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# LESOTHO Government Gazette EXTRAORDINARY

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**LEGAL NOTICE NO. 34 OF 2002****LOCAL LOANS (GOVERNMENT TREASURY BILLS) (TRADING)  
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*Securities Market Division*

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**LEGAL NOTICE NO. 34 OF 2002**  
**LOCAL LOANS (GOVERNMENT TREASURY BILLS) (TRADING)**  
**REGULATIONS 2002**

In exercise of the powers conferred on me by section 20 of the Local Loans Act 2001<sup>1</sup>, I,

**MOHLABI KENNETH TSEKOA**

Minister of Finance, make the following Regulations :

**PART I-PRELIMINARY**

**Citation and commencement**

1. These Regulations may cited as the Local Loans (Government Treasury Bills) (Trading) Regulations 2002 and shall come into operation on the date of publication in the Gazette.

**Interpretation**

2. In these Regulations, unless the context otherwise requires –

“auction date” means the date on which the Bank announces the results of an auction;

“business day” means a day on which commercial banks in Lesotho are open for business;

“Collateral Account” means a collateral account created by the Bank in terms of regulation 18(1);

“face value” means the value of the treasury bill to be redeemed on maturity date;

“Government” means the Government of Lesotho;

“Minister” means the Minister responsible for finance and in relation to the issuance of securities includes a person appointed by him for that purpose;

“securities” means documents issued under the authority of the Minister as evidence of loans raised under the Local Loans Act 2001;

“Securities Account” means a securities account created in terms of regulation 13(2);

“settlement date” means the settlement date as indicated on invitation for bids in terms of regulation 7(2)(g);

“term” means the period from settlement date to maturity date;

“the Act” means the Local Loans Act 2001;

“the Bank” means Central Bank of Lesotho;

“treasury bills” means treasury bills issued under section 5 of the Act;

“Treasury Bills Acknowledgement Receipt” means a receipt issued by the Bank in terms of regulation 13(4);

“Unclaimed Securities Account” means a securities account created by the Bank in terms of regulation 18(2).

### **Objectives**

3. The objectives of these Regulations are -
  - (a) to provide for the auctioning of government securities in a manner consistent with monetary policy objectives of government or consistent with the raising of loans to defray government expenditures; and
  - (b) generally, to provide for the well functioning of the process of issuance and redemption of government securities.

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## PART II - PRIMARY MARKET TRADING

### Issue of treasury bills

4. (1) The Bank may, at any time and on a regular basis, issue government treasury bills with maturity not exceeding 365 days and shall determine the manner of issuance and allocation of the treasury bills.

(2) Treasury bills shall be issued on a discount basis for face values in multiples of M100 and redeemed at their full face value at maturity:

Provided that prior to maturity the market price of treasury bills may vary depending on market conditions.

(3) The computation of the bid price, given the rate of discount, shall be based on the actual number of days to maturity, with a year consisting of 365 days, using the formula shown below:

$$\text{Bid Price} = \text{FV} - (\text{FV} \times \text{DR} \times \text{Days to Maturity} / 365)$$

where FV means face value and DR means discount rate.

(4) Announcements relating to new issues of treasury bills shall be made primarily through public notices on the noticeboard in the reception hall of the Bank, notices in local newspapers, or radio, television, or through any other suitable media.

(5) The Bank reserves the right to accept or reject all or any portion of any or all applications.

### Participation

5. (1) Treasury bills may be purchased by any person or entity.

(2) The Bank shall issue two sets of securities with maturity of 91 days and 182 days, or with maturities as close to 91 days or 182 days in order to take account of public and other holidays.

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- (3) Bids in the 91-day market shall be only on a competitive basis and the minimum bid in this market shall be M250,000.00 which may be submitted in multiple bids.
- (4) The 182-day market shall be divided into competitive and non-competitive bids on the following conditions:
  - (a) participation in the competitive category shall be subject to a minimum bid of M250,000;
  - (b) multiple bids may be accepted;
  - (c) bids in the non-competitive category shall only state the amount being tendered for and shall be for a minimum of M5,000.00;
  - (d) non-competitive bidders shall only submit one application per auction.
- (5) Where a bidder submits two or more bids in the non-competitive market, the Bank reserves the right to reject any or all of the bids.

