

## 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 – DBS/POSB, OCBC or UOB. You also need to have an ATM card or internet banking access for the account. If you do not have an account, you can visit any of the three participating banks' branches in Singapore to open a bank account.
- Next, you need to open:
  - For applications using cash: an individual CDP Securities account, and link it to your bank account by applying for DCS at the same time; or
  - For applications using SRS funds: a Supplementary Retirement Scheme (SRS) account with one of the three SRS Operators (i.e. DBS/POSB, OCBC or UOB).

You need to be at least 18 years old to open an individual CDP Securities account or a SRS account.

#### 2. Why do I need to open a CDP Securities account to buy Savings Bonds using cash? 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 to hold your Savings Bonds if you are applying with cash.
- Savings Bonds may not be held in any other types of CDP accounts (such as joint accounts).

#### 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 bank account tagged to your personal ATM card.

#### 4. Can I use Central Provident Fund (CPF) funds to buy Savings Bonds?

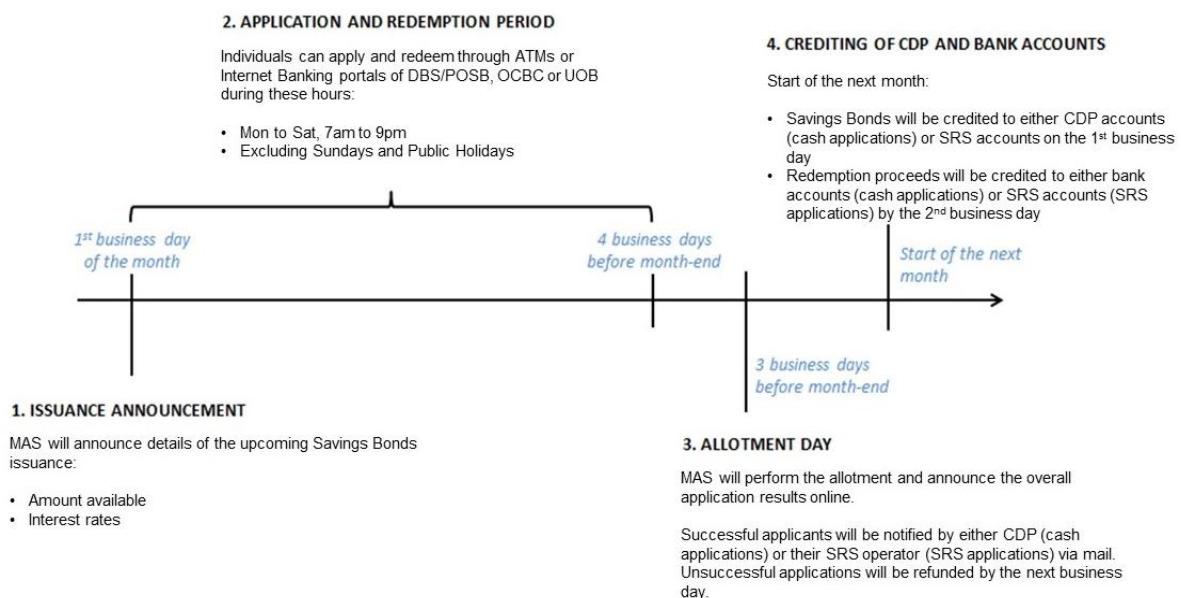
- No, CPF funds cannot be used to invest in Savings Bonds.

## 5. What is SRS? I do not have a SRS account. How do I open a SRS account?

- The Supplementary Retirement Scheme is a voluntary scheme to encourage individuals to save for retirement, over and above their CPF savings. Contributions to SRS are eligible for tax relief. For more information on SRS, please refer to the Ministry of Finance’s website (<https://www.mof.gov.sg/MOF-For/Individuals/Supplementary-Retirement-Scheme-SRS>).
- You may also visit the websites of the SRS Operators (i.e. DBS/POSB, OCBC and UOB) for information on how to open a SRS account.
  - DBS: <http://go.dbs.com/sg-srs>
  - OCBC: <http://www.ocbc.com/srs>
  - UOB: <https://www.uob.com.sg/personal/invest/financial/srs-account.page>

## B.2 APPLICATION PERIOD

### Overview of the monthly application timeline



**6. 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:  
7am-9pm, Mon-Sat (excluding Public Holidays)

**7. 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, OCBC, or UOB internet banking portals (cash & SRS funds) or OCBC's mobile application (cash only).

**8. 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.mas.gov.sg/ssb](http://www.mas.gov.sg/ssb)) and major local newspapers 1 month before issuance.

**9. Can I apply for past SSB issues or buy more of an SSB issue that I own?**

- No. SSBs are only available for purchase during the bond's application period. Older SSB issues are not for sale once the application period is over.

### **B.3 UNDERSTANDING ISSUE CODES**

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

- Savings Bonds are issued monthly and are thus identified by the year and month they were issued. This means that the bond's issuance year and month will be shown when you apply for or redeem Savings Bonds at ATMs or via internet banking portals. The bond's issuance year and month will also be shown in CDP and SRS statements which state your Savings Bonds investments. Lastly, bank statement and SRS accounts would reflect the name of the Savings Bonds when you receive your coupons and principal.

- For instance, when you apply for the Savings Bond which would 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 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

### 11. Where can I apply for Savings Bonds?

- For applications using cash, apply via DBS/POSB, OCBC and UOB ATMs or internet banking portals, and OCBC’s mobile application. Have your CDP account number ready when you apply.
- For applications using SRS funds, apply via the internet banking portal of your SRS Operator.
- Please note that you cannot apply for Savings Bonds at the bank counters in person.

