

**PROSPECTUS  
FOR TREASURY BILLS**



**ISSUED BY**

**THE GOVERNMENT OF  
THE REPUBLIC OF MALDIVES**

**12 AUGUST 2021**

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## **1. DEFINITIONS**

### **1.1. Auction**

Sale of TBills on a multi-price basis, or the Ministry may, at its sole discretion, determine to use a single price basis.

### **1.2. Amount Offered**

The proposed sale of TBills on a specified date

Sale of TBills on a multi-price basis, or the Ministry may, at its sole discretion, determine to use a single price basis.

### **1.3. Authority**

Maldives Monetary Authority established under Law no 6/81 (Maldives Monetary Authority Act 1981);

### **1.4. Competitive Bid**

A bid where the bidder specifies the quantity and the yield or price;

### **1.5. Eligible Bidder**

All eligible investors who submit a bid under this prospectus Sale Date

### **1.6. Fixed Price**

Sale of Government Securities based on a predetermined price or yield set by the Ministry.

### **1.7. Issue Date /Settlement Date**

The date of issuance settlement of Treasury Bills

### **1.8. Issuer**

The Government of Republic of Maldives represented by the Ministry of Finance (herein after called 'the Ministry');

### **1.9. Maturity Date**

The date on which any government security is redeemable at par.

### **1.10. Non-Competitive Bid**

A bid where the bidder specifies the quantity of the bid;

### **1.11. Offer Date / Offer Duration**

The date or dates during which bids can be submitted for purchasing Government Securities.

### **1.12. Participant**

All eligible investors who holds a bid under this prospectus

### **1.13. Security Name**

Security identification name and / or number given by the Ministry.

### **1.14. Treasury Bill Holder**

Any individual or corporate body who ultimately owns or controls TBills, whether from primary or secondary market.

## **2. GENERAL**

### **2.1. Issuer**

Treasury Bills are issued by the Government of the Republic of Maldives (hereinafter called 'the Government') represented by the Ministry of Finance (hereinafter called 'the Ministry').

## **2.2. Settlement Agent**

The Government shall make payment of monies due on the TBills from the Public Bank Account held with the Authority.

## **2.3. Registrar**

The Ministry is the registrar for the TBills and is thereby responsible for the maintenance and operation of the register of ownership of the TBills.

## **2.4. Status**

The TBills are direct, unconditional and general obligations of the Government. The Government pledges its full faith and credit for the due and punctual payment of principal and interest payment(s), as well as for the due and timely performance of all obligations with respect to the TBills.

## **2.5. Business Days**

References to business days in this Prospectus shall mean a day on which the Government of the Republic of Maldives is open for business, unless otherwise stated.

## **2.6. Terms of the TBills**

### **(a) Form and Title**

The TBills are debt securities which are denominated Maldivian Rufiyaa as specified in the 'Invitation to Subscribe', and shall be sold at a discount to par and carry no coupon. The TBills are Scripless securities issued in book-entry form and registration of ownership of the TBills is subject to 'Rules for the Operation of the Ministry of Finance Book- entry System' issued by the Ministry, which is available on the Ministry's website [www.finance.gov.mv](http://www.finance.gov.mv).

### **(b) Investment and Denomination**

The investment amount of the TBills shall be as per the 'Invitation to Subscribe'. The Face Value of the TBills shall be MVR 1,000.00 and USD 100.00 for TBills denominated

in MVR and USD respectively. All subscriptions must be in minimum and multiples of respective TBills Face Values.

**(c) Tenure and Maturity**

The tenure of the TBills will be stated in the 'Invitation to Subscribe' and principal payment will be paid on the date of maturity settlement date.

**3. ELIGIBLE INVESTORS**

**3.1. General**

Competitive Both domestic and foreign investors who wish to participate are eligible to invest in the TBills subject to due diligence procedures set by the Ministry as well as procedures required by the laws of the Republic of Maldives.

**3.2. Competitive Bids**

- a) All Commercial Banks can submit bids only on a competitive basis whereby, bids are placed in terms of annual percentage yield expressed to two decimal places (hereinafter called 'the discount rate') and specifying the amount of TBills to be purchased.
- b) The eligible participants other than Commercial Banks have the choice to submit bids competitively, whereby, they specify the discount rate and the amount of TBills to be purchased.
- c) All eligible participants bidding competitively are allowed to submit multiple bids for each security at different discount rates up to a maximum of 3 bids per security.

