



Central Bank of Kenya

**PROSPECTUS FOR THREE-YEAR (NEW) FIXED COUPON
TREASURY BOND**

FXD1/2023/003

TOTAL VALUE: KSHS 20 BILLION

MAY 2023

For enquiries please contact Central Bank of Kenya, Financial Markets Department on 2860000 or our Branches in Mombasa, Kisumu and Eldoret or Nyeri, Meru, Kisii and Nakuru Currency Centres or any Commercial Bank, Investment Bank, Stock Brokers or send an email to NDO@centralbank.go.ke or visit the CBK website on www.centralbank.go.ke

FXD1/2023/003

Central Bank of Kenya, acting in its capacity as fiscal agent for the Republic of Kenya, invites bids for the above bonds whose terms and conditions are as follows:-

Issuer	:	Republic of Kenya
Amount	:	Kshs. 20 Billion
Purpose	:	Budgetary Support
Tenor	:	3 Years
Coupon Rate	:	Market Determined Auction
Period of sale	:	26/04/2023 to 09/05/2023
Value Date	:	15/05/2023
Price Quote	:	Discounted/Premium/ Par
Minimum Amount	:	Kshs. 50,000.00
Interest Payment Dates	:	FXD1/2023/003 13/11/2023 13/05/2024 11/11/2024 12/05/2025 10/11/2025 11/05/2026
Taxation	:	Discount/Interest is subject to withholding tax at a rate of 15% .
Redemption Dates	:	11/05/2026
Issuing and Paying Agent	:	Central Bank of Kenya.
Placing Agents	:	<ul style="list-style-type: none">• Commercial Banks• Non-Bank Financial Institutions• Licensed Stock Brokers• Licensed Investment Advisors
Issuance method	:	Multi-Price Bid Auction.
Non-Competitive Bids	:	Maximum Kshs. 20 Million per CDS account per tenor. This does not apply to State corporations,public universities and Semi-Autonomous Government Agencies.
Bids Closure	:	Duly completed bond application forms must be submitted to any branch of the Central Bank in the specified tender box or via Treasury Mobile Direct (TMD) or CBK internet Banking by 2.00 p.m on Tuesday, 9th May, 2023

Auction Date	:	FXD1/2023/003- Wednesday, 10/05/2023.
Results	:	Investors should obtain details of amounts payable for successful bids from Central Bank of Kenya on 11/05/2023
Defaulters	:	Defaulters may be suspended from subsequent investment in Government Securities.
Commission	:	Licensed placing agents will be paid commission at the rate of 0.15% of actual sales (at cost) net of 5% withholding tax.
Rediscounting	:	The Central Bank will rediscount the bonds as a last resort at 3% above the prevailing market yield or coupon rate whichever is higher, upon written confirmation to do so from the Nairobi Securities Exchange.
Liquidity	:	The bonds qualify for statutory liquidity ratio requirements for Commercial Banks and Non-Bank Financial Institutions as stipulated in the Banking Act CAP 488 of the Laws of Kenya.
Listing	:	The bond will be listed on the Nairobi Securities Exchange.
Classification	:	Non-benchmark Bond.
Eligibility	:	Only investors with active CDSAccounts with the Central Bank of Kenya.
Re-opening	:	The Bond may be re-opened at a future date.
Secondary Trading	:	Secondary trading in multiples of KShs 50,000.00 to commence on Tuesday, 16th May 2023
Right to accept applications	:	The Central Bank reserves the right to accept bids in full or part thereof or reject them in total without giving any reason.