

FREQUENTLY ASKED QUESTIONS

Security: Government of Mauritius 5.5% Silver Savings Bonds

Question1: Who are those persons eligible to invest in the above security?

Answer: Only Mauritian Residents* aged 65 years and above are eligible.

** For the purpose of the Silver Savings Bonds, a resident means an individual who has his domicile in Mauritius unless his permanent place of abode is outside Mauritius*

Question 2: Can an investor invest jointly with another person?

Answer: No, investment will be accepted in only one name.

Question 3: What is the minimum amount and the maximum amount an investor can invest in the above security?

Answer: Minimum amount is Rs25,000 and thereafter in multiples of Rs25,000 up to a maximum amount of Rs1,000,000 per individual.

Question 4: What is the interest payable for the above security?

Answer: Interest will be paid quarterly to bond holders at the rate of 5.5% per annum on 30 September, 31 December, 31 March and 30 June. For the first coupon payment, interest shall accrue from the date of investment.

Question 5: Where can an individual invest in the above security?

Answer: An individual can fill an application form for investment at any commercial bank where he/she holds an account. The individual must produce his/her identity card and a proof of address.

Question 6: Can an investor make several investments through different banks?

Answer: Yes, provided the total investment amount does not exceed Rs1,000,000.

Question 7: Will a bondholder receive a certificate for his/her investment?

Answer: No, a statement of account will be issued instead to all bondholders by the Bank of Mauritius.

Question 8: Is the bond transferable from one person to another?

Answer: No.

Question 9: Can the bond be traded in the secondary market?

Answer: No

Question 10: Can the bond be used as pledge against any banking facilities?

Answer: No

Question 11: Can the bonds be redeemed at any time wholly or in part?

Answer: The bonds can be redeemed at any time, wholly or in part, in multiples of Rs25,000 with accrued interest and without any penalty.

Question 12: How can a holder redeem his/her bond?

Answer: The holder needs to fill the Redemption Form available on the Bank of Mauritius website and forward it by post or deposit it at the Bank of Mauritius.

Question 13: What happens in case of death of a bondholder?

Answer: The net proceeds will be payable to the legal beneficiaries of the holder.

Question 14: What to do in case of changes to customer details?

Answer: Changes to customer details such as change of address, change of bank or bank account number shall be communicated directly to the Bank of Mauritius.

Question 15: Will bondholders receive a credit advice for interest paid on the bond?

Answer: Credit advices will be issued by banks to their clients for interest credited to customers' accounts.

Question 16: Is the interest received on the Silver Retirement Bond taxable?

Answer: No. As per note 6 section 4 (Interest income) of the note "How to fill your return", interest earned as from 1 January 2010 on savings and fixed deposits accounts maintained with a bank or non-bank deposit taking institution, Government and Bank of Mauritius Bills are exempt.

Question 17: What is Book Entry Form?

Answer: Book Entry Form is a system used by the Bank of Mauritius for recording investment where a security account is created for the holder of an investment.

FREQUENTLY ASKED QUESTIONS

Security: Government of Mauritius Silver Retirement Bonds

Question 1: Who are those persons eligible to invest in the above security?

Answer: Only Mauritian Residents* aged 50 years and below 65 are eligible.

** For the purpose of the Silver Retirement Bonds, a resident means an individual who has his domicile in Mauritius unless his permanent place of abode is outside Mauritius.*

Question 2: Can an investor invest jointly with another person?

Answer: No, investment will be accepted in only one name.

Question 3: What is the minimum amount and the maximum amount an investor can invest in the above security?

Answer: Minimum amount is Rs25,000 and thereafter in multiples of Rs25,000 up to a maximum amount of Rs1,000,000 per individual.

Question 4: Where can an individual invest in the above security?

Answer: An individual can fill an application form for investment at any commercial bank where he/she holds an account. The individual must produce his/her identity card and a proof of address.

Question 5: Can an investor make several investments through different banks?

Answer: Yes, provided the total investment amount does not exceed Rs1,000,000.

Question 6: What is the interest payable for the above security?

Answer: Interest is compounded annually at the rate of 5.5% and will be capitalized until the holder reaches the age of 65. After the age of 65, interest on the capitalized amount will be paid quarterly at the annual rate of 5.5% on 31 March, 30 June, 30 September and 31 December, respectively.

Question 7: What happens to the Silver Retirement Bond when the holder reaches the age of 65?

Answer: The investment will be automatically converted into the Government of Mauritius Silver Savings Bond and interest will be paid quarterly at the annual rate of 5.5% on the compounded amount.

Question 8: Will a bondholder receive a certificate for his/her investment?

Answer: No, a statement of account will be issued instead to all bondholders by the Bank of Mauritius.

Question 9: Is the bond transferable from one person to another?

Answer: No,

Question 10: Can the bond be traded in the secondary market?

Answer: No

Question 11: Can the bond be used as pledge against any banking facilities?

Answer: No

Question 12: Can the bonds be redeemed at any time wholly or in part?

Answer: Yes, the bonds can be redeemed at any time, wholly or in part, in multiples of Rs25,000 with accrued interest and without any penalty.

For a holder redeeming the bond before a minimum period of 5 Years, the market rate will apply or 5.5% whichever is lower.

Question 13: How can a holder redeem his/her bond?

Answer: The holder needs to fill the Redemption Form available on the Bank of Mauritius website and forward it by post or deposit at the Bank of Mauritius.

Question 14: What happens in case of death of a bondholder?

Answer: The net proceeds will be payable to the legal beneficiaries of the holder.

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