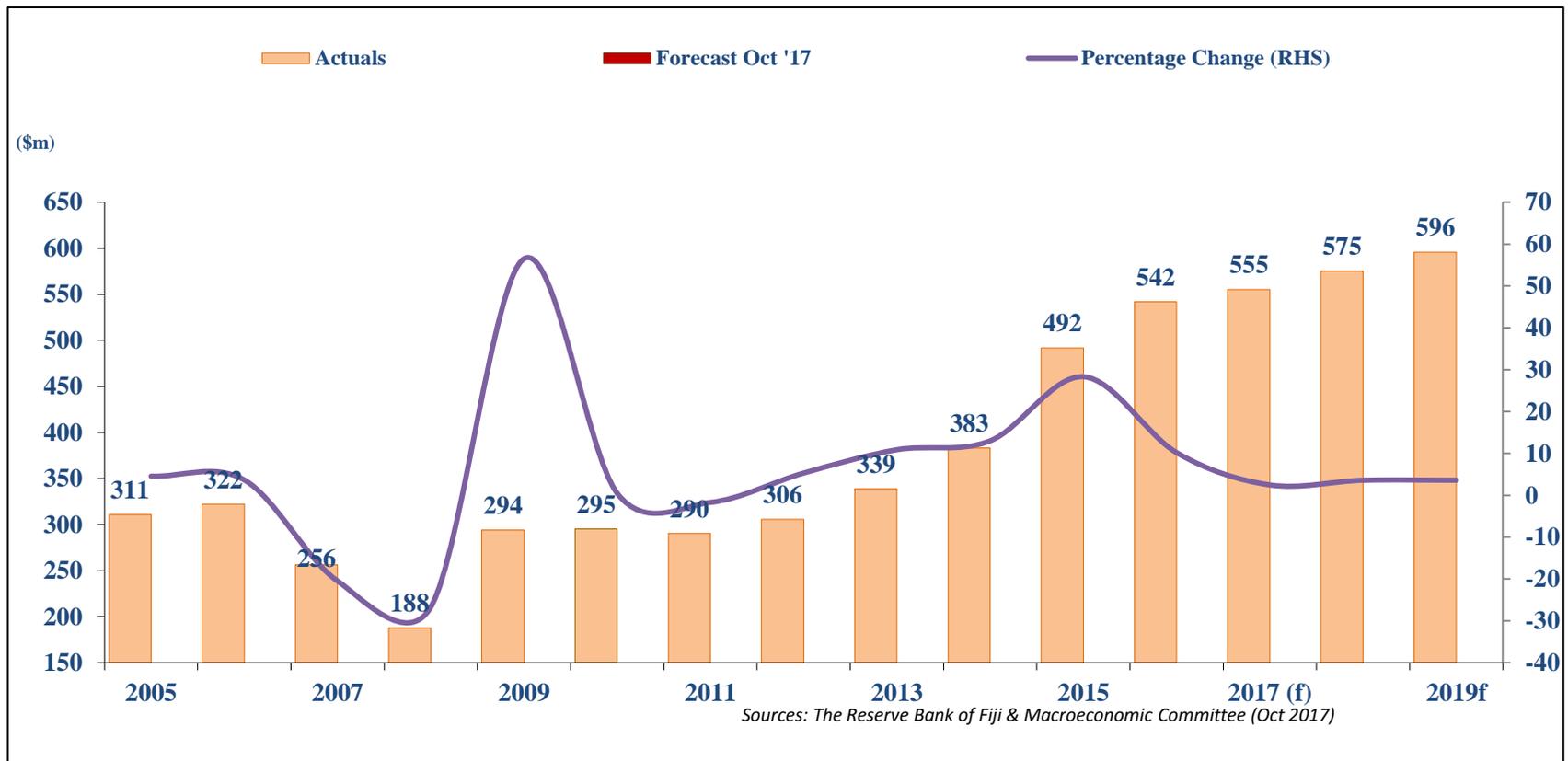
- Delivery of appropriate Products & Services
- Regulatory environment
- Consumer Protection and empowerment
- Data issues

- Relaxed KYC and new affordable products
- Issued new Guidelines, review of Reforms /Acts
- FinED/National Financial Literacy Strategy
- Enhancing Data Collection and Mapping

Measures

# REMITTANCES

## Growth in Personal Remittances



Personal remittances currently the second largest foreign exchange earner for Fiji.

# DERISKING

## Reported Incidents:

- 2013/2014 - closure or non-acceptance by 2 foreign owned bank to engage with high risk customers mainly RFEDs/ MTOs for fear of losing correspondent banking relationships
- 2015 – Foreign Bank 3 collaborated with FIU & RBF when scrutinized by correspondent bank. A report was prepared that demonstrated that they are compliant and adhering to best practices.

# DERISKING

## **Regulators Approach** - The RBF (in collaboration with the Fiji FIU):

1. Engaged with the 2 banks concerned - clarified the “risk based approach’ required under Fiji’s AML law. Also provided information on how the MTOs in Fiji are regulated and supervised for AML purposes (objective was to reassure banks and their correspondent banks).
2. Strengthen the intensity of its ML/TF risk surveillance of MTOs by enhancing its regulatory checks and enforcement → noted improvements in controls implemented by FX Dealers to comply with the FTR Act.
3. In 2017 has recently issued for industry comments a policy on the Minimum requirements for management of ML risk and CTF.

## **Potential Impact on Financial Inclusion:**

Consumers reverting to informal financial services

# DERISKING

## Challenges arising from remoteness:

1. Small market- limited service providers for alternate options for consumers and MTO/RFED
2. Regulators need to raise awareness/assurance/demonstrate with foreign correspondent banks of their commitment in meeting international standards and practices.
3. Regulator/ Supervisors need to be adequately resourced to be able to adequately regulate and supervise MTOs and to ensure that MTOs to comply to international AML best practices.

# QUESTIONS