**3.1. Non-Competitive Bids**

- a) The eligible participants other than Commercial Banks have the choice to submit bids non-competitively. Where a participant submits bids non-competitively, they only have to specify the amount of TBills to be purchased.
- b) The rate applicable for non-competitive bids would be the weighted average rate of the successful bids for that auction and bidders are allowed to submit 1 bid for each security

- c) A single non-competitive bid has a limit of 5% of the total amount on offer in each auction.

#### **4. PRIMARY ISSUANCE PROCEDURES**

##### **4.1. General**

TBills are issued to raise money for the general and specific financing purposes of the Government. The issuances can be conducted using a multiple price, multiple bid auction format or at a fixed uniform price.

Issuance type will be declared in the 'Invitation to Subscribe' for the specific issuance.

##### **4.2. Issuance Type**

- a) Public Auction: means, the sale of treasury bills through the primary market on a multiple price basis, or the Ministry may, at its sole discretion, determine to use single price basis, which change must be published on the website.
- b) Private Placement: means, the sale of treasury bills as per the terms privately negotiated between the investor and the Ministry.

##### **4.3. Auction Announcement**

- a) The Securities Management Committee reserves the right to decide the date and frequency with which the auction announcement will take place.
- b) The Invitation to Subscribe will usually be announced at least three (3) days in advance of the auction and if this date falls on a public holiday, it will take place on the previous business day. However, the Ministry may announce the Invitation to Subscribe later than 3 days before the auction date when it deems necessary.



#### 4.4. **Invitation and Subscription**

- a) The 'Invitation to Subscribe' shall contain Sale Date, Issuance Settlement Date, Security Name, Maturity Date and the Offer Amount. In addition, this document will include bid opening and closing time for Subscription Form submission.
- b) Subscriptions must be placed in accordance with procedures outlined in this Prospectus and the 'Invitation to subscribe' issued by the Ministry prior to the Sale Date.
- c) The subscription must be submitted to the Ministry as stipulated in the 'Invitation to Subscribe' as follows:
  - i. On the Ministry's 'TBills Subscription Form';
  - ii. Signed by authorized personnel of the subscribing institution;
  - iii. With completed Government Securities Authorised Signatories form; and
  - iv. With a standing instruction of account details to the Ministry, for all settlements under the TBills.

If the subscription does not meet the prescribed conditions it will be rejected.

#### 4.5. **Acceptance and Rejection of Subscription Forms**

The Securities Management Committee of the Ministry of Finance reserves the right to accept or reject any or all bids submitted in an auction. In the event that bids are submitted at the same discount rate in excess of the amount offered, the available quantum will be allocated among such bidders on a 'pro-rata' basis. Accordingly, the bids at the cut off rate maybe partially accepted.

#### 4.6. **Bid Allocation**

- a) After the closing time of the issuance, the TBills amount on offer is reduced by the total amount of non-competitive bids (subject to the single non-competitive bidder

limit of 5% of total amount on offer) and the balance of the issue is then allotted to competitive bids from the lowest to highest yields based on the consolidated bid list.

- b) If the amount of successful bids at the highest yield causes the cumulated total of successful bids to exceed the total amount offered, those bids will be pro-rated and rounded to the nearest Ten (10) TBills in Maldivian Rufiyaa face value. However, the Securities Management Committee reserves the right to change the allotment mechanism as and when it deems necessary and will be informed to the bidders via email.

#### **4.7. Announcement of Results**

Auction results shall be made available on the Ministry's website [www.finance.gov.mv](http://www.finance.gov.mv) by 14:00 hrs on the Sale Day. The result will include;

- a) The total amount bid;
- b) Total amount of bids accepted;
- c) Weighted average rate of accepted bids;
- d) And the total amount of unsuccessful bids.

Individual results will also be sent on the Sale Date to the relevant participants via email.

#### **4.8. Irrevocability of Bids**

All bids submitted to the Ministry shall be irrevocable after closing time as prescribed in the 'Invitation to Subscribe'.

