

PROSPECTUS FOR TREASURY BILLS



ISSUED BY

**THE GOVERNMENT OF
THE REPUBLIC OF MALDIVES**

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Contents

1. General	3
1.1. Issuer and Description.....	3
1.2. Issuing Agent.....	3
1.3. Paying Agent.....	3
1.4. Registrar.....	3
2. Primary Issuance Procedures	3
2.1. General.....	3
2.2. Eligible Participants, Minimum and Multiple Amounts.....	3
2.3. Invitation to Tender.....	3
2.4. Acceptance / Rejection of Subscriptions.....	4
2.5. Results	4
3. Settlement and Form of Treasury Bills.....	4
3.1. Settlement Price	4
3.2. Settlement	4
3.3. Form of Treasury Bills	4
4. Transfer of Treasury Bills	4
4.1. Transferability.....	4
4.2. Dealing in Treasury Bills	4
4.3. Transfer Amounts	4
4.4. Eligible Holders	5
4.5. Transfer Procedures.....	5
5. Repayments	5
5.1 Accounts held at the MMA	5
5.2 Other Treasury Bill holders	5
6. Directory	5

1. General

1.1. Issuer and Description

Treasury bills (hereinafter called 'TBills') are issued by the Government of the Republic of Maldives (hereinafter called 'the Government') pursuant to Presidential Decree number 2006/123 dated 30 August 2006.

The TBills are issued in terms of this prospectus and the Presidential Decree number 2006/123 dated 30 August 2006, whereby any money payable on such TBills will be a charge upon and payable out of the revenues of the Government.

The TBills are denominated in Rufiyaa, sold at a discount to par and carry no coupon. The TBills are redeemable at par on the maturity date.

1.2. Issuing Agent

The Maldives Monetary Authority (hereinafter called the MMA), acting as agent for the Government, is authorised to receive and deal with applications for the issue of TBills.

1.3. Paying Agent

The MMA, acting as agent for the Government is authorized to make payment of monies due on the TBills.

1.4. Registrar

The MMA is the registrar for the TBills and is thereby responsible for the maintenance and operation of the register of ownership of the TBills.

2. Primary Issuance Procedures

2.1. General

Subscriptions must be placed in accordance with procedures outlined in this document and the Invitation to Tender issued by the MMA.

Subscriptions not meeting the prescribed conditions will be rejected.

In particular all bids must be:

- on the MMA's official 'Subscription Form';
- signed by authorized personnel of the subscribing institution;
- submitted at the place and within the times stated in the Invitation to Tender.

2.2. Eligible Participants, Minimum and Multiple Amounts

All commercial banks, and State Owned Enterprises and their subsidiaries are eligible to participate in the primary issuance of TBills subject to the minimum and multiple subscription amounts of Rufiyaa 1,000,000.

2.3. Invitation to Tender

An Invitation to Tender will be publicized on the MMA's website (www.mma.gov.mv) and will contain:

- Issue date and times for submitting subscriptions
- Settlement date
- Discount Rate (or rates)
- Price per million
- Maturity date (or dates)

2.4. Acceptance / Rejection of Subscriptions

The MMA reserves the right to accept subscriptions in full or in part from any subscriber.

2.5. Results

The total volumes issued and amounts outstanding in each maturity will be published on the MMA's website (www.mma.gov.mv).

3. Settlement and Form of Treasury Bills

3.1. Settlement Price

The settlement price for TBills is calculated as follows:

$$\text{Settlement} = \frac{\text{Face Value}}{1 + (\text{DR} \times \text{Days} / 365)}$$

Where:

DR; is the applicable discount rate on the TBills.

Days; is the number of days from the settlement date to the maturity date.

3.2. Settlement

Subscribers must pay fully for TBills allotted to them on Settlement Date.

For subscribers with accounts at the MMA, the MMA will debit their accounts.

Subscribers that do not have accounts at the MMA will make payment by cheque. Cash will not be accepted in payment for TBills.

Following full and final payment by the subscriber, the MMA shall allot the TBills to the account of the subscriber in the MMA's book-entry system.

Where a subscriber fails to pay fully for TBills on the Settlement Date, the MMA may exclude them from participating in subsequent issuances of TBills.

3.3. Form of Treasury Bills

TBills are issued in book-entry form and registration of ownership is subject to rules issued by the MMA. These rules, called 'Rules for the Operation of the MMA Book-entry System', are available from the MMA.

4. Transfer of Treasury Bills

4.1. Transferability

TBills are negotiable securities and can therefore be transferred between investors.

4.2. Dealing in Treasury Bills

Only persons licensed by the Capital Markets Development Authority pursuant to the Maldives Securities Act 2006 are permitted to deal in TBills.

4.3. Transfer Amounts

Transfers must be for a minimum of Rf 1,000,000 and in multiples of the same.

4.4. Eligible Holders

TBills can be transferred only to commercial banks, State Owned Enterprises and their subsidiaries.

4.5. Transfer Procedures

The procedures for the transfer of the TBills are contained in the MMA's 'Rules for the operation of the MMA book-entry system'.

5. Repayments

5.1. Accounts held at the MMA

Repayments to holders that have accounts at the MMA will be by direct credit to their account held at the MMA.

5.2. Other Treasury Bill holders

For other holders, payment will be made to a nominated commercial bank account.

6. Directory

For issuance and settlement information:

The Deputy Managing Director
Operations Division
Maldives Monetary Authority
Umar Shopping Arcade, 1st Floor
Chandhanee Magu
Male' 20156
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