

Brief guidelines for investment in Bangladesh Government Treasury Bonds

At present 2, 5, 10, 15 and 20 years maturity Bangladesh Government Treasury Bonds (BGTBs) are available for investment.

- A. Eligible investors : Resident individuals and institutions such as banks, non-bank financial institutions, insurance companies, bodies corporate, authorities responsible for the management of provident funds, pension funds, etc. shall be eligible to purchase BGTBs.
- Non-resident individuals and institutional investors are also eligible to purchase the bond.
- B. Minimum amount in each trade : BDT 1.00 lac or any amount of multiples of BDT 1 lac in face value (BDT 1 lac is equal to BDT 100,000.00).
- C. Coupon Rate and frequency of payment : Coupon rates are determined by auction committee and coupons are payable semi-annually from the date of issue. Coupons are fixed throughout the life time of the BGTBs.
- D. Transferability : Freely tradable and transferrable.
- E. Investment through auctions : Investors can purchase BGTBs by taking part in auctions of BGTBs as per yearly auction [calendar](#). Investors can take part in auctions through [Primary Dealers](#) (PDs) because only PDs are allowed to submit bids in the auctions. BGTBs are issued at par through yield-based multiple price auction. The cut-off yield decided by the auction committee shall be applicable as the annual coupon rate of the bond irrespective of the yields quoted by the bidders.
- F. Investment through Secondary Market : Investors can also purchase BGTBs from PDs, other banks and financial institutions in secondary market. Buying and selling of BGTBs can be conducted over the counter (OTC) or on [Trader Work Station \(TWS\)](#).
- G. Provisions for non-residents : Non-residents can purchase BGTB in the same way as described in paragraph 'E' and 'F'. The purchase value of bonds shall be paid from investor's fund in [Non-Resident Foreign Currency Account or a Non-Resident Investors Taka Account \(NITA\)](#) maintained with a bank in Bangladesh. Coupon payments and resale/redemption proceeds are freely transferable abroad in foreign currency after deduction of applicable taxes. Bonds purchased by a non-resident may freely be resold to any resident or non-resident.
- H. Provisions for taxes : Taxes are applicable on income from investment in BGTB as per existing tax rules and regulations issued by National Board of Revenue.
- I. Regulations : The issuance, redemption and other operational procedure are regulated as per provisions in the Bangladesh Government Treasury Bonds Rules, 2003 and subsequent amendments of the rules in [2007](#), [2013](#) and [2014](#). Bangladesh Bank also issues circulars/circular letters for smooth functioning of market for BGTBs.