



PROSPECTUS

**THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS
BAHAMAS REGISTERED STOCK 2025, 2027, 2029, 2032, 2042 AND 2052 ISSUE OF B\$26,000,000 ISSUED
UNDER THE PUBLIC DEBT MANAGEMENT ACT, 2021**

Prospectus Date: 29th March, 2022

| | | | |
|-------------------|-----------------------------|------------------------|--|
| Issuer: | Bahamas Government | Open Date: | 6 th April, 2022 (9:30 a.m.) |
| Registrar: | Central Bank of The Bahamas | Close Date: | 8 th April, 2022 (3:00 p.m.) |
| Organizer: | Central Bank of The Bahamas | Settlement: | 14 th April, 2022 |
| Minimum: | \$100 | First Int. Pmt: | 15 th September, 2022 (short) |
| Increment: | \$100 | Calendar: | Actual/365 |

Central Bank of The Bahamas must be in receipt of all applications and funds **before** 3 p.m. on 8th April 2022.

| Security ID | Issue Size | Can Grow/ Shrink? | Unit Share (B\$) | Tenor (Years) | Interest Fixed | Maturity | Interest Payment |
|-------------|-------------------|----------------------|---------------------|------------------|-------------------|-----------|---------------------|
| BGR150125 | 2,000,000 | Yes | 100 | 3 | 3.60% | 15-Mar-25 | Semi-annual |
| BGR150127 | 2,000,000 | Yes | 100 | 5 | 4.05% | 15-Mar-27 | Semi-annual |
| BGR150129 | 1,000,000 | Yes | 100 | 7 | 4.70% | 15-Mar-29 | Semi-annual |
| BGR150132 | 2,000,000 | Yes | 100 | 10 | 5.45% | 15-Mar-32 | Semi-annual |
| BGR150142 | 4,000,000 | Yes | 100 | 20 | 6.00% | 15-Mar-42 | Semi-annual |
| BGR150152 | 15,000,000 | Yes | 100 | 30 | 6.50% | 15-Mar-52 | Semi-annual |
| | 26,000,000 | | | | | | |

Instructions for participation in this Initial Public Offering are outlined below for:

Existing Investors:

Application: Complete the electronic application form. Sign and submit the application form to the Markets Unit IPO email address domesticofferings@centralbankbahamas.com with the subject "BRS Application" + "Client Name" (e.g. BRS Application for John Doe). Applicants will receive an acknowledgement within four hours of submission, during normal business hours.

KYC/ID: (1) Bahamian E-Passport; or
(2) NIB Smart Card paired with one of the following: Bahamian Driver's License, National Identity Card, Permanent Residence Permit, other National Passport, or Spousal Permit.

Payment: Subscription payments may be made electronically via commercial bank or digitally via Sand Dollar in accordance with the user's wallet limit.

Settlement instructions are as follows:

| i) Bank Wire Information: | |
|---|--|
| Beneficiary Bank: | Central Bank of The Bahamas |
| BIC: | CBBHBSNS(XXX) |
| Account: | CBOB General Account 1315010051 |
| Branch Code: | 10000 (if applicable) |
| Details: | Applicant Name + NIB Number + BRS Application (e.g. John Doe NIB#12345 BRS Application) |
| ii) Central Bank Digital Currency Sand Dollar Information: | |
| Direct payments to Receiver's Custom Name (<i>alias</i>): | |
| CBOBBanking@sanddollar.bs | |

Allocation: Securities will be awarded in accordance with the Central Bank's priority-based auction allocation method, with first priority given to individuals applying for \$250,000 or less. All other applicants—individuals greater than \$250,000 and institutions—will be classified as Priority Level 2. Allotments may be prorated, as needed, depending on the total value of subscriptions.

Grow/Shrink: Each security in this offering has the capacity to grow or shrink based on total subscriptions received for each tenor. The entire offer also has the capacity to grow or shrink, commensurate with overall demand. The issuer maintains the right to cap the offer, at its sole discretion.

Refunds: All refunds will be disbursed within three business days following the settlement date.

Certificates: Successful applicants will receive an electronic copy of their allotments, via email, within three business days following settlement.

(The Central Bank discontinued the provision of physical bond certificates effective July 2020.)

New Investors:

Broker dealers: New investors may participate through a BISX registered broker dealer, a list of which may be found at: <https://bisxbahamas.com/broker-dealers/>.



Market Notice

10th February, 2022

Discontinuation of Public Brokerage Services

Historically, the Central Bank of The Bahamas (Central Bank), in its capacity as Registrar and Transfer Agent for Bahamas Registered Stock (BRS) and Treasury Bills (TB), facilitated primary and secondary market access to these securities to the general public. In an effort to better align its activities with international good practices, effective 1 January, 2023, the Central Bank will cease to offer such services to the general public. The scope of services offered to the general public will unwind throughout 2022, with the following key dates:

1. **Effective 1st March, 2022:** The Central Bank will cease to onboard new investors for Bahamas Government securities. This means that new entrants into the Bahamas Registered Stock or Treasury Bill market will be required to do so through a BISX-registered broker-dealer, a list of which can be found at: <https://bisxbahamas.com/broker-dealers/>.
2. **1st April, 2022 through 31st December, 2022:** All existing Central Bank Bahamas Government security clients will be required to transfer *administration* of their portfolios to a BISX-registered broker-dealer. The Central Bank will contact existing clients directly to advance this initiative.
3. **Effective 1st January, 2023:** The Central Bank will cease to provide securities trading services on behalf of security holders, as these services will be available through BISX-registered broker-dealers with direct access to BISX and the Bahamas Government Securities Depository.

The Central Bank will engage with broker-dealers throughout the process to coordinate a smooth transition for investors.

