

# GUARANTEES



# BOAD



[www.boad.org](http://www.boad.org)

# GUARANTEES

**Product description:** Guarantee of bond loan issues, guarantee of interbank loans, guarantee of negotiable debt securities (treasury bills, certificates of deposits...).

**Beneficiaries:** Any corporate body from the WAEMU region or foreign countries that wants to invest in productive operations within the WAEMU region and makes use of financing through borrowing in the capital market..

**Purpose:** Making the capital market a true instrument for mobilizing resources for the economies and promoting regional integration.

**Intervention conditions:** The guarantee is granted within the scope of:

- i) Bond loan issues in the WAEMU capital market according to requirements of the Regional Council for Investments and Capital Markets (CREPMF); and
- ii) Short-term loan issues in the capital market pursuant to the regulations of the Central Bank of West African States (BCEAO).

This can equally be granted to banks and financial institutions operating in the region to facilitate interbank credit facilities within the Union.

**Areas of intervention:** Guaranteed bond loans should come under the activity sectors eligible for the Bank's financing: industry, transport, infrastructure (ports, airports, railways, roads), mining, agriculture, agribusiness, fisheries, livestock, tourism/hospitality, telecommunications/technologies, energy, real estate, building and civil industry and other service companies.

**Tenor:** 2-10 years for bond loan issue guarantees and 6 month to 7 year guarantees for interbank loans and negotiable debt securities..

**Financial conditions:** To be determined on a case-by-case basis depending on the risk quality of the counterparty borrowing from the market.

**Documents to be furnished:**

- i) A formal request for guarantee stating the operation amount as well as the desired conditions;
- ii) An information note on the operation highlighting its purpose, the issuer's organization and management system, its financial position, as the case may be, over the last three (3) years (based on the audited financial statements and auditor's reports relating thereto) and its financial outlook;
- iii) The authorization for bond loan issue by the issuer's governing bodies (Board of Directors and/or General Meeting of Shareholders);
- iv) The articles of incorporation and other legal instruments of the issuer as well as any other document or information deemed relevant.