

NIF to come to market in July

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THE government is "well on track" to issue the prospectus for the National Investment Fund (NIF) at the beginning of July, Finance Minister Colm Imbert said yesterday.

"We had a meeting (on Wednesday) with the project implementation team for the NIF. We have a very large professional team working with us-- lawyers, accountants, economists... we are well on track to issue the prospectus at the beginning of July," he told reporters at the post-Cabinet media briefing, held at the Diplomatic Centre in St Ann's. After that, potential investors will have about three weeks to buy shares, and when the transaction closes, the shares will be distributed.

Depending on the demand, he said, if the shares are oversubscribed, the amounts may have to be pro-rated (distributed proportionally as a ratio of the original investment instead of the full

amount). Before anything can happen though, the government will have to get approval from the Securities and Exchange Commission. Commenting on the suggestion made by international credit rating agency, Moody's, in its "Issuer Comment" that the government may not raise all the revenue it expects when it takes the NIF to market, Imbert said, "They are free to say whatever they want to say. We are not saying if they are wrong or right. We would give them our estimates and they would have their own view on certain things."

The NIF was announced in the Budget last year, and will be underpinned by over 42 million Republic Financial Holding Ltd shares, worth \$4 billion or 26 percent of Republic's market capitalisation. The government acquired these shares as part of debt repayment from Clico Investment Bank, currently in liquidation. The government spent \$23 billion to bail out Clico when it went bankrupt in 2009.