



REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF FINANCE

TERMS OF ISSUE

REPUBLIC OF SOUTH AFRICA INTERNAL REGISTERED
BOND R157, (13,5% COUPON, REDEEMABLE ON
15 SEPTEMBER 2014, 2015 AND 2016)

Issued by the Department of Finance
Private Bag X 115
PRETORIA, 0001

REPUBLIC OF SOUTH AFRICA

GOVERNMENT ISSUE

Loan No: R157

Date listed on the Bond Exchange: 15 October 1991
Date of Terms of Issue: 15 October 1991

Definitions

In this document, unless otherwise stated or implied by the context, the words and phrases in the first column have the meaning stated opposite them in the second column:

- “Bond Exchange” The Bond Exchange of South Africa, a licensed financial exchange in terms of the Financial Markets Control Act, No. 55 of 1989;
- “banking day” Any day except a Sunday, public holiday or any other day declared by the executive committee of the Bond Exchange, and approved by the Registrar of Financial Markets, not to be a business day or banking day;
- “initial issue” The initial issue of Republic of South Africa bonds by auction to primary dealers in government bonds;
- “interest payment date” 15 March and 15 September in each year after the issue date and if such date is not a banking day, the next succeeding banking day, until redemption date;

“issue”	Subject to the provisions of the Exchequer Act, 1975 (No. 66 of 1975) as amended, the Department of Finance may decide to increase the amount of the loan at any time prior to the redemption date by creating and issuing additional bonds;
“issue date”	Issue will commence on 24 October 1991;
“redemption date”	15 September 2014, 2015 and 2016 or, if such date is not a business day, the next business day;
“registers”	The registers of bondholders kept by the settlement agents and the transfer secretaries;
“Rules”	The rules and directives of the Bond Exchange;
“settlement agent”	Any of the institutions approved by the executive committee of the Bond Exchange to perform electronic nett settlement of both funds and scrip on behalf of all market participants on the Bond Exchange from time to time;
“settlement date”	T + 3 after auction date, being the date upon which successful applicants are required to pay for the Republic of South Africa bonds allotted and issued to them;
“transfer secretaries”	Department of Finance;
“Republic of South Africa Internal Registered Bonds”	Republic of South Africa Internal Registered Bond (Loan No. R157) classified as “loan stock” pursuant to the provisions of the Financial Markets Control Act, No. 55 of 1989 as well as specified in the Financial Regulations 11(1) – (5) made under section 38(1) of the Exchequer Act, 1975 (Act No. 66 of 1975).

Terms and conditions of the issue

General

This document should be read in conjunction with Financial Regulations 11-18 (inclusive)

made under section 38(1) of the Exchequer Act 1975 (Act No. 66 of 1975).

Issue

Republic of South Africa 13,5% Internal Registered Bond 2014/15/16
The loan will bear the bond code R157.

Authorisation

The issue was approved by the Minister of Finance on 15 October 1991 in terms of Section 19(1)(b) of the Exchequer Act, 1975, (Act 66 of 1975). In terms of Section 214(2)(b) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) and Section 20 of the Exchequer Act the repayment of the capital amount and the interest thereon shall be a direct charge against the National Revenue Fund and is deemed to have been appropriated by Law.

Purpose of the issue

The purpose of the issue is to raise funds to be used for the general purposes of the National Government.

Interest

A coupon of 13,50% per annum will be paid semi-annually in arrears until 15 September 2016.

Coupon payment dates will be 15 March and 15 September of each calendar year up to and including the redemption date, and the first payment will be made on 15 March 1992.

The Registers will be closed from 15 February to 15 March and 15 August to 15 September each year (all dates inclusive) or such shorter period as market conditions may allow to determine bondholders entitled to receive interest.

Interest will cease to accrue on the bond from the maturity date.

If the coupon payment date is not a Banking Day, payment will be made on the next Banking Day without payment of additional interest.

Interest will, subject to Exchange Control Regulations, be paid in the currency of the Republic of South Africa on the interest date to the bondholder registered at book close date by electronic transfer into the accounts of the bondholders specified in their payment instructions, unless in respect of individual bondholders, contrary instructions are agreed with the transfer secretaries in advance.

As at the date of this document and in terms of current legislation, interest derived from an investment in Government bonds is fully taxable for residents while non-residents are exempted.

Redemption of Capital

The repayment of the capital shall be made in three equal amounts on the following dates:

- 15 September 2014
- 15 December 2015
- 15 December 2016

One third of the nominal value of the loan, rounded off to the nearest R1,00 will be redeemed on 15 September 2014, after which no further interest will accrue on the said amount. New bond certificates will be issued for the two-thirds balance in equal proportions with redemption dates on 15 September 2015 and 15 September 2016 and with a coupon rate of 13,50%.

No redemption payment in respect of bonds held by individual bondholders will be made unless the certificate in respect of the bond has been surrendered to the transfer secretaries.

Redemption payments will, subject to Exchange Control Regulations, be made in the currency of the Republic of South Africa on the redemption date by electronic transfer into the accounts of the bondholders specified in their payment instructions, unless, in respect of individual bondholders, contrary instructions are agreed with the transfer secretaries in advance.

If the payment date is not a Banking Day payment will be made on the next succeeding Banking Day without payment of interest.

Bonds are not repayable prior to the maturity date.

Trading

The bond is listed on the Bond Exchange (under the bond code R157).

Method of issue

The bond is issued through a panel of primary dealers by invitations to tender at auctions.

Exchange Control Regulations

Former residents of the Common Monetary Area (being the Republic of South Africa, Namibia and the Kingdoms of Swaziland and Lesotho) may use blocked funds to acquire Republic of South Africa bonds subject to South African Exchange Control Regulations.