#### Frequency

6. Auctions for the 91-day and 182-day bills shall ordinarily be held once a month and once every two months respectively.

#### Invitations for bids

7.
  - (1) Invitations for bids shall begin 7 days before the auction date and continue until the day before the auction date.
  - (2) The Bank shall include the following information in each invitation for tenders:
    - (a) the auction date;
    - (b) the deadline for submission of bids;
    - (c) the term (91 or 182-day) or maturity dates of bills;
    - (d) the registration number of the issue;
    - (e) the day and time for announcement of results of the tender;
    - (f) the deadline for making payments for successful bids;

- (g) the settlement date;
- (h) the total face value of bills to be auctioned;
- (i) in the case of 182-day bills, the amount reserved for non-competitive bidders and the margin (in yield terms) that shall apply to non-competitive bids; and
- (j) the price that cleared the market and total allotment in the last similar auction.

#### Submission of bids

8. (1) Bids shall be submitted on the bid Form CBL/TBR/1 as set out in the Schedule and bid forms shall be signed by the individual whose name appears on the bid form or, in the case of institutions, the authorised signatories of that institution.
- (2) The forms shall be completed in full and shall bear no alterations.
- (3) Bid forms shall be delivered to the Bank at the designated reception point between 9.00 a.m. and 3.00 p.m. each day during the period specified for the receipt of bids and the deadline for receipt of forms is 3.00 p.m. on the day preceding the auction date.
- (4) Bids submitted to the Bank after the deadline shall not be accepted, nor shall the Bank entertain any requests to alter or withdraw tenders submitted within the appropriate time limit.
- (5) The forms shall be submitted in sealed envelopes clearly marked "Tender for Treasury Bills Registration Number...(reflecting the registration number given to the issue and shown on the invitation to tender)".
- (6) Envelopes shall also be marked "competitive" or "non-competitive", as the case may be.
- (7) Competitive bidders shall specify the amount of the bid and the price offered and the price shall be specified per M100.00 to 3 decimal places:

Provided that the third decimal is a multiple of 0.005.



- (8) Both competitive and non-competitive bids shall be in multiples of M100.00 face value.

#### Method of auction

9. (1) Bids in amounts equal to M250,000.00 or higher, shall be classified as competitive bids and a bid in this category shall be made by completing bid Form CBL/TBR/1.
- (2) Allocations under the competitive bidding process shall be made starting with the bid offering the highest price until the entire allotment has been exhausted.
- (3) All successful bidders shall be allocated treasury bills at a uniform price corresponding to the bid price at which the entire allotment was exhausted.
- (4) Bids in amounts equal to M5, 000.00 or higher but less than M250,000.00 shall be classified as non-competitive bids and bids under this category shall also be made by completing bid Form CBL/TBR/1.
- (5) All non-competitive bids shall be allocated at a margin above the price at which allocation was made in the competitive bid in the same auction and such a margin shall be determined by the Bank from time to time.

#### Acceptance and rejection of bids

- 10.(1) The Bank shall not accept bids in amounts less than M5, 000.00 face value.
- (2) The Bank reserves the right to accept or reject all or a portion of any or all bids.
- (3) If, in the case of a competitive bidding process, an auction is oversubscribed, that is, the demand for bills in a given auction exceeds the amount announced as the total face value of the bids to be auctioned, the Bank shall not issue more than the amount announced.

- (4) Allocation of treasury bills shall be made from the highest bidder (in terms of price) downwards until the amount announced is exhausted.
- (5) Where there is more than one bidder at the cut-off price, allocation shall be made on a pro-rata basis.
- (6) If, in the case of a non-competitive bidding allocation, the value of bids received is greater than the amount set aside for allocation on a non-competitive basis, the allocations shall be made on a pro-rata basis.

