

BILL NO. 22 OF 2017

A BILL

FOR AN ACT TO AMEND THE TERTIARY SCHOLARSHIP AND LOANS ACT
2014

ENACTED by the Parliament of the Republic of Fiji—

Short title and commencement

1.—(1) This Act may be cited as the Tertiary Scholarship and Loans (Budget Amendment) Act 2017.

(2) This Act comes into force on 1 August 2017.

(3) In this Act, the Tertiary Scholarship and Loans Act 2014 is referred to as the “Principal Act”.

Section 2 amended

2. Section 2 of the Principal Act is amended in the definition of “student” by—

- (a) in paragraph (a), deleting “Form 7” and substituting “Year 13”;
- (b) in paragraph (d) after “;”, deleting “or”;
- (c) in paragraph (e), deleting “.” and substituting “; or”; and

2 *Tertiary Scholarship and Loans (BudgetAmendment)— of 2017*

(d) after paragraph (e), inserting the following new paragraph—

“(f) has completed Year 12 in 2017 or any year thereafter, and applies for a programme or course approved by Government.”.

Section 16 amended

3. Section 16 of the Principal Act is amended by—

(a) in subsections (1) and (2)—

- (i) deleting “and provide a guarantor(s) for the same”; and
- (ii) deleting “Board” and substituting “the Fiji Revenue and Customs Authority”;

(b) in subsection (3), deleting “, and his or her guarantor’s”; and

(c) after subsection (3), inserting the following new subsection—

“(4) A student or former student as the case may be, who is under a loan or bond agreement is required to provide a guarantor or guarantors in the event he or she intends to leave the country for any purpose during the term of his or her loan conditions or bond period.”.

Section 17 amended

4. Section 17 of the Principal Act is amended by—

(a) in subsection (2) after “granted”, inserting “however, a guarantor is obliged to make loan repayments or fulfil bond conditions if the student or former student, as the case may be, leaves the country and defaults in loan repayment or fulfilment of bond conditions”; and

(b) in subsection (3), deleting “Board” and substituting “Fiji Revenue and Customs Authority”.

Section 18 amended

5. Section 18 of the Principal Act is amended by deleting “Board” wherever it appears and substituting “Fiji Revenue and Customs Authority”.

Section 21 amended

6. Section 21 of the Principal Act is amended by deleting “from 1 January to 31 December of each year” and substituting “the same as the financial year of Government”.

Section 25 amended

7. Section 25 of the Principal Act is amended by—

(a) renumbering section “25” as section “25.—(1)”; and

(b) after subsection (1), inserting the following new subsection—

“(2) The Minister may, upon the recommendation from the Fiji Revenue and Customs Authority, make regulations for the recovery of loans under loan schemes in this Act.”.

Schedule 2 amended

8. Schedule 2 to the Principal Act is amended by—

(a) in paragraph 2—

- (i) deleting “Form 7” and substituting “Year 13”;
- (ii) after “(or Foundation studies)”, inserting “or Year 12”; and
- (iii) after the first sentence, inserting the following sentence—

“In the case of a Year 12 student, loans will be available for programmes or courses as approved by the Government.”; and

(b) in paragraph 4 after “expenses,”, inserting “stationery and other incidental expenses,”.

Transitional

9.—(1) Except as provided under subsections (2) and (3), all guarantors under a bond or loan agreement prior to the commencement of this Act are deemed to have been expunged from all responsibilities and obligations under any such agreement.

(2) A person who is a guarantor for a student or former student who has left the country prior to the commencement of this Act continues as a guarantor for that person under this Act.

(3) A guarantor who is making loan repayments for a student or former student who has defaulted prior to the commencement of this Act continues his or her obligations as a guarantor under the loan or bond agreement.

(4) All loan and bond agreements entered into by a student or former student prior to the commencement of this Act are deemed to have been entered into with the Fiji Revenue and Customs Authority.

TERTIARY SCHOLARSHIP AND LOANS (AMENDMENT) BILL

EXPLANATORY NOTE

(This note is not part of the Bill and is only intended to indicate its general effect)

1.0 BACKGROUND

- 1.1 The Tertiary Scholarship and Loans (Budget Amendment) Bill 2017 (**'Bill'**) seeks to amend the Tertiary Scholarship and Loans Act 2014 (**'Act'**). The Act was promulgated in 2014 to assist students to acquire a tertiary qualification, through scholarships and loan schemes.
- 1.2 The Act currently requires students to provide two guarantors and enter into a bond or loan agreement with the Tertiary Scholarship and Loans Board (**'Board'**), to ensure that the loans are repaid or the bond conditions fulfilled.
- 1.3 However, the requirement of providing two guarantors creates a burden on students prior to furthering their studies. The Bill therefore removes this requirement.

2.0 CLAUSES

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2017.
- 2.2 Clause 2 of the Bill amends section 2 of the Act to include those who have completed Year 12 from 2017 and who have applied for programmes approved by Government, to be eligible under the schemes provided in the Act.
- 2.3 Clause 3 of the Bill amends section 16 of the Act by removing the requirement for a student under a loan or bond agreement under the Act to have guarantors except in the case where a student or former student intends to leave the country.
- 2.4 Clause 4 of the Bill amends section 17 of the Act by providing that all guarantors under existing scholarships and student loans are obliged to make loan repayments or fulfil bond conditions if the student leaves the country and defaults in loan repayments or fulfilment of bond conditions.

- 2.5 Clause 5 of the Bill amends section 18 of the Act by deleting references to the board and substituting with the Fiji Revenue and Customs Authority.
- 2.6 Clause 6 of the Bill amends section 21 of the Act by aligning the Board's financial year to the Government's financial year.
- 2.7 Clause 7 of the Bill amends section 25 of the Act by enabling the Minister to make regulations for the recovery of the loans under the loan schemes in the Act.
- 2.8 Clause 8 of the Bill amends Schedule 2 to the Act by including stationery and incidental expenses covered under the Accommodation Support Scheme.
- 2.9 Clause 9 of the Bill provides for a transitional provision where all existing guarantors are obliterated from any such responsibility or obligation under the Act except for cases where the student has already left the country and has defaulted in loan repayments or fulfilment of bond conditions and where a guarantor is currently making loan repayments or fulfilling of bond conditions.
- 2.10 Clause 9 of the Bill also provides that all loan or bond agreements prior to the commencement of the Bill are deemed to have been entered into with the Fiji Revenue and Customs Authority.

3.0 MINISTERIAL RESPONSIBILITY

- 3.1 The Act comes under the responsibility of the Minister responsible for education.

A. SAYED-KHAIYUM
Attorney-General