

Fiji Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Fiji's national cooperative legal framework, based on the work of national legal expert and ICA member input.

Fiji's cooperative law was introduced by the British Ordinance in 1947; however, cooperatives already existed in the agricultural and dairy sectors. Following independence, the British ordinance was adopted as law, until it was replaced by the Co-operatives Act 1996, to encourage greater cooperative autonomy. This analysis provides a general overview of Fiji's Co-operatives Act, 1996 and Co-operatives Regulation 1999.

Main Regulations:

Co-operatives Act, 1996

Co-operatives Regulation, 1999

Section 5 of the Co-operatives Act, 1996 states that a cooperative shall observe the cooperative principles in its operations and goes on to set out the cooperative principles as set out in the 1995 Statement of cooperative identity.

Cooperative Friendliness: The Co-operative Act 1996 is limitedly cooperative friendly because it relies heavily on a well-resourced cooperative registry to ensure that cooperatives comply with certain aspects like auditing and reporting, thus not fully supporting the cooperative principle of Autonomy and Independence. However, it is a good example of a well-drafted and easy to read legislative framework for cooperatives.

Key recommendations for improvement: The problem of compliance with audit requirements can be addressed by introducing simplified compliance requirements for 'small' cooperatives, where they can opt-out of the obligation to have their financial records audited annually. The cooperative's financials can be externally reviewed. Also, the small cooperatives need not lodge their financial statements with the registry but instead complete and lodge an 'annual return' which allows the registry to capture data in a streamlined way. The governance issue of weak boards can be addressed by allowing a board to have non-member directors if member directors always outnumber non-member directors when any decision is made.

Conclusions: Fiji has a vibrant cooperative sector that is supported by friendly cooperative legislation. The Co-operative Act 1996 is currently under review (as of March 2020) thus providing a good opportunity to ensure that government ministers are made aware of the importance of the sector.

