



## Market Notice

### Bahamas Registered Stock Initial Public Offering Allocations

As part of broader plans to modernize the domestic market for Government securities, the Central Bank of The Bahamas, in cooperation with the Ministry of Finance, will implement a competitive bidding process for Bahamas Registered Stock (BRS) in 2019. Under the new auction arrangements, currently under development, investors will have the option to either:

- a. **Bid competitively**—by specifying the price they want to pay for a bond (which translates into the yield received); or
- b. **Bid non-competitively**—by taking the average price outcome (a carve-out for small investors) set by the competitive bidders.

As a consequence, some bond requests may be allocated on a prorated (partial) basis, depending on the volume of subscriptions, or rejected if the bid price falls outside the allowable range.

To begin to prepare the market for the significant shift described above (which will be expanded upon in future Market Notices over the coming months), the Central Bank would like to advise the public that, effective August 15, 2018, and until further notice, the following priority levels will be used when allocating BRS during IPOs:

<b>Priority Level 1</b>	Individual Customers not exceeding \$250,000
<b>Priority Level 2</b>	Individual Customers exceeding \$250,000 and Institutions

The term “individual” is defined as any person or group of persons submitting an application either directly to the Central Bank or through a registered broker-dealer.

Any queries may be directed to the Banking Department at 302-2620 or emailed to [domesticdebt@centralbankbahamas.com](mailto:domesticdebt@centralbankbahamas.com).

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