All payments in respect of application for Republic of South Africa bonds by non-residents must be made through an authorized dealer in foreign exchange.

Republic of South Africa bonds issued to a non-resident individual bondholder whose registered address is outside the Common Monetary Area will be endorsed "non-resident" and will be sent to the authorised dealer through which the payment was made for their control in terms of the South African Exchange Control Regulations.

Stamp duty

In terms of current legislation, as at the date of this terms of issue, South African government bonds are transferable free of stamp duty and registration charges. Any future statutory changes will be for the cost of bondholders as recorded in the registers at such time.

Settlements

Bonds are negotiated on a yield to maturity basis. The amount payable is based on the clean (cash price) of the investment plus the accrued interest calculated until the agreed settlement date (dirty price). Settlements take place electronically and via a settlement bank. Rolling settlements of T + 3 have been effected by the Bond Exchange since 17 November 1997. Settlement agents will follow the electronic settlement procedures prescribed by the Rules of the Bond Exchange when making interest and capital payments. The Rules are available on request from the Bond Exchange.

Transfers

Transfers of this bond will be effected by deed registered in the books of the transfer secretaries where the register of bonds are kept and as prescribed by Section 135 of the Companies Act, 1973 (Act No. 61 of 1973).

The Central Depository, which holds scrip in custody and facilitates transfer of ownership electronically within the depository system and the individual bondholders, will be the registered bondholders. The transfer secretaries will list in their register, the Central Depository and the individual bondholders. The settlement agents will keep registers of those bondholders in the Central Depository.

Bond certificates shall be issued by the transfer secretaries to the transferees for the full amount transferred into their own names.

Bond Exchange listing

The South African government bonds are listed on the Bond Exchange as an approved financial instrument in terms of the Financial Markets Control Act, No. 55 of 1989 and the Rules of the Bond Exchange.

Contact Persons: P Hadebe
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Signed at Pretoria on behalf of the Government on

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DEPARTMENT OF FINANCE (SOUTH AFRICA)
CONDITIONS OF ISSUE OF REPUBLIC OF SOUTH AFRICA
INTERNAL REGISTERED STOCK - (BONDS)

13,5% per cent Internal Registered Bonds 2014/15/16 (R157)

AUTHORITY

R.S.A. bonds are issued in terms of Section 19(1)(b) of the Exchequer Act, 1975, (Act 66 of 1975) and any amount borrowed in terms of a power conferred by this Act and the interest thereon shall be chargeable to and payable from the revenues and assets of the Republic of South Africa.

PURPOSE

In terms of Section 16 of the Exchequer Act, 1975 (Act 66 of 1975), the Minister of Finance is authorized to borrow moneys on behalf of the Republic of South Africa in order to -

- (a) finance anticipated deficits in the Exchequer Account;
- (b) Obtain foreign currency; and
- (c) maintain such credit balance in the Exchequer Account as he may seem necessary in the public interest.

METHOD OF ISSUANCE

RSA bonds are offered (issued) to the primary market at market related prices via our Agent, the South African Reserve Bank, who may be contacted at telephone number (012) 313-4952.

COUPON RATE

13,5
,5 per cent

INTEREST DATES

On 15 March and 15 September on a half-yearly basis.

FIRST ISSUE DATE

24 October 1991

REDEMPTION DATE(S)

15 September 2014/15/16, at par.
Amount issued as at 30 September 1997: R37 435 964 000,00

RSA bonds only matures on predetermined redemption dates and no provision exists whereby premature redemptions can be effected.

Bonds are transferable and negotiable and may be sold on the secondary market through the medium of stockbrokers and bankers at market related prices.

2. Transfers

Transfers of this bond, which are free of stamp duty, will be effected by deed registered in the books of the Department of Finance at Pretoria where the register of bonds are kept.

A Central Security Depository for the immobilisation of securities was set up by the Bond Exchange, which holds scrip in custody and facilitates transfer of ownership electronically within the depository system. About 86% of all holdings registered in RSA bonds are already immobilised.

A bond certificate shall be issued by the Department of Finance to the transferee for the full amount transferred into his name.

3. Books closed period

The Register will be closed for a month (30 days) before the dates on which the half-yearly interest is payable and interest will be paid to the bondholders registered at the date of the closing of the register.

4. Interest payment

Interest will be paid by interest warrant, posted at the bondholder's risk, as directed by the bondholder, or by remittance for the credit of a banking account or a savings bank account. (The posting of an interest warrant by the Department of Finance as contemplated in subregulation (1) shall, as far as the liability of the State is concerned, be deemed to constitute the delivery of such interest warrant to a registered holder). A special interest payment method for non-residents exists, whereby payments will be delivered directly to their correspondence address by means of a Bank draft or credited to a banking account abroad by means of a swift payment. Interest payments on those holdings already immobilised in the Central Depository will be directed via the settlements Banks to the investors. All income derive from an investment in RSA Bonds are fully taxable for residents. Non-residents, however, are exempted from tax on the interest of RSA Bonds.

Interest is calculated as follows:

Nominal value X coupon rate X $\frac{1}{2}$ (Half yearly interest) or in respect of accrued interest;
Nominal value X coupon rate X days accrued /365.

5. Listing

All RSA bonds are listed on the Bond Exchange of South Africa.

7. Settlement

Bonds are negotiated on a yield to maturity basis. The amount payable is based on the clean (cash price) of the investment plus the accrued interest calculated until the agreed settlement date (dirty price). Settlements take place every Thursday and the settlement period varies between 14 days and 7 days for settlement the next Thursday. Settlement takes place electronically and via a settlement Bank. Rolling settlements of T + 3 will be effected by the Bond Exchange as from 17 November 1997.

8. If there is any further enquiries, you can contact Johan Krynauw or Derrick Harrison at telephone number (012) 323-1703