#### Announcement of results

11. (1) The results of the tender shall, as far as practicable, be announced from 2.00 p.m. on the auction day and the announcement shall be in the form of written notifications to all applicants.
- (2) Letters on individual notifications shall include the amounts accepted and the accepted price for successful applications; and unsuccessful applicants shall be informed accordingly.
- (3) Bidders, or their representatives, shall be required to present themselves at the Bank after 2.00 p.m. on the auction day to receive the notification of the results of the bids and it shall be the responsibility of bidders to collect their notifications.
- (4) The Bank is not obligated to notify bidders of the reasons for their success or otherwise.



#### Acceptable methods of payment

- 12.(1) Payments for allocations shall be received immediately after the announcement of the results on the auction day until 3:00 p.m. the following business day.
- (2) Bidders with cash accounts with the Bank shall be required to issue standing instructions to the Bank to debit their accounts in payment for securities allocated.

- (3) Bidders that do not hold accounts with the Bank may effect payment in cash up to a limit of M20,000 face value of treasury bills, a commercial bank payment instruction, a bank cheque, or personal cheque and payment may also be made by a bank cheque drawn on a South African bank.
- (4) Notwithstanding sub regulation (3), personal cheques drawn on South African banks shall not be accepted.
- (5) An allocation of treasury bills shall be irrevocably effected 2 days after the auction day for bidders using the payment methods set out in this regulation except for those bidders who make payment by personal cheques.
- (6) In the case of bidders who make payment by personal cheques, irrevocable allocations shall be made 7 days after the cheque is received.
- (7) The Bank shall present all cheque payments on settlement date, and investors shall date their cheques as settlement date, indicated on the invitation for bids.
- (8) The effective term of the investment is from the settlement date to the maturity date:  

Provided that both cheques and cash shall be delivered to the bank before the settlement date.
- (9) Successful applicants who fail to settle their bid application shall be barred from participation for a period of 6 months and shall be so informed in writing.
- (10) Where an applicant fails to settle twice within a two-year period, the applicant may be barred from participation for a longer period, as the Bank may deem fit.
- (11) Treasury bills for which settlement has not been effected shall remain un-issued.

### Method of recording ownership of treasury bills

- 13.(1) The Bank shall issue treasury bill certificates to investors but shall keep them in a central repository on their behalf.
- (2) The Bank shall create a Securities Account for each holder of securities for purposes of keeping an electronic register or record of ownership of the securities.
- (3) In order to open a Securities Account, an investor shall complete Form CBL/TBR/0 as set out in the Schedule before any securities can be registered to the investor, either as a result of primary or secondary market transactions.
- (4) The Bank shall, after a Securities Account has been opened, issue a Treasury Bill Acknowledgement Receipt confirming the ownership of treasury bills.
- (5) Investors may request a statement of the balance of treasury bills holdings and such a statement shall only reflect the face value (not the market value) and maturity date of their holdings.

### PART III- SECONDARY MARKET TRADING

#### Change of ownership

- 14.(1) Holders of securities are free to trade treasury bills with any counterpart in the market.
- (2) Changes in ownership shall only be effected by both parties to a transaction and upon completion of transfer Form CBL/TBR/2 as set out in the Schedule and the Form shall be completed in triplicate, a copy of which shall be kept by both the seller and the buyer.
- (3) On the day the transaction takes place, both the buyer and the seller, or their respective authorised representatives, shall present themselves simultaneously at the Bank to deliver Form CBL/TBR/2 and to receive receipts attesting to the change of ownership.

- (4) The Bank shall only act upon instructions contained in Form CBL/TBR/2 completed and signed by authorised signatories of both parties to the transaction.
- (5) The parties shall ensure that their identities as they appear in the records held by the Bank are properly reflected in Form CBL/TBR/2.
- (6) The Bank shall make every effort to ensure that all accounts are operated with utmost integrity and shall take appropriate action to protect treasury bill holders.
- (7) The Bank shall not guarantee against fraudulent activity and consequently shall not undertake to indemnify losses incurred by any party as a result of fraudulent transfers of securities.

