



**DEBT MANAGEMENT OFFICE
NIGERIA**

Domestic FGN US Dollar Bond

Frequently Asked Questions (FAQs)

Global Coordinator



Lead Issuing House / Coordinator



Issuing Houses



Financial Advisers





S/N	Questions	Answers
1	What is the Domestic FGN US Dollar Bond?	It is a US Dollar bond being issued domestically by the Federal Government of Nigeria in line with the Debt Management Office framework, for the implementation of the foreign currency-denominated financial instrument local issuance programme and related matters order No. 16 2023.
2	Who is the Issuer?	Federal Government of Nigeria
3	What is the purpose?	To fund critical sectors of the Nigerian economy to be approved by the President of Nigeria on the recommendation of the Honorable Minister of Finance and Coordinating Minister of the Economy, subject to appropriation by the National Assembly.
4	How can I subscribe to the bond?	Subscriptions can be made either electronically via an e-portal or through submission of application forms to any of the Issuing Houses, Financial Advisers and Receiving Banks.
5	What is the method of issuance?	The bonds will be issued by way of an Offer for Subscription via a fixed price.
6	Will the Bonds be issued as a single offering or under a Programme?	The bonds will be issued under a Programme.
7	What is the Programme size?	The size of the Programme is US\$2 Billion.



S/N	Questions	Answers
8	What is the Series 1 size?	The target size of the Series 1 is up to US\$500 million.
9	What is the tenor of the Series 1?	The tenor is Five (5) years
10	What is the coupon rate?	9.75% p.a.
11	What is the minimum subscription amount?	The minimum subscription amount is \$10,000 and a multiple of \$1,000 thereafter.
12	Who is eligible to participate?	<ul style="list-style-type: none">• Nigerians resident in Nigeria;• Nigerians in diaspora with foreign exchange (FX) savings abroad; and• Foreign and institutional investors.
13	Would the investment income from the bond be taxed?	Income from investments in the Domestic FGN US Dollar Bond is exempt from Companies Income Tax, Personal income Tax and Capital Gains Tax.
14	Can subscription be made using balances in the domiciliary account?	Where the balance is in the form of a cash deposit, the funds must have been in the domiciliary accounts for at least 30 days before the application date.
15	Will the bonds be listed?	Yes, the bonds will be listed for trading on the Nigerian Exchange Limited (NGX) and the FMDQ Securities Exchange Limited (FMDQ).



S/N	Questions	Answers
16	Can investors sell / trade their bonds before maturity?	Yes. When the bonds are listed, investors can sell / trade their bonds in the secondary market on approved exchanges including the NGX and the FMDQ.
17	Can subscription be made by cash?	No, subscriptions can only be made through electronic transfers into designated accounts. The details of the designated accounts will be provided in the issuance documents.
18	In what currency will principal and interest be paid?	Principal and interest shall be fully repaid in US Dollars and in no event shall repayments be made in Naira. This is clearly stated in the Trust Deed.
19	Will the bonds be rated?	The bonds will not be rated, it will reflect the Sovereign ratings of the Federal Republic of Nigeria.
20	What happens if the issuance is over-subscribed?	Necessary approvals would be obtained to accommodate over-subscriptions.
21	What will serve as evidence of investment in the bond?	Once the allotment process is complete, the bonds will be credited to the respective CSCS accounts of the investors who opt for their bonds in CSCS. For investors without an existing CSCS account, a non-trading CSCS account will be created. These investors will need to regularize their accounts by appointing a stockbroker to facilitate trading in the secondary market. To clarify, this process will not affect the investor's right to receive interest / coupon payments and the principal amount upon maturity.



S/N	Questions	Answers
22	Will the principal be amortized or repaid at the end of the tenor of the bond?	The principal will be repaid at the end of the tenor of the bond, while the coupons / interest will be paid semi-annually i.e. every six (6) months.
23	Will the bond be eligible as liquid assets for banks in Nigeria?	The Central Bank of Nigeria has granted liquid asset status to the bond, making it eligible for inclusion in the calculation of liquidity ratio for banks in Nigeria.
24	Does the Issuer comply with the relevant governing laws for the issuance?	Yes, the Honourable Attorney General and Minister of Justice of the Federation has issued a legal opinion and no-objection to the issuance.
25	Is this bond eligible for inclusion in pension fund portfolios?	Yes, it is eligible for inclusion in pension fund portfolios.
26	When will interest start accruing on my investment?	Interest on the investment will begin to accrue from the issue / settlement date, following the closure of the offer.
27	As a Nigerian in diaspora, can I subscribe to the bond without a Bank Verification Number (BVN) and National Identification Number (NIN)?	No. A BVN and NIN are required for subscription. Nigerians in diaspora can apply for both BVN and NIN if they don't already have them.



S/N	Questions	Answers
28	What is the process for returned monies in the event of over-subscription?	In the event of over-subscription that is not later approved, excess funds will be refunded to the subscribers' accounts from which the original subscription was made.
29	Are there any transaction charges involved in the investment?	The standard corresponding bank charges may apply.
30	How do we obtain the application form?	The application form can be obtained through the DMO's website or from any of the Issuing Houses, Financial Advisers and Receiving Banks.
31	How does this differ from a Eurobond?	Eurobonds are issued at large lot sizes (typically a minimum of US\$200,000), whereas this instrument has a minimum of US\$10,000 which makes it more accessible for retail investors. Eurobonds are listed on Euroclear, whereas these bonds are listed on NGX and FMDQ.
32	How does this compare to traditional Naira-denominated bonds?	The only difference is that interest and principal payments are made in US Dollar.

Thank You

