



BANK OF MAURITIUS

Website: <https://www.bom.mu>

Communiqué

Issue of Five Year Government of Mauritius Savings Bonds for Retail Investors

The Bank of Mauritius, acting as agent of the Government, is pleased to announce the sale of Five Year Government of Mauritius (GoM) Savings Bonds for retail investors. The key features of the GoM Savings bonds are as follows:

- (a) Total amount to be issued: An initial amount of Rs 2 billion will be issued.
- (b) Two types of Bonds: (i) Five Year GoM Savings Bonds at fixed coupon rate.
(ii) Five Year GoM Inflation linked Savings Bonds.
- (c) Target group: (i) restricted to Mauritian residents only;
(ii) different individuals in a family can buy the bonds separately or jointly; and
(iii) minors can also invest but must be represented by a legal guardian.
- (d) Date of issue and duration: Open for a period of three months as from 23 July 2014. The subscription may be closed earlier and a communiqué will be issued accordingly.
- (e) Minimum amount and Investment ceiling: The bonds shall be issued for a minimum amount of Rs50,000 and in multiples thereof. The maximum permissible investment per account holder shall be Rs 500,000.
- (f) Interest rate: Bonds at fixed coupon rate will carry interest at the fixed rate of 6% per annum.
Interest rate on Inflation Linked Bonds will comprise a fixed rate and the headline inflation rate (average yearly). For the Inflation Linked Bonds the headline inflation rates for the twelve months ending October (for interest payment in January) and April (for interest payment in July) in each year shall be used for the calculation of the interest payable (please refer to '1' below).
- (g) Interest Payment: Half-yearly, on the 31st January and 31st July. For the initial coupon payment on 31 January 2015, interest shall accrue from the date of investment up till 30 January 2015.
- (h) Redemption: The bonds will be redeemed at par at maturity. Early redemption will be allowed, at par, after a holding period of two and a half years and on coupon dates and will be subject to a penalty fee on the last coupon amount as follows:

Holding Period	Penalty Fee
After two and a half years	40 per cent of the last coupon payment
After three years	35 per cent of the last coupon payment
After three and a half years	30 per cent of the last coupon payment
After four years	25 per cent of the last coupon payment
After four and a half years	20 per cent of the last coupon payment

- (i) **Investment Process and Settlement:** The bonds will be sold through participating banks as per list below and the Mauritius Post Ltd (MPL). All institutions will need to carry out proper due diligence and also abide by the requirements of the AML/CFT guidance notes issued by the Bank of Mauritius. Settlement for purchases through banks and MPL shall be effected on same day. The cut off time for sale shall be 15.00 hrs and payments shall reach the Bank before 16.00 hrs.
- (j) **Transferability of bonds:** The bonds shall be transferable from one individual to another eligible individual (i.e. those not already holding the maximum Rs 500,000 allowable of these Bonds).
- (k) **Registers of bonds:** The investments shall be recorded in Book Entry Form at the Bank of Mauritius and a statement of account shall be issued to holders. Any transfer of ownership and/or pledge against these Bonds shall be notified to the Bank of Mauritius.
- (l) **Interest Rate formula:** Interest rate = $\{y (1+e) + e\} \times 100$
where y is a fixed rate of 2.0 per cent and e is the headline inflation rate as published by Statistics Mauritius. For example, if the headline inflation rate is 4.0 per cent for October in any given year, interest rate to the beneficiary for a given period in the semester ending January shall be equal to 3.04 per cent, i.e. $\{2.0 \% (1+ 4.0 \%) + 4.0 \%\} \times 100 \times 1/2$.

19 July 2014

List of banks where the GoM Savings bonds will be available for sale:

1. Bank of Baroda
2. Banque des Mascareignes Ltée
3. Bank One Limited
4. Barclays Bank Mauritius Limited
5. Habib Bank Limited
6. Mauritius Post and Cooperative Bank Ltd
7. Bramer Banking Corporation Ltd
8. State Bank of Mauritius Ltd
9. The HongKong and Shanghai Banking Corporation Limited
10. The Mauritius Commercial Bank Ltd
11. AfrAsia Bank Limited
12. SBI(Mauritius) Ltd
13. ABC Banking Corporation Ltd

The GoM Savings bonds will also be sold in all the Postal Offices