

# GENERAL NOTIFICATION

## MINISTRY OF FINANCE

MoF/DPA(TMD)/T-Bills/2009-10/4125

In accordance with the provisions of the Public Finance Act of Bhutan 2007 and the Government's in principle approval No. C-3/162, dated August 21, 2009, the Royal Government of Bhutan hereby notifies the sale of "Royal Government of Bhutan Treasury Bills". The Treasury Bills are short-term debt securities issued by the Government. The Bills are issued at a "discount" and the investor receives the full value (at par) on maturity. It is a highly liquid and secured instrument which offers reasonable rate of return.

The main objective of issuing the T-Bills is to achieve prudent fiscal management and effective monetary policy operation. The T-Bills through its discount rates will form the bench mark for market interest rates and will also promote development of domestic debt and capital market.

### **The following are the main features of the RGoB Treasury Bills:**

- a. The Treasury Bills are offered for sale on "Discount".
- b. The tenure of the Bills shall range from 30 days to 364 days. The Bills are 'Non-Callable' and are redeemed at par on maturity.
- c. The face value of the Bills shall be Nu. 1,000/- per unit.
- d. The bidders should provide "lien" on the bid application form prescribed by the RMA.
- e. The Bills shall be allocated by means of either "Uniform Price" or "Multiple Price" or "Tap Sale". The method of auction will be announced in the tender notification issued by the RMA from time to time.
- f. The Bills will be recorded in Book Entry Form by the Royal Securities Exchange of Bhutan Ltd.
- g. The Bills are negotiable and transferable.
- h. Any Bhutanese citizens including firms, companies, corporate bodies, financial institutions, trusts etc. can hold the Bills.

The tender notification for issuance of T-Bills shall be issued by the RMA to the General Public from time to time.

Additional information on Treasury Bills can be obtained from the RMA and the Department of Public Accounts, MoF

*Finance Minister*