#### Conditions for transfers

- 15.(1) Where the buyer or both parties to a transfer transaction have a cash account with the Bank, the Bank shall transfer securities from the Own Treasury Bills Account of the seller into the Own Treasury Bills Account of the buyer against a transfer of funds (or issuance of a cheque) in the opposite direction.
- (2) In order to achieve the objective in sub regulation (1), the relevant part of Form CBL/TBR/2, which contains funds transfer details, shall be completed by the buyer.
- (3) Where funds are not being authorised for transfer, a line shall be drawn through the 'funds transfer' section of the form.
- (4) Where the buyer or both parties to a transfer transaction do not have a cash account with the Bank, the Bank shall still effect the transfer of securities by transferring the securities from the Own Treasury Bills Account of the seller into the Own Treasury Bills Account of the buyer, only upon receiving duly completed and signed Form CBL/TBR/2 and the Bank shall assume that the terms

of payment have been agreed and effected between the two counterparties to the deal.

- (5) The completed form shall be delivered by hand to the Bank on the day of the transaction and both parties to the transaction shall simultaneously present themselves to the Bank on this day.
- (6) Notifications of transfer of ownership shall be received by the Bank not later than 5 business days before the date of maturity of the bills in question.
- (7) The Bank shall issue a statement to both parties involved in the transfer of bills confirming the transfer.

**Premature disinvestment**

16.(1) The Bank shall be ready to purchase treasury bills from investors:

Provided that such a purchase shall take place at least 5 business days prior to maturity date of the securities.

- (2) Investors, or their authorised representatives, who wish to sell their treasury bills to the Bank shall notify the Bank by completing Form CBL/TBR/3 as set out in the Schedule and hand it over to the Bank.
- (3) The Bank shall purchase the securities at a price calculated such that the interest rate payable to the Bank on such securities is 4 percentage points above the prevailing market interest rate on such securities. In the absence of observable market interest rate, the Bank shall, generally, determine the rate by interpolation between the rates determined in the latest primary auctions.
- (4) In the case of holders of cash accounts with the Bank, their Accounts shall be credited with amounts, calculated in accordance with sub-regulation (3), by close of business on the date of the transaction.
- (5) In the case of investors that do not hold cash accounts with the Bank, the Bank shall deposit the proceeds of their investments in their designated commercial bank accounts or shall issue cheques

for the value of their proceeds calculated in accordance with sub-regulation (3). Such cheques shall be payable on the date of the transaction.

#### **PART IV-SECURITIES USED AS COLLATERAL**

##### **Collateral**

- 17.(1) Investors may use their securities as collateral against borrowing from third parties:

Provided that the maturity date of the loan comes before the maturity date of the securities being used as collateral.

- (2) Securities to be used as collateral for secured transactions shall have been held for at least 8 days and shall not be less than 5 days to maturity.
- (3) Parties to a secured transaction shall be required to notify the Bank by completing collateralisation Form CBL/TBR/4 as set out in the Schedule and once submitted to the Bank the forms shall not be withdrawn.

##### **Collateral Accounts and Unclaimed Securities Account**

- 18.(1) The Bank shall create Collateral Accounts for purposes of recording transactions of treasury bills being used as collateral.
- (2) The Bank shall create an Unclaimed Securities Account for purposes of recording securities that have not been claimed or are the subject of dispute between the parties to the transaction.

##### **Collateralised transactions**

- 19.(1) Upon receipt of a properly completed Form CBL/TBR/4 from parties to a secured transaction, the Bank shall transfer securities from the borrowing party's Own Treasury Bill Account to his or her Collateral Account.

(2) At the same time, if indicated on the form, the Bank shall transfer the agreed amount from the lending party's Cash Account to the borrowing party's Cash Account.

