WHICH SERIES OF BONDS ARE TRADEABLE?

• The Government of Barbados, through its Registrar for Government Paper – the Central Bank of Barbados, has issued a series of six (6) tradeable STRIP bonds categorized as follows:
  • Series B
  • Series C
  • Series D
  • Series E
  • Series F
  • Series G
HOW ARE THESE BONDS HELD AND HOW DO I TRADE THEM?

• The new bonds have been issued in a dematerialized state and thus the bondholder’s sole proof of ownership will be a Statement* produced and provided by the Central Bank of Barbados.
  • *See sample Statement – [here](#)

• If you are desirous of trading – buying and/or selling – you need to contact a Registered Broker of the Barbados Stock Exchange Inc. [Click Here](#)
HOW DOES THE BROKER DETERMINE WHAT AMOUNT OF THE STRIP IS TRADEABLE OR WHICH STRIP IS TO BE TRADED?

• The structure of the instrument does not currently allow for separation of the strips.
• Any portion sold is transferred pro-rata across strips with the remaining balance having identical characteristics to the sold portion. Example:
  • A bondholder with 100,000 Series B bonds which has 11 strips, who sells half, retains 50,000 Series B bonds with 11 strips and 50,000 Series B bonds with 11 strips are transferred to the buyer.
HOW ARE THESE STRIPS TO BE PRICED/VALUED OR WILL THAT BE DETERMINED BY THE MARKET?

- The interest rates and payment schedules attached to each strip can be accessed below:
  - Series B Cashflow Schedule
  - Series C Cashflow Schedule
  - Series D Cashflow Schedule
  - Series F Cashflow Schedule

- Based on these schedules, the cashflows can be calculated.
- Pricing will be determined by the market supply and demand and based on discounting or adding a premium to the value of the cashflows at the time of sale.
WHAT MECHANISMS PREVENT CLIENTS FROM PLACING MULTIPLE ORDERS WITH BROKERS?

• The broker will seek confirmation of ownership from the Central Bank of Barbados prior to the execution of the trade.

• The Central Bank of Barbados will limit authorization on the amount of the trade to that broker until completion of the transaction.

• If a Client cancels their order with the Broker, said Broker must advise the Central Bank of Barbados so that the initial authorization be removed within their systems.
WHAT IS REQUIRED TO EXECUTE THE TRANSFER OF THE BOND BETWEEN PARTIES?

• In a similar manner as the certificated bond environment, Brokers will be required to submit a statement with the BSE Bond Transfer Form when presenting for adjudication and transfer by the BSE Compliance Department.

• A new statement representing any balance will be issued on completion of the transfer and a new statement sent to both parties in the transaction by the Central Bank of Barbados.