### **5. SETTLEMENT OF THE SUCCESSFUL BIDS**

#### **5.1. Settlement on Issuance**

- a) Unless otherwise decided by the Government, the settlement of successful subscriptions will take place on the Settlement Date, which is one (01) business day following the Sale Date (T+1).

- b) The funds shall be transferred by the participant to the Security Settlement Account held at the Authority through Maldives Real Time Gross Settlement System (MRTGS) for the total amount of the successful subscription within the times specified in the 'Invitation to Subscribe'.
- i. Failure to transfer the funds within the timeframe prescribed in the 'Invitation to Subscribe' will lead to suspension from subsequent operations.
  - ii. Following the full payment by the participant, the Ministry shall allot the TBills to the account of the participant in the Ministry's book-entry system.
  - iii. Purchase price of TBills must be paid for in full on the issue date.
  - iv. The Purchase Price for TBills is expressed to two decimal places and is calculated as follows:

$$\text{Purchase Price} = \frac{\text{Face Value}}{1 + (\text{DR} \times \text{Days} / 365)}$$

Where:

- Face value; total amount of TBills bidder place for purchase  
 DR; is the discount rate placed by the bidder on the TBills.  
 Days; is the number of days from (but not including) the settlement date to (and including) the maturity date of each security.

- c) Following full and final payment by the bidder, the Ministry shall allot the TBills to the account of the successful bidder in the Ministry's book-entry system. A statement of participant's holdings in TBills and other relevant reports will be sent after the issuance settlement.
- a) The unsuccessful bid amount will be re-funded to the respective account of the bidder as per the instructions provided by the bidder.

## 5.2. Settlement on Maturity

- a) The proceeds of maturing TBills held by the Commercial Banks will be credited to their reserve account held at the Authority on behalf of the Government on the Maturity Date unless a notice of transfer has been registered with the Ministry as per the Clause 6 of this Prospectus.

- b) The proceeds of maturing TBills held by the eligible participants other than Commercial Banks will be credited by the Authority on behalf of the Government on the Maturity Date to the respective account as per the instructions provided by the Participant unless a notice of transfer has been registered with the Ministry as per the Clause 6 of this Prospectus.
- c) Holders of maturing TBills shall be paid the face value (100 percent) of the TBills, which includes purchase price and discount amount.
- d) A statement of participant's holdings in TBills and other relevant reports will be sent after settlement.
- e) If the Maturity Date falls on a day which is not a business day, execution of repayment of principal and the final coupon payment shall be postponed to the next business day, but in any case, will not incur interest for the additional day(s).

## **6. TRANSFERABILITY**

### **6.1. Transferability**

TBills are negotiable securities and therefore can be transferred between the eligible participants.

### **6.2. Transfer Amounts**

Transfers must be in accordance with the minimum and in multiple amounts specified in 2.6(b).

### **6.3. Transfer Procedures**

The procedures for the transfer of the TBills are contained in the Ministry's 'Rules for the operation of the Ministry's book-entry system' published on the Ministry's website [www.finance.gov.mv](http://www.finance.gov.mv).

## **7. TAX TREATMENT**

The TBills participants, if required by law shall be liable for and shall punctually and regularly pay all taxes, duties, and other charges relating to their respective investments in the TBills.

## **8. SECURITIES MANAGEMENT COMMITTEE**

- a) This Securities Management Committee formed at the Ministry of Finance comprises the officials from the Ministry.
- b) The committee will meet on the Sale day to review the Issuance results; and will have the right to accept value equal to or above or below the amount offered.

## **9. GOVERNING LAW**

This prospectus shall be governed by the laws of the Republic of Maldives.

## **10. JURISDICTION**

The courts in Maldives shall have exclusive jurisdiction in respect of all matters relating to this offer and the TBills.

## **11. DIRECTORY**

For issuance and settlement information:

Debt Management Department

Ministry of Finance

Ameenee Magu, Block 379, Male',

Republic of Maldives

Sunday to Thursday: 8:00 - 14:00

Sunday to Thursday: 9:00 - 13:00 (Ramadan)

Phone: + (960) 334 9200

Fax: + (960) 333 8034

Email: [dmd@finance.gov.mv](mailto:dmd@finance.gov.mv)