(3) In the case where the borrowing party does not hold a Cash Account with the Bank, a cheque shall be issued to the borrower if requested:

Provided that the lender has a Cash Account with the Bank.

(4) Upon receipt of a properly completed Form CBL/TBR/4, the Bank shall transfer the agreed face value of securities from the borrowing party's Treasury Bill Account to his or her Collateral Account:

Provided that the borrower has surrendered his Treasury Bill Acknowledgement Receipt to the Bank.

(5) Confirmations of the collateral transactions shall be available for collection by both parties to a collateral transaction by the close of business the next business day.

(6) Where procedures as outlined by the Bank have not been correctly followed or on account of suspected fraud, the Bank may deem the application for a collateral transaction unacceptable and shall notify the parties accordingly on the next business day.

(7) The Bank shall not be involved in the transfer of funds from lender to borrower in the case in which the lender does not have a Cash Account with the Bank and as such, shall not be held responsible for transactions that are not fully completed in this case.

(8) Upon maturity of a secured transaction, the Bank shall transfer back the bills to the Own Treasury Bills Account of the borrower only upon receipt of a duly completed collateral release Form CBL/TBR/5 as set out in the Schedule completed by both parties to the transaction.

(9) In the case in which Form CBL/TBR/5 has not been received by the Bank by the maturity date of the securities in question, or there is a dispute between parties to a secured transaction, the Bank shall



transfer the securities from the borrowing party's Collateral Account into an Unclaimed Securities Account.

#### Redemption

- 20.(1) On maturity date, payments shall be made to treasury bill holders based on the details as provided by each investor on Form CBL/TBR/1 as well as the Bank's electronic register or record of ownership of the securities.
- (2) In the case of holders of cash accounts at the Bank, their accounts shall be credited with the face value by close of business on maturity date.
- (3) In the case of investors that do not hold cash accounts with the Bank, the Bank shall deposit the proceeds of their investments in their designated commercial bank accounts or shall issue cheques for the face value of their bills from 8.00 a.m. on maturity date and cheques not collected on this date shall be kept by the Bank until collected.
- (4) In the event that maturity date falls on a non-business day, payments shall be made on the next business day without penalty.

#### PART V-REPEAL

#### Repeal

21. The Treasury Bill Regulations 1975<sup>2</sup> are repealed.

Kenneth Mohlabi Tsekoa  
MINISTER OF FINANCE

#### NOTE

1. Act No.13 of 2001
2. Legal Notice No. 38 of 1975

## SCHEDULE - FORM

CBL/TBR/1

GOVERNMENT OF LESOTHO TREASURY BILLS  
BID FORM (regs. 8 and 9)

I/we hereby tender for Treasury Bills (TB) detailed below and agree to pay for this amount in accordance with published auction rules and regulations, or any lesser amount, that may be allotted to me/us, at a price determined by the CBL.

Full Name of Bidder: \_\_\_\_\_

TB Issue Number: \_\_\_\_\_

Auction Date: \_\_\_\_\_

Settlement Date: \_\_\_\_\_

Maturity Date: \_\_\_\_\_

<b>Price (per M100)</b> <b>1. Only bidders of M250,000 and over, should fill in this box.</b> <b>2. The price must be expressed to three decimal places and rounded to the nearest .005 (ie 96.345 , 97.630 etc).</b>	
<b>Face Value</b> <b>Minimum bid is M5,000 and thereafter in multiples of M100.</b>	

## SETTLEMENT

Circle the method by which the Treasury Bills will be settled:

- Cash
- Banker's cheque
- Personal cheque
- Bank instruction

*Must be delivered to the CBL by 3.00 p.m. on the day after the auction. Cash payments will only be accepted for a maximum of M20,000 face value of treasury bills.*

- Standing instruction (banks only).

Names of Authorised Signatory(s):

Authorised Signatures:

1. \_\_\_\_\_

1. \_\_\_\_\_

2. \_\_\_\_\_

2. \_\_\_\_\_

Central Bank of Lesotho, P.O Box 1184, Maseru 100, Lesotho.