### 12. When will the monies 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?

- For applications using cash, the money will be deducted from your bank account at the point of application.
- For applications using SRS funds, banks will lock, or earmark, the SRS funds at the point of application. This means that once the application has been submitted, you will not be able to use the SRS funds for other purposes until the SRS funds have been released on allotment day for rejected applications, or partial allotment.
- You will receive interest only after the Savings Bond is issued.

**13. Can I make changes to or cancel submitted applications?**

- No. You will not be able to amend or cancel submitted applications.

**14. 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?**

- For applications using cash, 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.
- For applications using SRS funds, you can only submit applications through your SRS Operator. By law, each person is only allowed to have one SRS account. However, you can submit multiple applications through the same SRS Operator. Each application will be charged a \$2 transaction fee by the SRS Operator.
- 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 Individual 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.

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

- No.

## **B.5 APPLICATION RESULTS**

**16. 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 43) 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.mas.gov.sg/ssb](http://www.mas.gov.sg/ssb)).
- 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:
    - For applications using cash, you will be notified by CDP via mail within 5 business days from the issue date of the SSB you applied for, informing you of the amount of Savings Bonds credited to your CDP Securities account. You can also check your holdings using the CDP internet service, the CDP telephone service and *My Savings Bonds* on [www.mas.gov.sg/ssb](http://www.mas.gov.sg/ssb).
    - For applications using SRS funds, you will be notified by your SRS Operator via mail when the bonds have been credited to your SRS account. You can also check your holdings using your SRS Operator's internet banking portal and *My Savings Bonds* on [www.mas.gov.sg/ssb](http://www.mas.gov.sg/ssb).
  - If your application is unsuccessful or partially filled,
    - For applications using cash, any excess money will be refunded by the end of the 2<sup>nd</sup> last business day of the issuance month. You can check the amount refunded with the bank through which you applied for Savings Bonds.
    - For applications using SRS funds, banks will release the earmarked SRS funds back to your SRS account by the end of the 2<sup>nd</sup> last business day of the month.

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

- After the close of the application period, MAS' allocation system will sum up all applications received using cash and SRS funds, check that these applications do not exceed the Individual Limit and distribute the bond to applicants.
- 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 on the next page 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.
- If your combined cash and SRS application is partially filled, the order will be allocated on a first-come-first-served basis according to the time of each application.

Allotment in an oversubscription – an illustration

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

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

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.

**18. 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 give you a higher chance of getting more bonds. Hence, you should only apply for the amount you wish to buy.

**19. My application was rejected. Why did this happen?**

- To know the exact reason for the rejection of your application, you will have to contact the bank through which you submitted your application.
- Possible reasons for the rejection:
  - a. Your CDP account does not have Direct Crediting Services (DCS). To check whether your CDP has DCS, you can contact CDP at 6535-7511.



- b. The Individual Limit of S\$200,000 has been exceeded. To check whether the individual limits have been exceeded, you can access My Saving Bonds portal via the SSB website ([www.mas.gov.sg/ssb](http://www.mas.gov.sg/ssb)) using your SingPass. The portal will allow you to view your total SSB holdings purchased using both cash and SRS funds.

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

- For applications using cash, your money will be returned to the bank account you used for applications by the end of the day second last business day of the month. Fees and charges will still apply.
- For applications using SRS funds, SRS Operators will release the earmarked SRS funds back to your SRS account by the end of the second last business day of the month. Fees and charges will still apply.

**21. What happens if I close my CDP or SRS 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.
- If you close your SRS account, your SRS Operator will be unable to credit the Savings Bonds into your account. Therefore, your SRS Operator may not allow you to close your account if you have a pending transaction.

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

- Interest will be automatically credited into the following accounts:
  - For cash subscriptions: your designated DCS bank account. This is the bank account that is linked to your individual CDP Securities account.
  - For SRS subscriptions: your SRS account.

## B.6 FEES & CHARGES

### 23. 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 applications using cash, the transaction fee is deducted directly from your bank account. For applications using SRS funds, the transaction fee is deducted directly from your SRS balance. 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.

### 24. 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.

### 25. Are returns from Savings Bonds taxable?

- No. The interest which you earn from the purchase of Savings Bonds is tax-exempted and does not have to be included in the chargeable income for your tax return.

## B.7 CHECKING YOUR SAVINGS BOND HOLDINGS

### 26. How and where can I check what Savings Bonds I have?

#### *Applications using cash*

- 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.

*Applications using SRS funds*

- You will receive SRS account statements by mail during the months in which Savings Bonds are allocated to you and/or interest is paid.
- You can also check the bonds held in your SRS account through the internet banking portal of your SRS Operator.

*Applications using cash and SRS funds*

- You may also check your SSB holdings by logging in to the *My Savings Bonds* portal, accessible via the SSB website ([www.mas.gov.sg/ssb](http://www.mas.gov.sg/ssb)).
- NRIC holders may log in to the *My Savings Bonds* portal using your Singpass ID. Please note that logins via FIN are currently not available.

**27. 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 account statement or SRS account statement for the month when the interest is paid.
- NRIC holders may log in to the *My Savings Bonds* portal to check the interest received from their Savings Bonds.
- You may also visit the SGS website ([www.mas.gov.sg/sgs](http://www.mas.gov.sg/sgs)) to view the interest rates of all Savings Bond issues.