

**BILL FOR THE  
FINANCIAL INSTITUTIONS (AMENDMENT)  
ACT NO.      OF 2025**

**Explanatory Note**

This Bill seeks to formally empower the Reserve Bank of Vanuatu (RBV) to regulate and oversee a comprehensive credit reporting system. The amendments aim to enhance RBV oversight, improve data reporting mechanisms.

Currently, Vanuatu operates under a “negative-only” credit reporting model, which limits the visibility of borrowers’ positive repayment behaviour. The Data Bureau (Vanuatu) Ltd functions under a voluntary code, with no statutory oversight. This gap restricts RBV’s ability to monitor systemic credit risks and promote responsible lending.

The proposed amendment also strengthens financial integrity by enhancing the RBV’s ability to monitor credit markets and mitigate systemic risks. It promotes data-driven regulation through standardized reporting, enabling more informed and evidence-based policy making. By aligning Vanuatu’s credit reporting framework with international best practices, such as those endorsed by the World Bank, it reinforces the country’s commitment to global standards. Importantly, the reform also advances financial inclusion by recognizing positive repayment behaviour, thereby improving access to credit for underserved individuals and communities in Vanuatu.

**Minister of Finance and Economic Management**



**REPUBLIC OF VANUATU**

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**Arrangement of Sections**

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# REPUBLIC OF VANUATU

## **BILL FOR THE FINANCIAL INSTITUTIONS (AMENDMENT) ACT NO.        OF 2025**

An act to amend the Financial Institutions Act [CAP 254].

Be it enacted by the President and Parliament as follows-

### **1        Amendment**

The Financial Institutions Act [CAP 254] is amended as set out in the Schedule.

### **2        Commencement**

This Act commences on the day on which it is published in the Gazette.

## SCHEDULE

### AMENDMENTS OF FINANCIAL INSTITUTIONS ACT [CAP 254]

**1 After section 21**

Insert

**21A. Reporting by licensee or credit institution**

- (1) In carrying its functions under section 21 and in relation to a licensee or any credit institution, the Reserve Bank has the power to issue directives for the purpose of:
  - (a) establishing a comprehensive credit reporting system; and
  - (b) requiring licensees or any credit institution to report prescribed types of data to the Reserve Bank or to any credit reporting agency that is approved by the Reserve Bank to operate as a credit bureau.
- (2) The prescribed type of data under paragraph (1)(b) includes but not limited to:
  - (a) account balances;
  - (b) number of inquiries;
  - (c) debt ratios;
  - (d) on-time payments;
  - (e) credit limits;
  - (f) type of account;
  - (g) type of loan;
  - (h) lending institutions;

SCHEDULE  
AMENDMENTS OF FINANCIAL INSTITUTIONS ACT [CAP 254]

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- (i) public record data;
  - (j) detailed reports on prospective borrower's assets and liabilities;
  - (k) debt security structure and pattern of payments.
- (3) The data collected under this section must be centralized in a credit bureau to ensure accuracy and consistency.
- (4) The centralized data in the credit bureau must be kept for a period of 6 years and securely destroyed using the most appropriate method.