



# Central Bank of Seychelles

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## Press Release

Victoria, Seychelles, December 15, 2008, *For immediate release*

### **Treasury Bill auction offers increased interest for investors**

Investment opportunities available to local savers have been expanded with the introduction of weekly 91 day Treasury Bill auctions. These auctions are open to public tender and offer a potential of high-interest investment. Since the investment in these Treasury Bills is held for only 91 days, investors do not have to wait for an extended period of time before their funds are returned and freely available.

At the weekly auction of Treasury Bills held at the Central Bank, interested investors may submit bids stating the amount of money they wish to invest and the rate of interest they wish to receive. All bids received are evaluated by a committee with members from the Ministry of Finance, the Central Bank, the Auditor General's Office and the Attorney's General Office.

The committee may accept or reject bids based on a judgement of current market conditions, including the amount of financial liquidity which the committee deems necessary to mop up at any given time.

Bids for Treasury Bills must be made in multiples of SR5,000. Investors wishing to place a bid must complete a form (available at the CBS website [www.cbs.sc](http://www.cbs.sc) or in the Banking Hall of the Central Bank) stating the amount of money they wish to invest and the interest rate they require, before placing the form in a sealed box in the Banking Hall before 9:30 on Friday morning. The committee meets immediately after the close of bidding and the results are posted on the CBS website.

Following the weekly auction the average rate of interest awarded is published on the Central Bank's website, offering a guideline to potential investors in the following week's auction. The average interest rate awarded in the most recent Treasury Bills auction was 24.98%, considerably higher than alternative interest rates available on domestic rupee investments.

The Treasury Bills auctions are being used by the government to regulate the level of monetary liquidity in the economy as well as allowing the free market to begin to exert increased influence over interest rates.

The weekly auction of Treasury Bills is being undertaken by the Central Bank acting as the agent for the government and forms part of the ongoing IMF-backed economic reform package. For more information, please contact the Banking Services Division (Public Debt Unit) during working hours or visit the office from 8.30a.m. to 12noon.

For further information, please email [communications@cbs.sc](mailto:communications@cbs.sc)