



NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

NATIONAL TREASURY'S PAPER ON STRIPS

During February 2001, it was announced that the National Treasury plans to set up a Separate Trading of Registered Interest and Principal of Securities (STRIPS) facility.

A working document, and a National Treasury Paper on STRIPS was distributed to market participants for comment on 30 March 2001 and 2 October 2001 respectively. Following the comments received from the market and extensive consultation with the Bond Exchange of South Africa and the Central Depository, all the requirements to implement a strip programme in Government bonds have now been met.

The Central Depository has confirmed that the testing of all system functionalities with market participants have been completed successfully.

Although anyone can trade or hold strips, only primary dealers in Government bonds, who have entered into a strip agreement with the National Treasury will be authorised to perform stripping and reconstitution through the National Treasury facility.

The authorised Primary Dealers are: Nedcor Investment Bank (NIB), Standard Corporate and Merchant Bank (SCMB) and Rand Merchant Bank Limited (RMB).

The strip programme in government bonds will start on Monday, 21 January 2002.

The National Treasury's Paper on Strips containing all information and documentation on the strip programme, is available on the National Treasury's web page www.treasury.gov.za

The National Treasury would like to thank all market participants for their contribution in setting up the strip programme.

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