

# GOVERNMENT OF BARBADOS TRADEABLE BONDS

FREQUENTLY ASKED QUESTIONS



*Barbados Stock Exchange...  
Building a Better Market!*

# 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



Barbados Stock Exchange...  
*Building a Better Market!*

# 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](#))



Barbados Stock Exchange...  
*Building a Better Market!*



# 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.



Barbados Stock Exchange...  
*Building a Better Market!*

# 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.



Barbados Stock Exchange...  
*Building a Better Market!*

# 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.



Barbados Stock Exchange...  
*Building a Better Market!*



# 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.



Barbados Stock Exchange...  
*Building a Better Market!*