



BANK OF MAURITIUS

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

PROSPECTUS FIFTEEN-YEAR INFLATION-INDEXED GOVERNMENT OF MAURITIUS BONDS

Pursuant to the issuance plan dated 09 December 2016, and in accordance with section 5 of the Public Debt Management Act 2008 and section 57 of the Bank of Mauritius Act 2004, the Bank of Mauritius is pleased to announce the auction of Fifteen-Year Inflation-Indexed Government of Mauritius Bonds due on **07 April 2032** through an auction to be held on **Wednesday 05 April 2017**, for a nominal amount of Rs1,300 million for settlement on **07 April 2017**. The Bonds will be issued at the **weighted accepted** bid margin and all successful bidders will receive the same **weighted accepted** bid margin.

2. The Fifteen-Year Inflation-Indexed Government of Mauritius Bonds will bear interest payable annually at the **weighted accepted** bid margin plus the 12-month average inflation rate published by Statistics Mauritius as at end-February, every year. Interest on these Bonds will be paid annually on 07 April of each year, during the currency of the Bonds, to the bank account of the registered bondholder(s). An example of the calculation of interest payable on the Bonds is given in paragraph 9.

3. The Bank will receive bids from Primary Dealers for this auction on the same day, i.e **Wednesday 05 April 2017** on a bid margin basis quoted to two decimal places and in multiples of Rs100,000. Primary Dealers may submit, for their own account, up to a maximum of **five bids**, one for each bid yield, which, however, should not exceed the tender amount in the aggregate.

4. Primary Dealers may submit their bids through the Reuters Dealing System **before 10.00 a.m. on Wednesday 05 April 2017**. Bids received after the prescribed time and date will not be considered.

5. The results of the auction will be announced on the same day and bidders will be informed accordingly through 'Letter of acceptance'. Successful bidders will be required to effect payment of the cost price of the Bonds through the Mauritius Automated Clearing and Settlement System (MACSS) at latest **by 11.00 a.m. on Friday 07 April 2017**. Payment of maturity proceeds and interests accruing on the Bonds by the Bank will also be made through the MACSS.

6. The Bonds will be issued at **par** to successful bidders dated **07 April 2017**. The Bonds will mature and be redeemed also at **par** by the Bank of Mauritius on **07 April 2032**.

7. The Bonds will be recorded by the Bank in book-entry form.

8. The Bank of Mauritius reserves the right to accept or reject any bid either in full or in part, without assigning any reason in respect thereof.

9. The following formula will be used for the calculation of the annual interest payment to holders of the Bonds:

Interest rate = $\{y (1+e) + e\} \times 100$ where y is the **weighted accepted** bid margin and e is the 12-month average inflation rate as at end February. For example, if the **weighted accepted** bid margin is 2% and the 12-month average inflation rate is 4% for a given year, interest rate to the beneficiary for that year will be equal to 6.08 % per annum, i.e. $\{2\% (1+ 4\%) + 4\%\} \times 100$.

28 March 2017

