



September 4, 2020

### **Call for Subscription of Government Bond**

With the onset of COVID-19 pandemic, the Royal Government of Bhutan re-emphasize the need of promoting capital market development through issuance of long-term Government Bonds with the maturity ranging from 3 years to 7 years during the FY 2020-21. The main objective of issuing the long-term Bonds includes; creating new opportunities for investment for financial institutions and other eligible domestic investors, managing fiscal financing need of the Government and also to promote secondary market trading in Bonds for domestic liquidity management through participation of the RMA during the time of liquidity shortfall in the economy. Against these imperatives, the Royal Government of Bhutan and the RMA urges all the potential investors to participate in promoting domestic bond market and support the economy in fighting the pandemic.

Details on the issuance of the first Series of Royal Government Bond are as follows;

#### **1. Volume, Tenure and Coupon Rate**

A 3-year bond of Nu.3,000 million with an annual coupon rate of 6.5% in the name of the Royal Government of Bhutan are offered for public subscription through Royal Monetary Authority of Bhutan.

#### **2. Submission of Subscription and Coupon Payments**

The application for subscription should be submitted via **email/sealed envelope** to: (i) Director ([tdema@rma.org.bt](mailto:tdema@rma.org.bt)) and (ii) Chief Accounts Officer ([dechenyangzom@rma.org.bt](mailto:dechenyangzom@rma.org.bt)), Department of Banking, RMA.

The submission of the application for subscription will be opened from **7<sup>th</sup> September** till **22<sup>nd</sup> September 2020 (12 noon)**.

<b>Bond Series</b>	<b>Allotment Date</b>	<b>Settlement Date</b>	<b>Years to Maturity</b>	<b>Maturity Date</b>	<b>Coupon Payment</b>
RGOB001	September 25, 2020	September 26, 2020	3	September 26, 2023	Half yearly

#### **3. Eligibility**

Any Bhutanese persons including Bhutanese citizens, Firms, Companies, Corporate Bodies, Financial Institutions and Trust Funds can subscribe to the Bond.

The **Subscription Application form** and the **Offer Document** can be downloaded from RMA and Ministry of Finance websites: [www.rma.org.bt](http://www.rma.org.bt) (under RGOB Bond) and [www.mof.gov.bt](http://www.mof.gov.bt)

(Governor)