

KEY INFORMATION ABOUT FIJI'S PERSONAL PROPERTY SECURITIES REGISTRY

What is the purpose of the registry?

The registry has been created to formulate registration of lenders' interests in assets pledged as collateral. Lenders are secured if their interests in pledged collateral are registered.

How will the registry make it easier to lend?

The registry reduces risks to lenders and makes the process of registering security interests easy and inexpensive.

Before the registry was created, accepting personal property such as vehicles, inventories, or accounts receivable; as collateral was complicated and time consuming. Critically, lenders could not be assured that their claim over a pledged asset was secure in the event of default, or that it could be recovered without the need for legal assistance. This deterred lenders from extending credit to businesses, primarily small and medium sized enterprises that could not offer land or buildings as collateral, and increased lenders' costs if they did.

The Personal Property Securities Act 2017 established a new legal framework in Fiji that clarifies and simplifies lenders' claims on movable assets—that is, assets other than land or buildings—pledged as loan security. The Personal Property Security Registry provides an online interface for lenders to instantly and inexpensively apply those laws to register a security interest over a pledged asset. Importantly, using the registry gives lenders certainty that their interest in a pledged asset is secure, and that costs involved in claiming on that asset in the event of default will be minimal as it will not require recourse to the courts.

Together, the act and registry mean lenders can now easily and securely accept movable property as collateral. This will reduce risk and lower costs, and thereby encourage lending.

In addition, as the registry is searchable lenders can quickly and easily check an asset intended to be pledged has not already been pledged elsewhere. Potential purchasers of goods for sale can also search the registry to check the item they are considering buying is not already collateral for a loan.

Who can use the registry?

The primary users of the registry will be lenders who will use it to register security interests over assets pledged as collateral.

The registry can also be used to check items being sold have not already been pledged as collateral.

The registry is open to the public, searchable, and free to use.

How are registries used elsewhere in the Pacific?

Eight other Pacific countries have reformed their laws governing movable collateral and launched online registries, all of which have seen an increase in the number of loans secured against movable property as a result.

These improved business lending frameworks are proving to be particularly helpful to the agriculture sector, where lending products are being developed that enable farmers to borrow using income from future crops as collateral. Such loans have the potential to break the cycle of dependence on limited, subsidised finance and empower farmers to manage business cash flows and increase production.

How was the registry created?

The registry is underpinned by and is a requirement of the Personal Property Securities Act 2017.

The drafting of the act and the development of the registry have been created with the support of the Asian Development Bank's Pacific Private Sector Development Initiative, a regional technical assistance program undertaken in partnership with the Government of Australia and the Government of New Zealand.

How do you access the registry?

The website for the registry is www.ppsr.gov.fj