



AN OPPORTUNITY TO INVEST IN GOVERNMENT OF LESOTHO SECURITIES

Issued by: Central Bank of Lesotho
On behalf of: Government of Lesotho

In an effort to develop the domestic market, the Central Bank of Lesotho, on behalf of the Government of Lesotho, continues to undertake reforms that are aimed at deepening the financial markets in line with regional developments. The Central Bank of Lesotho (CBL) issues Treasury Bills and Treasury Bonds to raise money for the Government.

TREASURY BILLS

What are Treasury Bills?

Treasury Bills (T-Bills) are short-term government securities. CBL currently issues T-Bills with maturities of 91, 182, 273 and 364 days. These securities are issued at a discount and redeemable at face value on maturity. T-Bills are auctioned twice a month, subject to applicable terms as specified on the announcements that are regularly posted on the CBL website. T-Bills are preferred by investors because they are backed by the Government and constitute a risk-free investment. As a result, the T-Bills tend to be highly marketable and liquid in that they are always in high demand and can easily be traded (bought and sold) in the secondary market.

TREASURY BONDS

What are Treasury Bonds?

Treasury Bonds (T-Bonds) are medium to long-term government securities. CBL traditionally auctions T-Bonds quarterly, in the maturities of 3, 5, 7 and 10 years, so prospective investors should regularly check for upcoming auctions. Currently, T-Bonds pay interest semi-annually on the face value held during the life of the bond. T-Bonds may be issued at a discount, par or premium depending on the prevailing market circumstances at the time of sale. They are listed at the Maseru Securities Markets (MSM) to facilitate secondary trading. The Central Bank of Lesotho issues an annual auction calendar that is available on the Bank's website (<https://www.centralbank.org.ls>).

PARTICIPATION IN THE TREASURY SECURITIES MARKET

Who can invest?

Everyone is free to participate in the treasury securities market as long as they meet the minimum bid requirements. Participants could be individual investors (18 years and above), companies, banks, insurance companies, non-bank financial institutions, NGOs, corporations and societies. Non-residents are also eligible to participate provided they hold an account with a local commercial bank. Investors in the diaspora may submit their bids via email: cblsecurities@centralbank.org.ls

Auction

All auctions take place at the Central Bank of Lesotho. For both T-Bills and T-Bonds, auctions take place on a Wednesday at 09:00 a.m. while payment and settlement take place on the same day before the close of business. The results are announced for both the successful and unsuccessful bidders at 11:00 a.m. on the auction date. Successful bidders are expected to collect their "Award Advice" from the Central Bank of Lesotho and settle on the same day (T+0) of the auction. Settlement and redemption for the securities are done through commercial banks.

Application to Bid

The Central Bank of Lesotho invites bids by issuing press releases 7 days before every auction. Tenders are made by completing the Government of Lesotho Securities Bid Form (CBL/TBR/1) available at the Central Bank of Lesotho. The Bank must receive all bids before the deadlines stated in the auction announcement. Late applications will not be accepted. For all securities, each bid must state the face value. They must equal or exceed the minimum threshold of M5, 000 and be in multiples of M100 thereafter. Separate bid forms should be completed for each tenor e.g. 91, 182, 273 and/or 364 days.

REQUIREMENTS FOR TRADING IN TREASURY BILLS/BONDS

1. Individual Investors

- Investor's identification (National ID / Passport)
- A bank account held at any local commercial bank

2. Societies

- Certificate of Registration
- Society's Constitution
- Society resolution by members to invest
- Bank Account Confirmation Letter
- Identification of all signatories

3. Companies

- Certificate of Incorporation / Trader's License
- Bank Account Confirmation Letter
- Identification of at most three signatories





TAXATION

Is there any Tax payable on Treasury Securities?

Withholding Tax is payable on interest income earned from investment in treasury securities. The rates are 10% and 15% for residents and non-residents respectively. The interest that is earned at maturity or as coupon payments will therefore be net of withholding tax.

DISINVESTMENT OF TREASURY SECURITIES

Can one trade the Treasury Securities?

Secondary Market Trading

The secondary market for securities exists and any person who holds such securities is free to trade, exchange or transfer them with other investors. They can be traded amongst investors "over-the-counter" or through a registered broker on MSM.

Rediscouinting

In the event, an investor needs to redeem their securities before they mature and is unable to find a buyer in the secondary market, the Central Bank of Lesotho can buy the securities back as a last resort at a penal rate of interest only if 75% of the holding has elapsed.

AT MATURITY

What happens upon maturity of Treasury Securities?

Upon maturity, the T-Bills net proceeds (principal and interest) are deposited into the investor's commercial bank account. For Treasury Bonds, coupon payments shall be made semi-annually until the security matures, at which the principal shall be paid back to the investor. If an investor wishes to continue investing, then a new application has to be completed to re-invest the security.

