



CENTRAL BANK OF SAMOA SECURITIES

PROSPECTUS

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Central Bank of Samoa Security Description

1. The Central Bank of Samoa (“the Bank”) is authorised to issue Central Bank of Samoa Securities (“Securities”) in terms of Section 51 (c) of the Central Bank of Samoa Act 2015. These Securities will be sold by tender and are offered as an alternative investment opportunity for the public. The successful bidders for tendered Securities are provided with Security reference numbers when informed by letter of the outcome of their bids. The Securities are denominated in Samoan Tala and are sold at a discount to par and carry no coupon rate. The Securities are redeemable at par on maturity or may be rediscounted at the prevailing discount rate at the Bank if redeemed prior to maturity.

Fees and tax deductions

2. The registration, issue, transfer and redemption of Securities will be made free of any duty, charge, or levy, except to the extent required by law.
3. The withholding tax provisions of the Income Tax Act 2012 apply to the Securities.

Eligibility criteria

4. Bids may be placed only by bidders who are registered with the Central Bank of Samoa (CBS) in accordance with the Operational Guidelines. Members and staff of the Central Bank, including their immediate relatives, are not eligible to bid for the Securities. Application forms for registration are available for download from the CBS website or from the Domestic Markets Division, Financial Markets Department, Central Bank of Samoa, Central Bank Building (Ground Floor), Apia. Application forms must be completed and delivered to the Domestic Markets Division for processing of registration. For more information, contact either the Manager, Financial Markets Department (telephone 34171) or the Assistant Manager-Domestic Markets (telephone 34152).

Amounts of Bids

Competitive Bids

5. Investors may submit multiple bids, each bid at a different yield to maturity. Each bid must be for a minimum amount of SAT\$1,000 (face value) and in multiples of SAT\$100 (face value) thereafter.

Non-Competitive Bids

6. Only one non-competitive tender may be submitted per tenure per investor, otherwise all of an investor's non-competitive bids will be rejected. Bids must be for a minimum amount of SAT\$1,000 (face value) and in multiples of SAT\$100 (face value) thereafter. The maximum amount for a non-competitive bid is SAT\$100,000.

Yield to maturity for competitive bids

7. Each competitive bid must state clearly the yield to maturity (percentage per annum) sought by the bidder. The yield should be expressed to the second decimal place (for example, 3.25%, 4.55% or 5.12%). Bids containing yields with decimal places of one or beyond two will be disregarded and considered rejected.

Submission of Bids

8. Bids must be submitted by entering all the required details in the prescribed tender form available from the Central Bank. The complete tender form(s) should be sealed in an envelope and deposited in the special tender box provided at the Enquiries Counter (*Domestic Markets Division*), Ground Floor (Level 1) of the Central Bank of Samoa Building, Apia; before the closing time stipulated in the Invitation to Tender. *Closing time taken is that specified on the CBS Clock at the CBS Foyer at the Ground Floor of the CBS Building.*
9. No bid may be withdrawn or amended after it has been lodged.

Acceptance or Rejection of Bids

10. The Central Bank reserves the right to accept bids for the full amount on offer in the tender or any part thereof. The Central Bank also reserves the right to reject any bid or part thereof on any grounds whatsoever.

Allotment of Securities

11. The allotment of bills shall be made in accordance with the Operational Guidelines.

Announcement of Results

12. The results of a tender will be available from the Bank after 3:00 p.m. on the closing day of the tender. The bidders who wish to have the information immediately are advised to telephone the Manager, Financial Markets Department, Central Bank of

Samoa, Central Bank Building, Apia; telephone: 34171 or 34152 to obtain the results of their respective bids. The results released will be confirmed by a letter.

Settlement of Bids

13. The settlement amount (cost price) of a successful bid shall be calculated by applying the formula as specified in the Operational Guidelines.
14. Settlement must be made on issue day, which is the first Banking Day after the closing day of the tender¹. The successful bidders, other than the commercial banks, should settle the amount due in full by delivering cash or a cheque payable to the Central Bank by 2:00 pm on the issue day to the Bank. Settlement in cash should not exceed \$2,000 **per investor**. For the commercial banks, settlement will be effected by debiting their Exchange Settlement accounts at the Central Bank. The Central Bank reserves the right to cancel bids not settled as required.

Registration of Securities

15. The Securities issued will be registered at the Bank and a letter of advice/confirmation containing the details of the security(ies) will be issued to the successful bidder as proof of security ownership. Securities may be held by individual persons, or two or more persons as joint holders. Organisations or trusts that are not incorporated should complete their application in the full name/s of the trustee/s.

Transfer of Ownership

16. Securities are negotiable and transferable in accordance with the conditions specified in the Operational Guidelines.

Rediscounting at the Central Bank

17. Securities may be sold back to the Central Bank before they mature, at a discount rate determined and published by the Bank, based on the liquidity conditions in the financial system at any point in time. The Central Bank may also offer to buy back any outstanding bills from time to time at negotiable prices.

Repurchasing at the Central Bank

18. Commercial banks may also choose to employ the repurchase facility as specified in the Operational Guidelines. A surcharge, to be added on to the repo rate will be determined by the Central Bank from time to time, based on the liquidity conditions prevailing at any point in time.

¹ Banking Day also refers to a Working Day.

Repayment on Maturity

19. The redemption of Securities will be made in accordance with the relevant terms and conditions specified in the Operational Guidelines. Payments will be made starting from 2:00 pm on the day the Securities mature. If the maturity day is a Bank Holiday, repayment is made on the next Banking Day without payment of additional interest².

Operational Guidelines and Invitation to Tender

20. This Prospectus should be read in conjunction with the Operational Guidelines issued on **February 2016** and the **Invitation to Tender** relevant for the upcoming auction.

² Banking Holiday refers to holidays when the commercial banks are closed for the day. This is the same as public holidays declared by Government.