For assistance, please contact us at

domesticdebt@centralbankbahamas.com

Tel. (242) 302-2620 or (242) 357-4881 (WhatsApp)

To escalate customer service issues, please contact

bankingmanager@centralbankbahamas.com or dg@centralbankbahamas.com.



Frequently Asked Questions

- 1. Q: Why did the Central Bank make the decision to discontinue brokerage services to the public?**
A: The Central Bank is aligning its securities market operations with best international practices and to accommodate recent reforms that allow government debt securities to actively trade over BISX. Underlying costs to the financial market around these services will be more transparent, and encourage further customer-oriented improvement in services and pricing efficiency.
- 2. Q: How does this policy change affect me as an investor?**
A: Investors will benefit from a more transparent and mature financial market process. However, the impact on individual investors will depend on whether or not he or she intends to buy and sell (trade) securities on a recurring basis. If you have already purchased government securities and intend to hold those securities to maturity, generally this change may not affect you.
- 3. Q: I already own government securities purchased through the Central Bank and do not plan to sell them or purchase more. Do I need a broker?**
A: No. You only need to engage a broker if you plan to sell all or part of your holdings, buy more securities, or make changes—such as your name, address, or bank account number—to your custody profile after 31st December, 2022. Otherwise, your holdings may remain in the Central Bank’s custody and you will continue to receive your interest and principal payments, as usual.
- 4. Q: I already own government securities purchased through the Central Bank and intend to purchase more over time. Do I need a broker?**
A: Yes, beginning 1st January, 2023.
- 5. Q: Who are the broker-dealers?**
A: A list of BISX-registered broker-dealers may be found at: <https://bisxbahamas.com/broker-dealers/>
- 6. Q: Can I trade over BISX without a broker-dealer?**
A: No. All trades over BISX must be executed by registered broker-dealers.
- 7. Q: Will I need to open a brokerage account with a broker-dealer?**
A: This depends on the scope of services offered by your selected broker-dealer. We encourage investors to contact the registered broker-dealers to determine which services best suit their needs.
- 8. Q: If I transferred my holdings to a broker-dealer, will the investment details (Security ID, interest rates, maturity date, etc.) change?**
A: You will not transfer securities to a broker-dealer. Under no scenario do broker-dealers hold securities. Government securities are custodied by the Central Bank in the Bahamas Government Securities Depository (BGSD), which it owns. Engaging a broker is needed only to buy and sell securities or to make changes to your customer profile in BGSD.
- 9. Q: Is there a form for investors to complete to transfer all holdings to the broker-dealer?**
A: You will not transfer securities to a broker-dealer. However, if you need to change your “broker of record” from the Central Bank to one of the BISX-registered broker dealers, the selected broker will provide the relevant documents.
- 10. Q: Will I receive full face value for my holdings if I do not wish to change my broker of record and redeem my total position before 1st January, 2023?**
A: Beginning 1st January, 2023, the only change to the redemption process relates to where an existing Central Bank customer goes to redeem his or her holdings. An existing Central Bank customer wishing to redeem securities before 1st January, 2023 may continue to approach the Central Bank. After that date, all customers must redeem securities through a BISX-registered broker-dealer. Securities are traded over the secondary market on a best price basis plus accrued interest.



11. Q: What will happen to my holdings if I do not change my broker of record by 31st December, 2022?

A: Nothing. The securities will remain in the Central Bank's custody in the BGSD. You will receive your interest and principal payments, as usual. However, if you ever need to redeem all or part of your holdings or make changes to your customer profile before maturity, you will be required to do so through a BISX-registered broker-dealer.

12. Q: Will interest and principal payments come directly from the Central Bank or indirectly through the broker-dealer if I engaged a broker?

A: It depends on the arrangement you make with the selected broker. If you open a brokerage account with the selected broker-dealer, interest and principal payments may be transferred to the broker-dealer, which will make those funds available to you, in accordance with the brokerage agreement. Alternatively, you may arrange with the broker-dealer to have interest and principal payments transferred directly to your bank account by the BGSD.

13. Q: Will interest and principal payments be impacted?

A: No. There will be no changes to the terms of the issued securities. Interest and principal payment frequency and amounts will remain unchanged.

14. Q: Should I be expected to pay fees on transactions such as subscriptions, redemptions, and transfers?

A: You should refer to the fee schedule of the selected broker-dealer.

15. Q: Will Central Bank remain the Registrar and Transfer Agent of Government issued securities?

A: Yes. Central Bank owns the Bahamas Government Securities Depository (BGSD), which is where all Government securities are recorded.

16. Q: Does the broker-dealer have a minimum investment amount?

A: The *minimum* investment amount to open a brokerage account with a broker-dealer may range from \$0 to B\$5,000. However, please refer to your selected broker-dealer for details.

17. Q: Can an investor have multiple broker-dealer relationships?

A: Yes. Investors may have more than one broker-dealer relationship.

18. Q: Can existing investors continue to purchase government-issued securities through the Central Bank?

A: Investors may continue to purchase government-issued securities through the Central Bank until 31st December, 2022. Following this date, he or she will be required to conduct such transactions through a BISX-registered broker-dealer.

19. Q: What is the difference between the Bahamas International Securities Exchange (BISX), the Bahamas Central Securities Depository (BCSD), and the Bahamas Government Securities Depository (BGSD)?

A: BISX is a domestic securities exchange where local public companies and government-registered securities are listed, and traded by registered broker-dealer members.

BCSD is a private centralised security depository, registrar, and transfer agent for securities issued by organisations other than the Bahamas Government. It assists client companies by managing relationships with their investors.

BGSD is the centralised security depository, registrar, and transfer agent for Bahamas Government-issued securities only, and is wholly owned and operated by the Central Bank of The Bahamas.