What are the benefits of investing in Treasury Securities?

As an investment instrument, treasury securities have the following advantages:

- They are free-risk investment
- The rate of return is competitive
- They can be pledged as collateral with third parties (banks)
- They are transferable and negotiable



**ENQUIRIES CONCERNING
FURTHER DETAILS SHOULD
BE DIRECTED TO:**

Financial Markets Department

Central Bank of Lesotho

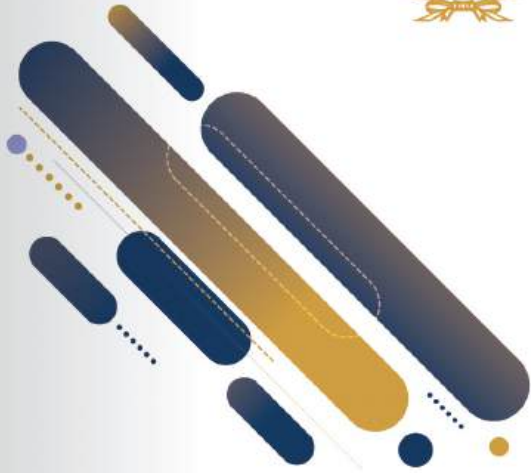
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MONYETLA OA HO TSETELA MATSETENG A 'MUSO OA LESOTHO

A fanoa ke: Banka e kholo ea Lesotho
Sebakeng sa: 'Musu oa Lesotho



SELELEKELA

E le ho ntlafatsa ts'ebetso ea 'mebaraka kahar'a naha, Banka e kholo ea Lesotho ka thomo ea 'Musu, e tsoelapele ho ntlafatsa 'mebaraka ea lichelete

MATSETE A NAKO E KHUTS'OANE (TREASURY BILLS)

Ho boleloang ka matsete a nako a khuts'oane?

Treasury Bills ke matsete a nako e khuts'oane a fanoang ke 'Musu, e leng nako e sa feteng selemo. A mekhahleho e mene; khoeli tse tharo, tsélela, robong le leshome le metso e meli. Matsete a na a lefa tsoala nakong eo a butsoang, 'me sethathong a rekisoa ka chelate e ka tlasana e le hore a tle a be letsoala. A rekisoa habeli khoeling tlasá liphehelo tsa Banka e Kholo A ratoa haholo ke batseteli ka mabaka a hore a fanoa ke 'Musu, 'me a bolokehile haholo. Motseteli a ka khona ho le rekiseha ha bobebe ka nako eohle le pele le butsoa.

TREASURY BONDS

Ho boleloang ka matsete a nako e telele?

A na ke matsete a nako e telele a 'Musu e fetang nako ea selemo. Banka e kholo e atisa ho rekisa a nako ea lilemo tse tharo, hlano, supa le leshome, hang nakong ea khoeli tse tharo ka selemo. Ka hona a ka fumaheha ho latela feela hore naa 'Musu ka nako eo o lakatsa ho fana ka a nako e kae. Matsete ana a lefa tsoala) makhetho a mabeli ka selemo, ebe ha letsete le butsoa motseteli o boelloa ke chelete eohle eo a e tsetetseng. Matsete a mofuta ona a ka boela a fumaneha hape ha batseteli ba a tsóereng ba a rekisa ba hloka chelate, 'me a ka fumaneha bathing kappa Maseru Securities Markets e fumanehang Bankeng e Kholo.

HO NKA KARALO EA TABENG TSA HO TSETELA

Ke bo mang ba nang le tokelo ea ho nka karolo matseteng a 'Musu?

Matsete a buletsoe motho e mong le e mong ha fela a le lilemo tse leshome le metso e robeli (18) kapa ka holimo ha fela a fihlela liphehelo tsa fantisi, likhoebo ka mofuta, libanka, likoporasi le mekhatlo. Baahi ba kantle ho naha le bona ba buletsoe ha feela ba banka ka har'a naha.

TOKOMANE TSE HLOKAHALANG BAKENG SA HO TSETELA;

1. Motho ka mong

- Litokomane tsa boitsebiso (Passport kapa National ID)
- Polokelo (bank account) ho e 'ngoe ea libanka tse teng ka har'a naha tse tlas'a bolisa ba Banka e Kholo

2. Likhoebo

- Lengolo la khoebo
- Litokomane tsa boitsebiso tsa litho tse tekenang
- Polokelo ho e nngoe ea libanka

Mekhatlo

- Litokomane tsa bontshang hore mekhatlo o ngolisitse
- Polokelo ho e nngoe ea libanka
- Litokomane tsa boitsebiso tsa litho tse tekenang
- Lengolo le ngotsoeng ke litho tsa mekhatlo

Ke bo mang ba nang le tokelo ea ho nka karolo matseteng a 'Musu?

