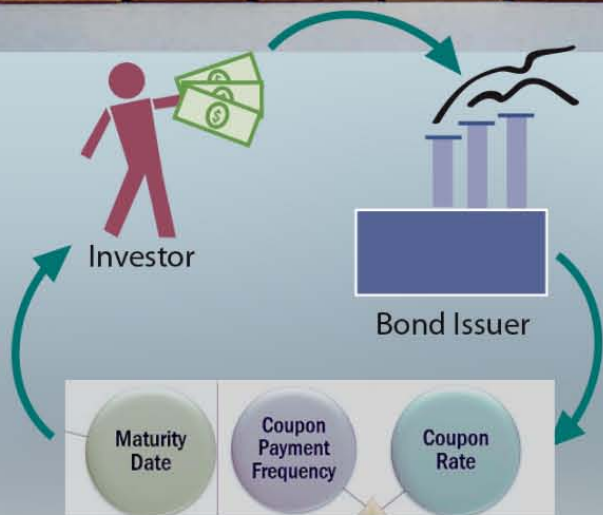




Central Bank of Seychelles

Investing in Government-Issued Bonds



What are Bonds?

- Government debt securities with maturities of more than one year.
- Bonds are issued to raise money for Government's financing needs.
- Issuances may also be for monetary policy purposes i.e. for the purpose of managing the level of liquidity in the economy.

How do Bonds work?

- Bonds pay a fixed rate of interest per year, called the coupon rate.
- Interest payments or coupons are paid periodically and the face value/principal amount is paid upon maturity.

Issuance and Auction Format

- Bonds are issued through a bidding process, at a discount, par or premium and are matured at the face value.
- The amount to be issued will be published as indicative and issuance will be through multiple price auction where:
 1. The auction may be split into **competitive** and **non-competitive bidding**. The competitive leg may be restricted to a group of investors as determined by the Government.
 2. **Successful Competitive bidders** will be **awarded their bonds first** at the respective tender price in line with the terms and conditions of the bonds to be issued.
 3. **Successful Non-competitive bidders** will be **allocated** their bonds at the **weighed average price** determined through the competitive bidding process.

Participation

- Applications are open to adult individuals (singly or jointly) and legal entities, both residents and non-residents, and guided by the prospectus.
- Applicants must ensure they have a local currency domestic bank account.

Maturity Terms

- Maturities for bonds are greater than one year.
- If the issuance is for fiscal purposes the maturity is determined by the Government
- If the issuance is for monetary policy purposes, the maturity is determined by the Government through consultation with the Central Bank of Seychelles (CBS).

Information on the Issue

- The prospectus for the issuance of bond is published in the daily local newspapers and on the CBS website (www.cbs.sc).

Application Forms

- Two types of application forms will be made available in each tenor, one for competitive bidding and one for non-competitive bidding.
- Application forms can be collected from the CBS building or downloaded from its website.
- Applicants must indicate the amount they wish to invest on the form.
- In the case of competitive bidding, applicants must also indicate the tender price.
- A calculator is available on the CBS website to calculate the conversion from interest rate to tender price.

Submitting Forms

- Duly completed form(s) should be emailed to (bonds@cbs.sc) before **08:30 am on the auction day** to be considered in the day's auction.
- There is no limit on the number of applications and on the amount per applicant for each maturity, in any auction.
- The **minimum amount** allowable is **R1,000** and thereafter **in multiples of R1,000**.
- The Allotment Committee (AC) being the committee responsible for making allotment decisions with regards to Bonds auctions on behalf of the Government of Seychelles reserves the right to reject any application.

- Applications may be accepted for the whole amount or a portion of the amount.
- Submitted application shall represent a firm commitment of the eligible applicant.
- Applicants must ensure that the name(s) on the form matches that of the bank account specified.
- If applying jointly, applicants should provide details of a joint bank account. If the applicants do not have a joint bank account, they shall both sign a mandate in favour of one or the other.
- If applying on the basis of "either or survivor", applicants should provide the bank details of the applicant whose name appears first on the form.

Auction Results

- Applicants will be advised of the auction results on the following day through a text message, email or phone call.
- **In the case of successful applications**, this is followed by a confirmation letter, provided payment was made within the specified timeframe.

Payments

- Payments shall be made through the means indicated below and as stated in the prospectus:
 1. Bank transfer
 2. Online Payments
- Applicants must ensure CBS receives the funds **no later than 09:00 am on the issue date**, being three (3) working days following the auction day.

Coupon Payments

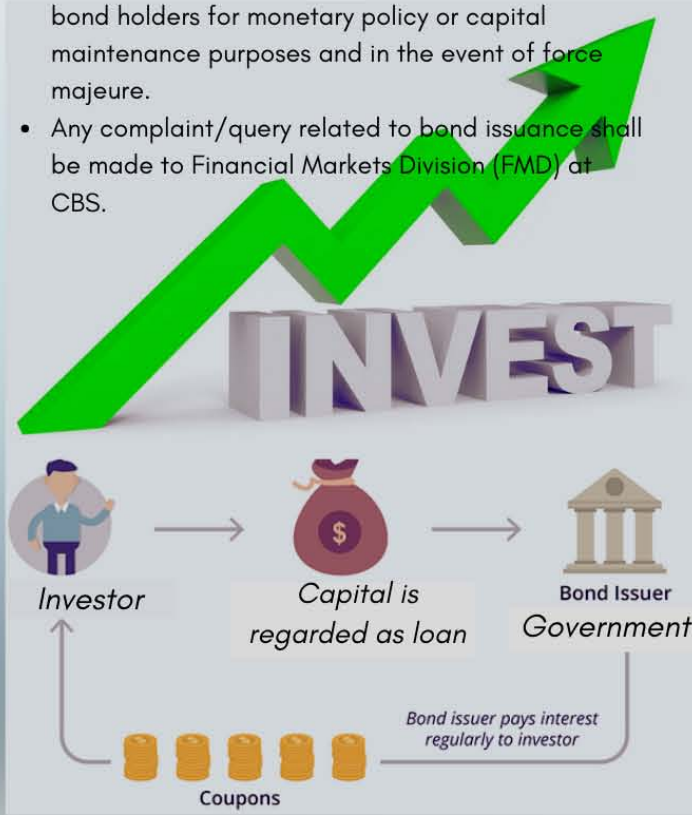
- Coupons shall be paid in the bank account provided on the application form by bank transfer by close of business on the date specified in the prospectus.
- A delayed compensation fee shall be payable by the CBS in the event the CBS is liable to any late payments.

Settlement of Funds Upon Maturity

- Upon maturity, both the principal amount and any coupons accrued from the last coupon payment date shall be credited to the applicants' respective accounts, by bank transfer by close of business on the date stated in the prospectus.
- If the maturity date falls on a non-working day, the principal amount and any coupons will be effected on the following working day, by close of business, without any additional interest or other sum in respect of such delay.
- Any change in bank or any other details should be made known to the CBS 10 working days prior to the maturity date.

Other Terms

- Bonds may be pledged/used as collateral.
- Bonds may be sold in whole or in part up to 10 working days before any payment is due on the bond, to any eligible holder.
- The CBS may purchase bonds from the existing bond holders for monetary policy or capital maintenance purposes and in the event of force majeure.
- Any complaint/query related to bond issuance shall be made to Financial Markets Division (FMD) at CBS.



Contact US



For any further query, please contact the Financial Markets Division on **+248 4282043** or email **fmde@cbs.sc** for an appointment during working hours on any working day.



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