

Interest Rate

The maximum interest that can be charged by a moneylender is 12% per annum. An interest over 12% per annum is regarded as excessive and the transaction is deemed harsh, unconscionable and substantially unfair.

Fees and Charges

Moneylenders are prohibited from charging any fees or charges except:

- stamp duties or fees payable by law,
- any legal costs incidental to or relating to the negotiations for or the granting of the loan.

If any such prohibited fee or charge has been paid, it is recoverable by the borrower.

Borrowers Checklist

- Before you borrow think whether you really need the loan. It is easy cash but at a high interest rate.
- Deal ONLY with a registered moneylender who must possess a license number to operate. Do not sign a contract with an unlicensed moneylender.
- Ensure that you have a written contract with your moneylender which reflects all relevant provisions in the MLA.

- Read the terms and conditions contained in the contract thoroughly and understand them before signing.
- Do not sign the contract if you disagree with any clause. If in doubt, have the contract checked by a competent person e.g lawyer.
- The interest rate in the contract should not be more than 12% per annum on the amount borrowed.
- Demand properly stamped receipts for each repayment.
- Maintain a record of your loan by demanding a statement.

For further information or enquiries contact the Consumer Council office nearest to you:

Suva

4 Carnarvon St
Private Mail Bag
Tel: 330 0792 / 3305 478
Fax: 3300115

Email: consumer@consumersfiji.org

Lautoka Suite 4, Popular Bldg, Vidilo St
PO Box 5396
Tel: 6664 987
Fax: 6652846

Email: consumerltk@connect.com.fj

Labasa

19 Jaduram St
PO Box 64
Tel: 8812 559
Fax: 8812 559
Email: colbs@connect.com.fj



CONSUMER COUNCIL OF FIJI

MONEYLENDING IN FIJI

Lenders and Borrowers Information



Funded by the
Anne Fransen Fund
Consumentenbond
Dutch Consumers'
Organization

Money Lending in Fiji

Moneylenders can be a convenient and flexible source of loan, as they often offer small loans over short periods of time. In Fiji the Moneylending Act (MLA) 1978, which is administered by the Ministry of Justice recognizes moneylending as a legitimate business.

It is important that moneylenders and borrowers know their rights and responsibilities contained in the Act.

Moneylenders Act (MLA), 1978

The Moneylenders Act is the only guideline available to the moneylenders on how they should run the moneylending business. The key features of the legislation are:

- **Declaring moneylending a legitimate business:** any person who lends a sum of money and charges an interest on the amount loaned is presumed to be a money lender.
- **Mandatory annual registration of moneylenders:** any person involved in the business of moneylending is required to be registered annually by the Registrar of Moneylenders through the Registrar of Companies. Licenses are normally given only to residents of Fiji.

- **List of moneylenders to be publicized:** each January, the Registrar of Moneylenders is required to publish a full list of all licensed moneylenders in the Gazette. Any person not on the list is deemed not to be a moneylender.

Moneylenders Licensing Requirements

- As a moneylender you must be registered on an annual basis through the Registrar of Moneylenders (this can be done through the Registrar of Companies);
- Licenses are specific to the name and address under which the application is made;
- Each address from which moneylending business is to be operated requires a separate license;
- License fee is \$60 per year;
- Requires a moneylender to place a NOTICE titled 'Licensed Moneylender' outside his/her authorized address;
- It is an offence to run a moneylending business without a License or not holding a moneylenders license under your true name.

Moneylenders forbidden to advertise

Moneylenders are not to advertise their business. They are also not permitted to employ agents and representatives for the purpose of

inviting any person to borrow money.

Inducing borrowing is illegal

It is illegal for a moneylender to lure or force any person to borrow money, or agree to the terms on which money is borrowed.

Lending Contract

A written contract between the moneylender and the borrower be made and duly signed for the purpose of borrowing. Any money lent before a contract is made or before a contract is signed can not be enforced. The contract should contain the following basic information:

- date of the loan
- principal amount loaned/borrowed
- rate of interest
- parties name, address and contact details
- duration of loan
- repayment start and finish date, and
- parties signatures.

Receipt

A moneylender must provide the borrower a stamped receipt for repayments made as proof or evidence of payment. A statement must also be issued by the lender to show reducing loan balance.