

CENTRAL BANK OF SEYCHELLES

PROSPECTUS FOR GOVERNMENT OF SEYCHELLES TREASURY BOND

4% FIVE YEAR TREASURY BONDS

Issue of SCR 40 million

*Interest payable half yearly on February 18 and August 18
and calculated on a 365-day year.*

TERMS AND CONDITIONS

1. Applicants wishing to submit a tender for the 4% Five Year Treasury Bond should clearly specify in the form provided by the Central Bank of Seychelles the Seychelles Rupee amount that is being applied for by Friday 18th February, 2011.
2. A maximum of 60% of the bond issue will be available to commercial banks through competitive bidding, with the remaining balance reserved for non-commercial bank investors through a special allocation for non-competitive bidding.
3. Upon expiry of the auction on Friday 18th February 2011, the Central Bank of Seychelles will allocate the Treasury Bonds beginning with the lowest bid and continue in this manner until such a point as the full allocation for competitive bids have been completed. Once full allocation has been completed, the yield on the last bid to receive an allocation of Treasury Bonds will be used to calculate the price at which the Treasury Bonds will be issued to applicants given the 4% coupon and the 5 Year maturity. Depending on the results of the auction, the Treasury Bonds will be issued either at a discount or a premium.
4. Non-competitive offers will be allotted on a first come, first serve basis, with the Government retaining the option to extend the subscription period beyond the stated deadline. Non-competitive offers will receive the same price as determined the competitive auction.
5.
 - (a) The Bonds can be purchased by adult individuals (singly or jointly), commercial banks, corporate bodies, institutions, clubs, societies and other organisations, in all cases both resident and non-resident.
 - (b) In the case of a body of persons i.e. commercial banks, corporate bodies, institutions, clubs, societies or other organisations, it should be incorporated or registered under the laws of the country of domicile.

- (c) In the case of two individuals jointly, they may indicate whether the Bond should be registered in their names “jointly” or “either or survivor” basis.
- 6. The Bonds will be issued, and may be transferred, in multiples of Rs 5000 with a minimum value of Rs 5000 on any Bond.
- 7. (a) Interest will be paid on the Bonds at 4 per cent per annum. All payments on account of interest due will be paid to a bank account in Seychelles, as notified by the subscriber or where there has been a transfer, by the transferee.
(b) If any payment date falls on a non-business day, the payment will be made on the next following business day and without payment of any interest or other sum in respect of such delay.
- 8. The Bonds will mature on the expiry of 5 years from the date of issue and will be redeemable at face value.
- 9. The Bonds will be transferable at any time before maturity between eligible holders. Transfers must be registered at the Central Bank of Seychelles and will be free of stamp duty.
- 10. The application forms and copies of this prospectus will be available at the Central Bank of Seychelles.
- 11. Applications will be in the form provided by the Central Bank of Seychelles.
- 12. Payment for the Bond should either be by swift or by a crossed cheque in favour of the Government of Seychelles or cash (up to SCR 25,000) and be paid at the Central Bank of Seychelles. Payment by cheque must be effected not later than 9.00 a.m.
- 13. If a Bond is held jointly by two individuals, payment of interest and principal will be made to both parties unless both of them have signed a mandate in favour of either party.
- 14. If a Bond is held jointly by two individuals on the basis of "either or survivor", payment of interest and principal will be made to the holder first named or to the survivor of the two, or if a mandate exists, to the person or institution named in the mandate. A mandate shall be in a form acceptable to the Central Bank of Seychelles.
- 15. The Allotment Committee reserves the right to refuse any application.
- 16. This prospectus is issued by the Central Bank of Seychelles on behalf of the Government of Seychelles.
- 17. The interest payable is subject to withholding tax as per the Business Tax Act.