Motho e mong le e mong o lokolohile ho ba le kabelo matseteng a 'musu ha fela a fihlela liphehelo tsa fantisi. Ekaba batho ka bo-mong (matsoalloa kapa ba-lichaba), mekhatlo, likhoebo eka sitana le libanka tse teng kahara naha.



Mokhoa oa ho Tsetela

Banka e Kholo ea Lesotho e etsa khoelehetso ho sechaba mabapi le boleng ba matsete ao e fanang ka oona 'moho le matsatsi ao a tlang ho butsoa ka oona matsatsi a supileng pele ho fantisi. Motseteli o tlatsa foromo ea boiketo (CBL/TBR/1) e fumanehang Bankeng e Kholo.. Likopo tse joalo li tlameha ho finyella Bankeng letsatsi pele ho fantisi. Chelete e katlase e ka tseteloang ke likete tse hlano tsa maloti (M5,000.00).

Mokhoa Oa Thekiso

Fantisi ea matsete a nako e khuts'oane (Treasury Bills) e etsoa habeli ka khoeli, ha ea matsete a nako e telele e ts'oaroa hang ka likhoeli tse tharo. Fantisi li ts'oareloa Bankeng e Kholo ea Lesotho ha ele Laboraro bekeng ka hora ea borobong (9:00 a.m.). Matsatsi a lifantisi a ka fumaneha marang-rang leqepheng la Banka e leng; www.centralbank.org.ls

Sepheho sa fantisi ka 'ngoe se phatlalatsa letsatsing lona leo la fantisi, hona ho etsahala hang kamorao ho hora ea leshome le motso o mong (11:00 a.m.). Ba atlehileng ba fumants'oa mangolo a pakang hore ba se bana le matsete Bankeng e Kholo. Hang kamora ho phatlalatsa ba atlehileng, chelete eo ba e tsetelang e huloa ho tsoa polokelong ea motseteli ka mong le banka ea hae.

Melemo ea ho tsetela matseteng a 'Muso ke efe?

- Matsete ana a bolokehile 'me ha ho monyetla oa tahlehelo
- A ka fetela ho motseteli e mong ho ea ho e mong ka bolokolohi
- A ka sebelisoa e le peheletso molemong oa ho kopa mokitlane bankeng haeba motseteli a ka ba le khahelelo ea chelete pele letsete lae hae le butsoa.
- Sekhahla sa tsoala se a hlamatseha papisong le matsete a ts'oanang 'marakeng

LEKHETHO

Motseteli ka mong o lebeletsoe ho lefa lekhetho holima tsoala eo a tlang ho e fumana holima chelete ea hae ea letsete. Ho motseteli eo e leng moahi oa Lesotho ka molao, lekhetho lena le nka lintlha tse leshome (10%) lekholong ka leng la tsoala. Ka ho le leng ha motseteli ele moahi oa naha e 'ngoe kantle ho Lesotho, o lebeletsoe ho lefa lintlha tse leshome le metso e mehlano (15%) lekholong la tsoala. Ka hona motseteli o tla fumana tsoala e se e ntsitse lekhetho nakong eo letsete le butsoang.

THEKISO EA LETSETE PELE LE BUTSOA

Na motseteli o lokolohile ho rekisa letsete pele le butsoa?

Thekiso ea matsete pele a fihlela nako ea ho butsoa e buletsoe, 'me sena motseteli a ka se etsa le Maseru Securities Market kapa pakeng tsa bona ba le babeli moo batla tsebisa Banka e Kholo.

Boemong bo letsete le seng le haba ho butsoa, Banka e ntsena le hona ho ka lereka hape e se le mothati oa qetela haeba motseteli a sa fumane e mong ea ka rekang, 'me ho tla ba le kotlo boemong bo joalo.

HA LETSETE LE BUTSOA

Ha letsete le butsoa, motseteli o tla fumana chelete eo a e tsetetseng 'moho le tsoala. Tsena li tla kenya polokelong ea hae bankeng ea hae. Ka mokhoa o ts'oanang le tsoala ea Treasury Bond e tla lula e ntse e kengoa polokelong habeli ka selemo ho fihletse letsete le joalo le butsoa. Ha motseteli a ntsa a na le thahasello ho tsoala pele ka letsete ha le butsoa, o ntse a ka khona ho etsa joalo, 'me o tlameha ho atamela Banka e Kholo ho tlatsa liforomo.



BAKENG SA LIPOTSO LE LITLHAKISETSO, U KA LETSETSA:

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