GOVERNMENT OF LESOTHO TREASURY BILLS  
 BID FORM (regs. 8, 9 and 20)



I/we hereby tender for Treasury Bills (TB) detailed below and agree to pay for this amount in accordance with published auction rules and regulations, or any lesser amount, that may be allotted to me/us, at a price determined by the CBL.

Full Name of Bidder: \_\_\_\_\_

TB Issue Number: \_\_\_\_\_

Settlement Date: \_\_\_\_\_

Auction Date: \_\_\_\_\_

Maturity Date: \_\_\_\_\_

<b>Price (per M100)</b> 1. Only bidders of M250,000 and over, should fill in this box. 2. The price must be expressed to three decimal places and rounded to the nearest .005 (ie 96.345, 97.650 etc).	
<b>Face Value</b> Minimum bid is M5,000 and thereafter in multiples of M100.	

SETTLEMENT

Circle the method by which the Treasury Bills will be settled:

- Cash
- Banker's cheque
- Personal cheque
- Bank instruction
- Standing instruction (banks only).

*Must be delivered to the CBL by 3.00 p.m. on the day after the auction. Cash payments will only be accepted for a maximum of M20,000 face value of treasury bills.*

Names of Authorised Signatory(s):

1. \_\_\_\_\_  
 2. \_\_\_\_\_

Authorised Signatures:

1. \_\_\_\_\_  
 2. \_\_\_\_\_

SCHEDULE - FORMS

FORM CBL/TBR/0

GOVERNMENT OF LESOTHO TREASURY BILLS  
REGISTRATION FORM (regs. 13)



TENDERER DETAILS (Compulsory for all first-time buyers and change of details)

PART I

Full Name of Bidder: \_\_\_\_\_

Physical Address: \_\_\_\_\_

Postal Address: \_\_\_\_\_

City: \_\_\_\_\_

Country: \_\_\_\_\_

Postal Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

Passport Number/ID Number/Business Registration Number: \_\_\_\_\_

PART II

Bank Name and Account Number: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

PART III

Name(s) of Authorised Signatory(s):

Signature(s) of Authorised Signatory(s):

1. \_\_\_\_\_

1. \_\_\_\_\_

2. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

5. \_\_\_\_\_

Central Bank of Lesotho, P.O Box 1184, Maseru 100, Lesotho.

FORM CBL/TBR/2

SCHEDULE - FORMS

**GOVERNMENT OF LESOTHO TREASURY BILLS  
TRANSFER FORM (regs. 14 and 15)**



I/we authorise the Central Bank of Lesotho (CBL) to transfer Treasury Bills from my/our Own Account in accordance with the transaction detailed below.

**A. TRANSACTION DETAILS**

Name of Seller			
Treasury Bills Account Number			
Name of Buyer			
Treasury Bills Account Number			
<i>(If the buyer does not hold a treasury bills account, he/she must first complete the registration form, CBL/TBR/0)</i>			
Transaction Date	Treasury Bills Issue Number	Maturity Date	Face Value of Bills to be Transferred

Seller's Passport/ID Number: \_\_\_\_\_

Seller's Name(s) and Authorised Signature(s): \_\_\_\_\_ Dated: \_\_\_\_\_

1.(Name) \_\_\_\_\_ (Signature): \_\_\_\_\_

2.(Name) \_\_\_\_\_ (Signature): \_\_\_\_\_

3.(Name) \_\_\_\_\_ (Signature): \_\_\_\_\_

**B. FUNDS TRANSFER**

**This section is optional and can only be completed in circumstances where the buyer has a cash account at the CBL.**

I hereby authorise the CBL to debit my cash account for M \_\_\_\_\_ and credit the seller's cash account. If the seller does not have a cash account, I/we request a cheque to be made out in favour of the seller.

Buyer's Passport/ID Number: \_\_\_\_\_

Buyer's Authorised Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Central Bank of Lesotho, P.O Box 1184, Maseru 100, Lesotho.

