

## B. APPLYING FOR SAVINGS BONDS

### B.1 GETTING STARTED

#### 1. What do I need in order to buy Savings Bonds?

- First, you need to have a bank account with one of the participating banks – currently DBS/POSB, OCBC or UOB. You also need to have an ATM card for the account. You can visit any of the three local banks' branches in Singapore to open a bank account.
- Next, you need to open an Individual CDP Securities account if you do not have one, and link it to your bank account by applying for Direct Crediting Service (DCS) at the same time. You need to be at least 18 years old to open an Individual CDP Securities account.

#### 2. Why do I need to open a CDP Securities account to buy Savings Bonds? Can I use my joint CDP Securities account to buy Savings Bonds?

- CDP is the custodian for Savings Bonds. You will need to have an individual CDP Securities account as a holding account for your Savings Bonds.
- Savings Bonds may not be held in any other types of CDP accounts (such as joint accounts) or in accounts outside CDP.

#### 3. Can I purchase Savings Bonds in joint name or under trust account?

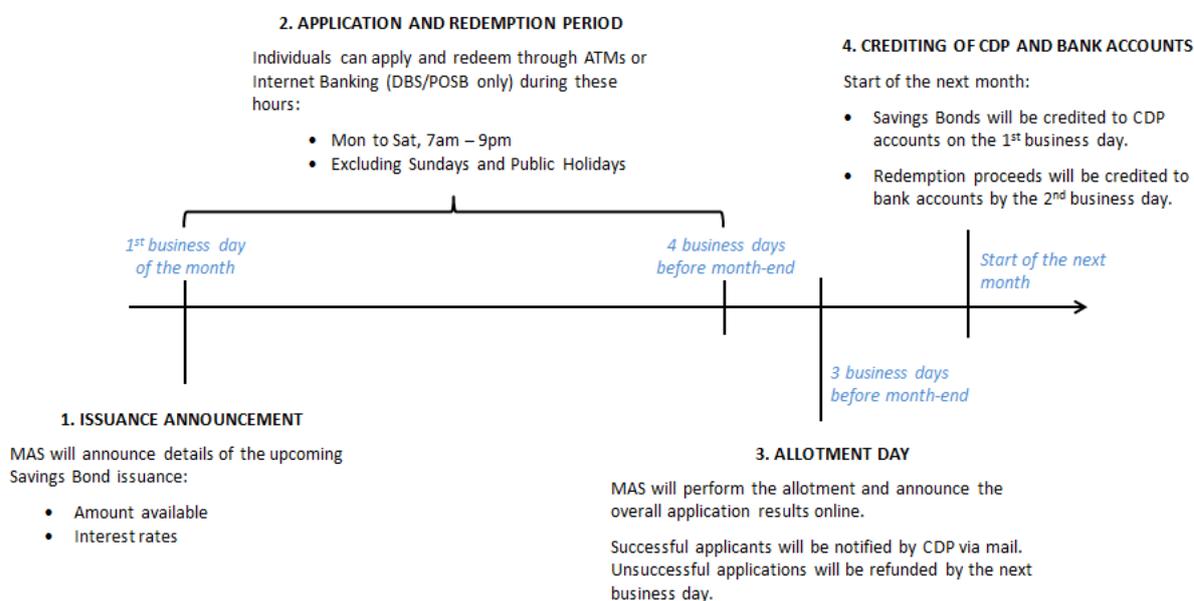
- You need to have a CDP Securities account in your own name in order to purchase Savings Bonds.
- However, you can pay for the Savings Bonds from a joint account tagged to your personal ATM card.

#### 4. Can I use Supplementary Retirement Scheme (SRS) or Central Provident Fund (CPF) funds to buy Savings Bonds?

- SRS and CPF funds are currently not eligible.

## B.2 APPLICATION PERIOD

### Overview of the monthly application timeline



#### 5. Can I apply at any time of the month?

- MAS will announce details of the upcoming Savings Bond issue (such as when applications open, the amount available and interest rates) on the 1<sup>st</sup> business day of each month. The application period for each Savings Bond issue opens on 6.00pm on the 1<sup>st</sup> business day of the month and closes at 9.00pm on the 4<sup>th</sup> last business day of the month.
- The operating hours for application submissions are:  
First business day of the month: 6pm-9pm  
Other days: 7am-9pm, Mon-Sat (excluding Public Holidays)

#### 6. I am currently overseas and interested to purchase Savings Bonds. However, I will not be back until after the current application period closes. How can I purchase the Savings Bonds?

- You can apply through DBS/POSB's Internet Banking portal if you have an account with DBS/POSB. You should also note that the Government is committed to issuing Savings Bonds on a monthly basis for at least 5 years from the first issuance. There is still time to apply for Savings Bonds during this period.

