



FREQUENTLY ASKED QUESTIONS ON TREASURY BILLS

What are Treasury Bills or T-Bills?	They are financial instruments issued by the Federal Government of Nigeria (FGN). They serve as short-term debt securities, allowing the government to raise funds while providing a secure investment avenue for individuals, joint applicants, businesses, and corporates.
Who can invest?	<ul style="list-style-type: none"> • Individuals • Joint applicants • Businesses and corporates <p>NB: All T-Bills investors must have an account with Stanbic IBTC Bank. This account must be sufficiently funded for the request before logging.</p>
What are the investment channels?	<p>There are two avenues for investing in T-Bills</p> <ol style="list-style-type: none"> 1. Primary Market: At the Primary Market, clients purchase Treasury bills directly from the Federal Government, through the Central Bank of Nigeria. The treasury bills are issued through a competitive bidding process (usually bi-weekly) where the CBN reviews all bids and allocates bills based on the rates within the stop rate. 2. Secondary Market: At the Secondary Market, clients purchase and sell Treasury bills (initially issued at the Primary Market) from other market participants (the Bank in this case). The Secondary Market makes Treasury bills to be liquid. <p>The minimum investment amount is ₦100,000 and in multiples of ₦1,000 thereafter.</p>
How can I invest?	You can apply for T-Bills through the primary or secondary market via Treasury Bills Portal link
What is the settlement process for the investment?	<p>Investors are debited for the discounted value of the T-Bills. For example, if you were to purchase T-Bills worth ₦100,000 at a discounted rate of 10% for 364 days, you will be debited about ₦90,000 on the value date and At maturity, ₦100,000 is credited to your account.</p> <p>For secondary market, your account will debited on the day the request is logged while for primary market, your account will be debited one day after the auction date.</p>
Are there any charges?	<p>Below are charges on T-Bills investments:</p> <ul style="list-style-type: none"> • Transaction fee – ₦300 • VAT on transaction fee – 7.5% of the transaction fee • Custody fee – 0.05 % x face value x tenor • VAT on custody fee – 7.5% of custody fee • Commission: Flat fee of ₦100 (for primary market auctions only) • VAT on commission: 7.5% on Commission (for primary market auctions only)



Can I terminate my investment at any time?	Yes, you can. T-Bills are highly liquid and can easily be traded in the secondary market and converted to cash.
How do I terminate my investment or liquidate my T-Bills holding(s)?	To terminate or liquidate your investment, simply send the below documents to your Relationship manager or branch: <ul style="list-style-type: none">• An instruction letter to liquidate your investment (an email indemnity is required when email instructions are sent).• Your investment certificate.
What is the implication or penalty for terminating my investment before maturity?	There is no penalty for terminating treasury bills before the maturity date, however, the termination is done at the prevailing market rate which may be at a profit or a loss to the investor.