



# 5 Year Government of Mauritius Savings Bond

**18 July 2014**



# 5 Year Government of Mauritius Savings Bond

## Agenda

1. Objectives
2. Functionalities
3. Process Flow

# 5 Year Government of Mauritius Savings Bond [Retail Customers]



## Objectives



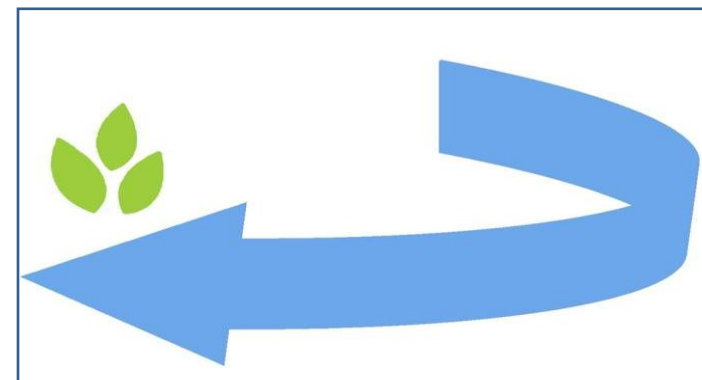
Real interest on savings is negative



Savings as a % to GDP - declining



Give a boost to savings



Reverse the trend



# 5 Year Government of Mauritius Savings Bond

## Main functionalities [1]

### Amount

- Initial amount of Rs 2 Bn

### Types

- 5 Y GoM Savings Bonds at fixed coupon rate.
- 5 Y GoM Inflation linked Savings bonds.

### Target Group

- Mauritian resident only
- Retail customers

### Date of issue & Duration

- Open for a period of 3 months as from July 2014

### Min amount & Investment ceiling

- Min Rs 50 k [multiples]
- Max Rs 500 k [per account holder]

### Interest rate

- Fixed coupon rate carries interest at fixed rate of 6% /y
- Interest rate on Inflation Linked Bonds comprise a fixed rate plus the headline inflation rate (average yearly).

### Interest Payment

- Half-yearly, on the 31 Jan & 31 July.
- For the initial coupon payment on 31 Jan 2015, interest shall accrue from the date of investment up till 30 January 2015

### Redemption

- The bonds will be redeemed at par at maturity.
- Early redemption will be allowed after a holding period of 2.5 years & on coupon dates & will be subject to a penalty fee on the last coupon amount



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## Main functionalities [2]

### Investment Process & Settlement

- Sale of the bonds will be effected through participating banks & the Mauritius Post Ltd
- Settlement for purchases through banks and MPL shall be effected on same day.

### 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).

### Registers of bonds

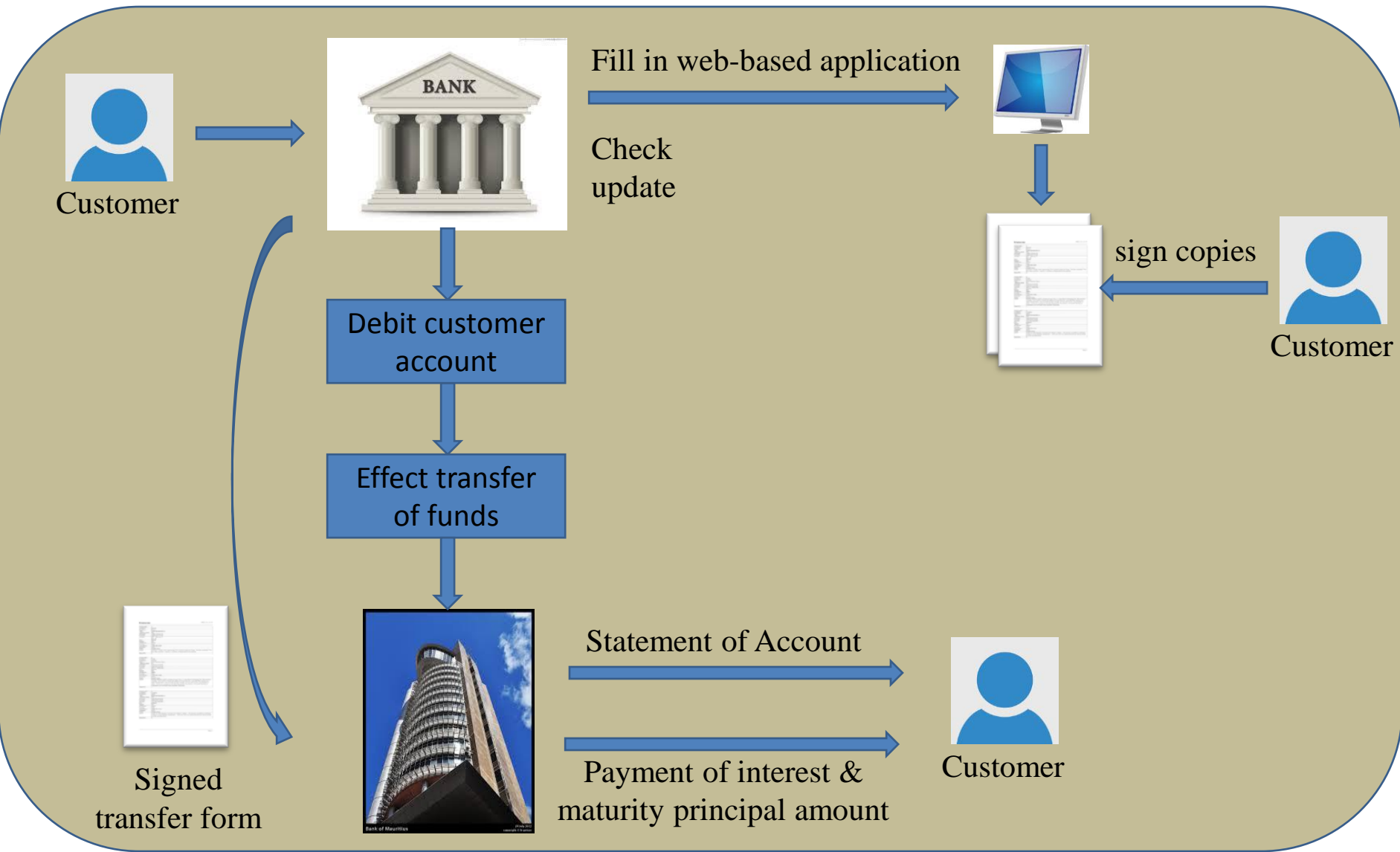
- The investments shall be recorded in Book Entry Form at the Bank of Mauritius & a statement of account shall be issued to holders.
- Any transfer of ownership and/or pledge against these Bonds shall be notified to the BOM.

### Interest Rate formula

- **Interest rate =  $\{y(1+e) + e\} \times 100$**
- where y is a fixed rate of 2.0 per cent & e is the headline inflation rate as published by Statistics Mauritius.

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## Process Flow





Thank You