**7. Where can I find information on the application period for each issue?**

- Application details for each Savings Bond issue will be published on the Savings Bonds website ([www.sgs.gov.sg/savingsbonds](http://www.sgs.gov.sg/savingsbonds)) and major local newspapers 1 month before issuance.

**B.3 UNDERSTANDING ISSUE CODES**

**8. Can you help me understand the issue codes and names for Savings Bonds?**

- Savings Bonds are issued monthly and are identified by the year and month they were issued. The bond's issuance year and month will be shown when you apply for or redeem Savings Bonds at ATMs or online, when you check your bond holdings with CDP, and in your bank statement when you receive your coupons and principal. For instance, when you apply for the Savings Bond to be issued on 1<sup>st</sup> Oct 2015, the ATM screen will show "GX15100F issued on 10/15". Subsequently, your CDP account will show the bond as "SBOCT15 GX15100F". Interest payments and redemptions through DCS will show in your bank statement as "CDP-SBOCT15".
- GX15100F is the unique issue code assigned by MAS. The first two letters, "GX", denote that this is a Savings Bond. The next four numbers show the year and month the bond was issued, e.g. "GX15100F" is the bond issued in Oct 2015. The last digit ("0") and alphabet ("F") are for MAS' internal reference.
- Finally, SGX assigns each Savings Bond an ISIN ("International Securities Identification Number"), in line with international practices for securities.

**B.4 SUBMITTING APPLICATIONS**

**9. Where can I apply for Savings Bonds?**

- Apply via DBS/POSB, OCBC or UOB ATMs, or via DBS/POSB Internet Banking. Have your CDP account number ready when you apply.
- Please note that you cannot apply for Savings Bonds through the bank counters in person.

- 10. When will the money be deducted from my bank account? Do I receive interest on the monies that are deducted from my bank account when I make the application?**
- The money will be deducted from your bank account at the point of application. You will receive interest only after the Savings Bond is issued.
- 11. Can I make changes to or cancel submitted applications?**
- No. You will not be able to amend or cancel submitted applications.
- 12. Can I make multiple applications through different banks for the same Savings Bond issue? What will happen to my earlier requests? Will they be overwritten or superseded?**
- You can make multiple applications through either the same or different banks. However, each application will be charged a \$2 transaction fee by the bank.
  - You will not be able to amend or cancel your submitted applications. Submitted applications will not be overwritten or superseded. We will compile all your applications and apply the Issue Limit and Overall Limit at allocation.
  - Please note that you cannot submit a redemption request for the same bond in order to reduce the application amount. Redemption requests can only be made for securities that you already hold.
- 13. What happens if I submit multiple applications which, in total, exceed the \$50,000 Issue Limit? Will my request be rejected?**
- While the ATMs and internet banking portal do have checks to ensure that the maximum application amount is S\$50,000 per application (e.g. an application for \$100,000 would be rejected as the amount exceeds \$50,000), these checks do not extend to the scenario where an applicant applies for \$50,000 through multiple sessions. The reason is to retain the flexibility for applicants to apply across any of the 3 banks. To do so, the trade-off is that it was not possible to incorporate such a check within each bank.
  - To ensure that the limits are not breached, the final checks are undertaken within MAS' allocation system, after the close of the application period. On allocation day, MAS' system will add up all the applications of a single individual (from different banks and/or channels) and check that these applications do not exceed both

limits (i.e. total limits of \$100,000 for all savings bonds and \$50,000 per bond per individual). Applications that exceed these limits will be rejected and the rejected application monies will be refunded by the end of the 2<sup>nd</sup> last business day of the month.

**14. Can I authorize the bank to apply for Savings Bonds on my behalf?**

- No.

**B.5 APPLICATION RESULTS**

**15. When will I know the results of my Savings Bonds application? How do I know how much Savings Bonds I have received?**

- MAS will perform the allotment (please refer to Question 15) and announce the overall application results on the 3<sup>rd</sup> last business day of the month. You will be able to view the results on the Savings Bonds website ([www.sgs.gov.sg/savingsbonds](http://www.sgs.gov.sg/savingsbonds)).
- The two important figures to look out for are:
  - a. The cutoff amount: if your application is equal or less than the cutoff amount, you will receive the full amount you applied for. If your application is above the cutoff amount, you will receive either the cutoff amount or \$500 more than the cutoff amount.
  - b. Random allotment %: this is the chance that you will receive an additional \$500 of Savings Bonds if your application is above the cutoff amount.
- If your application is successful, you will be notified by CDP via mail of the amount of Savings Bonds credited to your CDP Securities account. You can also check your holdings using the CDP Internet service and the CDP telephone service.
- If your application is unsuccessful or partially filled, any excess money will be refunded by the end of the 2<sup>nd</sup> last business day of the month. You can check the amount refunded with the bank through which you applied for Savings Bonds. For example, if you applied for \$30,000 and were allotted \$13,000 of Savings Bonds, you would receive \$17,000 in refunds.

