

ANNOUNCEMENT TO HOLDERS OF £5 PER CENT. WAR LOAN, 1929-1947.

THE LORDS COMMISSIONERS OF HIS MAJESTY'S TREASURY having given notice in the *London Gazette* of the 30th June, 1932, of their intention to redeem the £5 per Cent. War Loan, 1929-1947, at par on the 1st December, 1932, and having declared that Part III. of the Finance (No. 2) Act, 1931, shall come into operation, authorise THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND and THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND to make the following Announcement.

Holders who so desire may have their holdings in the Loan continued after the 1st December, 1932, subject to all the existing terms, conditions and incidents of the Loan with the following modifications, as specified in the Notice in the *London Gazette*, which will take effect as from the 1st December, 1932:—

- (a) The rate of interest will be reduced to £3:10s. per Cent. per annum.
- (b) The Lords Commissioners of His Majesty's Treasury reserve to themselves the right, on giving three calendar months' notice of each operation in the *London Gazette*, to redeem the Loan, at par, either by a single operation or by successive operations, on the 1st December, 1952, or at any time or times thereafter.
- (c) The right to tender Stock and Bonds of the Loan to the Commissioners of Inland Revenue in satisfaction of amounts due on account of Death Duties will lapse.
- (d) The undertaking to set aside a sum monthly to form a fund for the purchase of Stock or Bonds of the Loan for the purpose of providing against depreciation will cease to have effect and the balance of the fund will cease to be applicable for the said purpose.
- (e) The name of the Loan will be changed to £3:10s. per Cent. War Loan.

Dividends on inscribed and registered Stock of the Loan will continue to be paid without deduction of Income Tax, but the income derived from such dividends will be assessable to Income Tax in the hands of the recipients.

The exemptions from United Kingdom taxation which now attach to holdings of the Loan by persons neither domiciled nor ordinarily resident (or in the case of Income Tax, not ordinarily resident) in the United Kingdom will continue in force.

The principal and interest of the Loan are and will remain a charge on the Consolidated Fund of the United Kingdom.

At any time up to and including the 30th September, 1932, holders may notify the Bank of England or the Bank of Ireland, respectively, in the prescribed manner of their desire to continue their holdings in the Loan. Those who give due notification on or before the 31st July, 1932,* will receive a Cash Bonus at the rate of £1 per £100 nominal of the amount of their holdings. Those who give notification after the 31st July* will not receive this Cash Bonus.

Holders who wish to have their holdings redeemed in cash on the 1st December, 1932, must notify the Bank of England or the Bank of Ireland respectively, in the prescribed manner, not later than the 30th September, 1932.

*Reasonable extension of time will be allowed in any case where it is shown to the satisfaction of the Bank that the delay in giving due notification was due solely to the permanent or temporary absence from the United Kingdom (or the Irish Free State as the case may be) of the holder or, in the case of a joint account, of one or more of the necessary signatories.

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EXPLANATORY NOTE,

To Holders of £5 per Cent. War Loan, 1929-1947, Inscribed or Registered
in the Books of the Bank of England.

In this envelope, in addition to a letter from the Chancellor of the Exchequer containing an important message to you, you will find three* documents, a small slip printed in red,* and an envelope.

The first document, marked A, (on white paper) is a copy of an Announcement made under the authority of the Treasury, giving full particulars of the present offer.

The second, marked B, (on blue paper) is the Form of Request for Continuance in the Loan. The slip, printed in red, is for use with this Form only.

The third, marked C, (on pink paper) is the Redemption Form for use only by persons applying for repayment.

WHAT YOU SHOULD DO IF YOU WISH TO CONTINUE YOUR HOLDING AND EARN THE CASH BONUS.

For this you should use the Blue Form marked B.

Attach the slip (printed in red) to that Form at the place marked for it and sign your name in the space marked X on the Form. The whole of your holding on the 30th June, 1932, or, if you have disposed of any part of it meanwhile, the balance of it at the date when you sign the Form, will then be continued.

