



National Bank of Rwanda
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The Governor

**NATIONAL BANK OF RWANDA DIRECTIVE N° 001/2015 OF 09/07/2015 ON THE
TREASURY BONDS (T-BONDS) REDISCOUNT WINDOW**

THE GOVERNOR OF THE NATIONAL BANK OF RWANDA;

Pursuant to Law N° 55/2007 of 30/11/2007 governing the Central Bank of Rwanda, especially in Articles 6 and 76;

Whereas the Central Bank wish to put in place the Treasury bond rediscounting facility for the Treasury bond investors to convert their T-bonds into cash money;

**HAS ADOPTED THIS DIRECTIVE: THE TREASURY BONDS REDISCOUNTING (TBR)
DIRECTIVE**

CHAPTER ONE: GENERAL PROVISIONS

Article one: The purpose

This Directive aims at establishing the framework for the Central Bank to avail funds to Treasury bond investors who may wish to convert their Treasury bonds into cash money before maturity and at the same time have failed to secure a buyer of the bonds in the secondary market.

Article 2: The scope

Under this Directive and upon request, the Central Bank shall stand ready to buy Treasury bonds at the Rediscount Rate provided that the facility of Treasury bond rediscounting is a last resort for the requesting Treasury bonds investor.

CHAPTER II: APPLICATION AND EFFECTS OF TREASURY BOND REDISCOUNTING

Article 3: Specific requirements of eligibility for the Treasury bonds rediscounting Facility

The Treasury bond investor shall be eligible to the facility if:

- a) The Treasury bond is under the full ownership of the applicant investor;

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- b) The Treasury bond has not been able to attract buyers on secondary market for a period of at least one month (30 days);
- c) The investor will be required to obtain a confirmation letter from Rwanda Stock Exchange (RSE) that there is no buyer for the concerned Treasury bonds on secondary market.

The letter referred to above shall state the recent Treasury bond market price and date at which the bond has been introduced to the secondary market.

Article 4: Competent authority

All applications for rediscounting shall be addressed to the Director General, Operations with a copy to the Director Financial Markets for monitoring and information purposes. Before any approval, the National Bank of Rwanda (BNR) shall confirm the eligibility of Treasury bond and verify that all terms and conditions for rediscounting have been met.

Article 5: Effect of the Treasury bond rediscounting

Upon approval, the rediscount rate shall be fixed at 3% above the prevailing market yield or coupon rate whichever is higher and the ownership of Treasury bond shall be transferred to the custody of the National Bank of Rwanda on the Central Securities Depository (CSD).


Article 6: Repealing provision

All prior provisions contrary to this Directive are hereby repealed.

Article 7: Commencement

This Directive shall come into force on the date of signature.

Done at Kigali, 09th July 2015


Dr. NSANZABAGANWA Monique
Vice Governor and Acting Governor