**16. How are Savings Bonds allotted? Why would I be allotted less than the amount I applied for?**

- In a situation where total applications exceed the total issuance size, each applicant will receive at least \$500 of Savings Bonds, with the amount increasing in multiples of \$500 for every applicant until an applicant has received the full amount that he has applied for, or until all the available bonds have been allotted, whichever comes first. The box item below provides an illustration of the allotment process (also known as the Quantity Ceiling format).
- If the number of applicants is so large that issuing \$500 per applicant will exceed the total issuance size, the bonds will be allocated among applicants on a random basis, at \$500 each.
- This means that, in the event a particular issue is oversubscribed, you may not get the full amount that you have applied for, and smaller applications will have a higher chance of being fully allotted.

Allotment in an oversubscription – an illustration

**Total available: \$10,000    Total applied: \$18,000    Cut-off: \$2,500**

Amount applied	Random												Amount allotted		
A \$2,000	\$500	\$500	\$500	\$500											\$2,000
B \$4,000	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500							\$2,500
C \$5,500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500				\$3,000
D \$6,500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$2,500
	Round 1	Round 2	Round 3	Round 4	Round 5	Round 6									

*The Government plans to issue up to \$10,000 of Savings Bonds. Four individuals A (\$2,000), B (\$4,000) C (\$5,500) and D (\$6,500) applied for a total of \$18,000 of Savings Bonds. The available bonds will be spread out among as many investors as possible in the following manner:*

- Applications are filled in denominations of \$500 upwards.
- After Round 4, \$8,000 of Savings Bonds have been allotted, and A’s application has been fully met. \$2,000 of Savings Bonds are left.
- In Round 5, \$1,500 of Savings Bonds are allotted.
- The remaining \$500 is insufficient to fill all applications in Round 6. One person amongst B, C and D is randomly allotted the remaining \$500. In this case, C gets the \$500.

*A is allotted \$2,000, B and D receive \$2,500 each, and C gets \$3,000.*

**17. Should I apply for a larger amount so I have a higher chance of getting more Savings Bonds?**

- The allotment method aims to distribute Savings Bonds as evenly as possible. Applying for a larger amount does not mean you will get more bonds. Hence, you should only apply for the amount you wish to buy.

**18. If my application is unsuccessful or partially filled, how will I be refunded? Will I be refunded the fees and charges as well?**

- Your money will be returned to the bank account you used for applications. Fees and charges will still apply.

**19. What happens if I close my CDP account before the bonds are credited?**

- If you close your CDP account, CDP will be unable to credit the Savings Bonds into your account. If CDP is unable to contact you to re-open your CDP account, the Savings Bonds will be automatically redeemed after 30 days and a cheque for the principal and accrued interest will be sent to the last mailing address which you had provided to CDP.

**20. How will I receive interest payments?**

- Interest will be automatically credited into the designated bank account under your existing DCS arrangement. This is the bank account that is linked to your individual CDP Securities account.

## **B.6 FEES & CHARGES**

**21. What are the fees and charges involved? Does the bank charge an administration fee as well?**

- The bank will charge a transaction fee of \$2 for each Savings Bond application and each Savings Bond redemption request. For other fees and charges which may arise from your participating bank account, kindly refer to the bank's Terms and Conditions.
- Transaction fees are non-refundable and will apply even if your application requests were unsuccessful.

**22. Is the \$2 fee chargeable per application or per individual?**

- The \$2 transaction fee will apply for each Savings Bond application request and each Savings Bond redemption request.

**B.7 CHECKING YOUR SAVINGS BOND HOLDINGS**

**23. How and where can I check what Savings Bonds I have?**

- You will receive CDP statements by mail during the months in which Savings Bonds are allocated to you and/or interest is paid. You will also receive half-yearly CDP statements in June and December each year as long as you have holdings in CDP. To ensure that you receive your CDP statements, please check that CDP has your latest mailing address. You can confirm your mailing address through the CDP Internet Service or by calling CDP (6535-7511).
- You can also check the bonds held in your CDP Securities account through the following methods:
  - View the CDP Securities account holdings online through the CDP Internet service ([www.sgx.com/cdp](http://www.sgx.com/cdp)).
  - Call and retrieve the information via the CDP Phone service (6535-7511), using your Telephone PIN.
  - Call CDP (6535-7511) to ask for your latest statement to be sent to your mailing address.
  - Visit the CDP Customer Service Centre with your identification card (IC) or passport to obtain a copy of your statement.

**24. How can I check how much interest I'm receiving from each of the Savings Bonds I hold?**

- Your interest payments will be reflected in the CDP statement for the month when the interest is paid.
- You may also visit the Savings Bonds website ([www.sgs.gov.sg/savingsbonds](http://www.sgs.gov.sg/savingsbonds)) to view the interest rates of all Savings Bond issues.