## SCHEDULE - FORMS

FORM CBL/TBR/3

**GOVERNMENT OF LESOTHO TREASURY BILLS  
DISINVESTMENT FORM (reg. 16)**


I/we authorise the Central Bank of Lesotho (CBL) to transfer Treasury Bills from my Own Account to the CBL in accordance with the transaction detailed below.

**TRANSACTION DETAILS**

<b>Name and ID Number of Seller:</b>				
<b>Treasury Bills Account Number:</b>				
<b>Transaction Date</b>	<b>Treasury Bills Issue Number</b>	<b>Maturity Date</b>	<b>Face Value of Bills being Disinvested</b>	<b>Discount Rate</b>

Seller's Authorised Signature(s) \_\_\_\_\_ Dated: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

FORM CBL/TBR/4

**GOVERNMENT OF LESOTHO TREASURY BILLS  
 COLLATERALISATION FORM (regs. 17 and 19)**


I/we hereby pledge the Treasury Bills in accordance with the transaction detailed below. I/we authorise the Central Bank of Lesotho (CBL) to debit my Own Account and credit my Collateral Account in favour of the named lender to the transaction.

**A. Transaction Details**

<b>Name and ID Number of Borrower</b>		
<b>Treasury Bills Account Number</b>		
<b>Name and ID Number of Lender</b>		
<b>Transaction Date</b>	<b>Value Date</b>	<b>Maturity Date</b>
<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Principal plus Interest</b>

**B. Details of Treasury Bills to be Pledged**

<b>Issue Number</b>	<b>Maturity Date</b>	<b>Face Value of Pledged Treasury Bills</b>

The Treasury Bills will only be returned to my Own Account when the lender submits a properly completed Collateral Release Form. In the event of a dispute, the CBL will, on maturity date of the pledged securities transfer the bills into an 'unclaimed account' to be held until the dispute is settled.

Borrower's Authorised Signature(s) \_\_\_\_\_ Dated: \_\_\_\_\_

**C. Funds Transfer**

**This section is optional and can only be completed where the lender has a cash account at the CBL.**

I hereby authorise the CBL to debit my cash account for the amount detailed above as the 'Principal Amount' and credit the borrower's cash account. In the event the borrower does not have a cash account, please issue a cheque against my cash account in favour of the borrower.

Lender's Authorised Signature(s) \_\_\_\_\_ Dated: \_\_\_\_\_

Central Bank of Lesotho, P.O Box 1184, Maseru 100, Lesotho.

## SCHEDULE - FORMS

Form CBL/TBR/5

**GOVERNMENT OF LESOTHO TREASURY BILLS  
 COLLATERAL RELEASE FORM (reg. 19)**


I/we authorise the Central Bank of Lesotho (CBL) to release the Treasury Bills from the Borrower's Collateral Account to the Borrower's Own Account in accordance with the transaction detailed below.

**A. Transaction Details**

<b>Name and ID Number of Borrower:</b>		
<b>Treasury Bills Account Number:</b>		
<b>Name and ID Number of Lender:</b>		
<b>Transaction Date</b>	<b>Value Date</b>	<b>Maturity Date</b>
<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Principal plus Interest</b>

**B. Details of Treasury Bills Pledged**

<b>Issue Number</b>	<b>Maturity Date</b>	<b>Face Value of Pledged Treasury Bills</b>

Lender's Authorised Signature(s) \_\_\_\_\_ Dated: \_\_\_\_\_

**C. Funds Transfer**

**This section is to be completed only in circumstances where the borrower has a cash account at the CBL.**

I hereby authorise the CBL to debit my cash account for the amount detailed above as the 'Principal Amount plus Interest' and credit the lender's cash account. In the event that the lender does not hold a cash account with the CBL, please issue a cheque against my Own Account in favour of the lender.

Borrower's Authorised Signature(s): \_\_\_\_\_ Dated: \_\_\_\_\_

Central Bank of Lesotho, P.O Box 1184, Maseru 100, Lesotho.



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