

## **Request for Proposals on ISB issuance 2019 by GOSL**

### **Related Questions and Answers**

1. As per previous statements in media, it was mentioned that Panda bonds and Samurai bonds issuances will be amounting to USD 250 Million each.

- I. Can we assume same amounts for this issue?
- II. What would be the expected amounts for USD and Euro?

**Ans : As already indicated in the Notice on RFPs, issuances of ISBs w.r.t the currencies mentioned therein will be at benchmark sizes.**

2. As part of the documentation, we plan to provide a standard bid document used by our institution. Will that be considered as an additional document as per part (4) of the “International Sovereign Bond Issuances by the Government of Sri Lanka -2019” document?

**Ans : Documentation referred under item 4 of the notice of RFPs relates to documents to be provided by GOSL to Lead Manager(s) (LMs) /Book Runner(s) appointed and contractual agreements to be signed between GOSL and LM(s)/Book Runner(s).**

3. As per point (3.7) of the same document, credit rating profile is requested. Since the document is rather large, is it sufficient to provide the credit rating result?

**Ans : Providing credit rating result is sufficient. You may identify relevant weblinks where possible.**

4. Prospective Proposer’s Head Office will be submitting the proposals for this issue. As for our processes, it takes considerable time to obtain the head office seal. Is it sufficient to submit the proposal with signature of authorized signatory? If the seal is absolutely required we may provide the document with the seal once obtained or seal of Colombo branch or Hong Kong or other branch of the bank.

**Ans: Please follow the instruction given in item 8 of the RFP notice. Proposals received by deadline signed by the authorized signatory/signatories of the respective proposer will also be accepted.**

5. How many tranches of issues are you planning for each currency type?

**Ans : Details of issuances such as tranches would be determined based on market conditions and advice given by LM(s)/ Book Runner(s).**

6. 3.6 c) credit enhancement/ guarantee costs where relevant -  
This is of relevance for a JPY issuance in which a Japan Bank for International Cooperation (JBIC) guarantee will be required. Our understanding is that the JBIC guarantee commission is a bilateral discussion between the Government and JBIC. The same is not available in the public domain. We propose to capture the same in our response. Trust that is acceptable and let us know in case expectation is different

**Ans : Credit enhancement / Guarantee fee is relevant to JPY issuances and are related to bilateral arrangements as highlighted. However, the proposer is expected to use the best indicative rate in factoring the pricing decision.**

7. 3.6 d) SWAP cost to USD for the proposed arrangement for JPY, RMB and EUR –

We also wanted to understand whether the swap cost is for your indicative reference to compare pricing across instruments. Does the Govt. actually intend to hedge into USD or SLR and if yes, is the Govt, intending to enter into the swaps with the JLMs only? Would the Government look at alternate avenues also to enter into these swaps?

**Ans : SWAP cost to USD would facilitate indicative references. The decision of entering into SWAP arrangements with LM(S)/ Book Runners or otherwise would depend on attractiveness of the options provided.**