If the holding stands in the names of two persons, both should sign. If there are more than two, it will be enough if the Form is signed by a majority of the Holders.

If you have lost or mislaid the slip, you should, in addition to signing the Form at X, fill up the space marked Z as directed on the Form.

IMPORTANT.—CASH BONUS.

The Government particularly ask that Holders who wish to have their holdings continued should notify their decision as quickly as possible, and they have undertaken that if you send the Blue Form to the Bank of England not later than the 31st July, 1932, you will receive a Cash Bonus at the rate of £1 (One Pound) for every £100 nominal of the amount of your holding. If your holding is less than £100; the Bonus will be the appropriate fraction of £1.

This Bonus will be paid to you within two weeks of the receipt of the Blue Form properly filled up. In the case of the ordinary investor it will not be chargeable to Income Tax.†

Requests for Continuance may still be made after the 31st July, 1932, but will not then carry the right to a bonus, unless you are abroad when this letter is sent to you, in which case you may be allowed an extension of time for claiming the bonus (see the footnote to the Announcement marked A).

* In the case of Joint Accounts two of these documents, namely the Form of Request for Continuance and the Redemption Form, and the slip printed in red, are being sent only to the Holder whose name stands first on the account.

† This does not apply to a person who is carrying on a trade which consists wholly or partly in dealing in securities.

TRUSTEES.

Trustees and other persons acting in a fiduciary character are expressly authorised, under Section 13 (1) of the Finance (No. 2) Act, 1931, to apply for continuance in the Loan.

Under Section 15 (2) of the same Act, it is provided that as between persons having any beneficial interest in a holding, any cash bonus payable shall belong to the persons entitled to the income of the holding on the day when the bonus is payable.

POSTING.

If the form is posted in the United Kingdom in the special envelope provided, no stamp is needed.

No other document need be sent with a Request for Continuance.

FUTURE DIVIDENDS.

On the 1st December next you will receive your usual half-yearly dividend at the old rate of £5 per Cent. per annum. After that all dividends will be at the new rate of £3 : 10s. per Cent. per annum, payment being made as before on the 1st June and 1st December.

WHAT YOU SHOULD DO IF YOU WISH TO APPLY FOR REDEMPTION.

If you wish to have your holding redeemed at par on the 1st December, 1932, you must notify your wish to the Bank of England not later than the 30th September, 1932, on the Pink Form C.

In this case the Pink Form must be completed over the signatures of all the Holders in the account concerned (unless a "demand" to act by a majority under the Government Stock Regulations, 1918, as amended by the Government Stock Regulations, 1929, has previously been made and recorded in the books of the Bank) and returned to the Bank, accompanied by the relative Register Certificate(s) where the Stock is registered as "Transferable by Deed."

GENERAL.

If by the 30th September, 1932, you have not completed and sent to the Bank of England either the Blue Form or the Pink Form, you will be deemed under the Finance (No. 2) Act, 1931, to have accepted the offer to continue your holding in the Loan, subject to the conditions set out in the Announcement marked A.

If you hold Stock on more than one account, separate Forms are being sent to you for each account. Only one account may be covered by each Form.

Stock of the £5 per Cent. War Loan, 1929-1947, acquired after the 30th June, 1932, will not be added to an existing account. For such Stock new accounts will be opened in the books of the Bank of England; and if such an account is opened not later than the 30th September, 1932, special Forms of Request for Continuance and Redemption Forms will be sent by the Bank.

In the case of holdings which are to be redeemed the Books of the Stock will be finally closed on the evening of the 30th September, 1932, and such holdings will cease to be transferable at the close of business on that date.

If you are in any doubt how to complete the forms you should consult your Banker, Stockbroker or Solicitor, or you may obtain advice and assistance free of charge on personal application at any Bank or Banking Office, even though you do not keep an account there.

CHIEF ACCOUNTANT'S OFFICE,
BANK OF ENGLAND,
30th June, 1932.