

25. Transfers of 8½ per cent Treasury Loan, 2007 "B" may be lodged at the Bank of England for registration in that form up to 9th June 1993. After this date, for purposes of certification, the "B" stock will not be distinguished from the existing 8½ per cent Treasury Loan, 2007. From the opening of business on 14th June 1993, the "B" stock will be amalgamated on the register with the existing stock. CGO account balances will have been amalgamated from the opening of business on 10th June 1993.

26. Application forms and copies of this prospectus may be obtained by post from the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW; at the Central Gilts Office, Bank of England, 1 Bank Buildings, Princes Street, London, EC2R 8EU or at any of the Branches or Agencies of the Bank of England; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; or at any office of The International Stock Exchange in the United Kingdom.

Government Statement

Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, this Loan is issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any claim for compensation.

BANK OF ENGLAND
LONDON

19th January 1993

APPLICATION FORMS MUST BE SENT TO THE BANK OF ENGLAND, NEW ISSUES, PO BOX 444, GLOUCESTER, GL1 1NP TO ARRIVE NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 27TH JANUARY 1993; OR LODGED BY HAND AT THE CENTRAL GILTS OFFICE, BANK OF ENGLAND, BANK BUILDINGS, 19 OLD JEWRY, LONDON NOT LATER THAN 10.00 A.M. ON WEDNESDAY, 27TH JANUARY 1993; OR LODGED BY HAND AT ANY OF THE BRANCHES OR AGENCIES OF THE BANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON TUESDAY, 26TH JANUARY 1993.

ISSUE OF £2,500,000,000

8½ per cent TREASURY LOAN, 2007

FOR AUCTION ON A BID PRICE BASIS

PAYABLE AS FOLLOWS:

| | |
|-------------------------------|-----------------------------|
| Deposit on application: | |
| with a competitive bid | Price bid less £60 per cent |
| with a non-competitive bid | £40 per cent |
| Balance of purchase money: | |
| On Monday, 22nd February 1993 | £30 per cent |
| On Thursday, 15th April 1993 | £30 per cent |

INTEREST PAYABLE HALF-YEARLY ON 16TH JANUARY AND 16TH JULY

This Loan will, on issue, be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961, subject as regards securities payable to bearer to the provisions of Section 7 of the Trustee Act 1925. Application has been made to the Council of The International Stock Exchange for the Loan to be admitted to the Official List on 28th January 1993.

1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive bids for the above Loan.
2. The principal of and interest on the Loan will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
3. The Loan will be repaid at par on 16th July 2007.
4. The Loan will be issued in the form of stock which will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Stock registered at the Bank of England held for the account of members of the Central Gilts Office (CGO) Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Transfer Act 1982 and the relevant subordinate legislation. Transfers will be free of stamp duty.
5. On or after 11th June 1993 stock may be exchanged into bonds to bearer which will be available in denominations of £100, £200, £500, £1,000, £5,000, £10,000 and £50,000. Bonds will be free of stamp duty.
6. Stock will be interchangeable with bonds without payment of any fee.
7. Interest will be payable half-yearly on 16th January and 16th July. Interest will accrue from Thursday, 28th January 1993 and the first interest payment will be made on 16th July 1993 at the rate of £3.2231 per £100 of the Loan. Warrants for interest on stock will be transmitted by post; income tax will be deducted from payments of more than £5 per annum. Interest on bonds to bearer, less income tax, will be paid by coupon.
8. Stock and bonds of this issue and the interest payable thereon will be exempt from all United Kingdom taxation, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.
9. Further, the interest payable on stock or bonds of this issue will be exempt from United Kingdom income tax, present or future, so long as it is shown that the stock or bonds are in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.
10. For the purposes of the preceding paragraphs, persons are not ordinarily resident in the United Kingdom if they are regarded as not ordinarily resident for the purposes of United Kingdom income tax.
11. Applications for exemption from United Kingdom income tax should, in the case of interest on stock, be made in such form as may be required by the Commissioners of Inland Revenue. Bearer bond coupons will be paid without deduction of United Kingdom income tax if accompanied by a declaration of ownership in such form as may be required by the Commissioners of Inland Revenue. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.

12. These exemptions will not entitle a person to claim repayment of tax deducted from interest unless the claim to such repayment is made within the time limit provided for such claims under income tax law; under the provisions of the Taxes Management Act 1970, Section 43 (1), no such claim will be outside this time limit if it is made within six years from the date on which the interest is payable. In addition, these exemptions will not apply so as to exclude the interest from any computation for taxation purposes of the profits of any trade or business carried on in the United Kingdom. Moreover, the allowance of the exemptions is subject to the provisions of any law, present or future, of the United Kingdom directed to preventing avoidance of taxation by persons domiciled, resident or ordinarily resident in the United Kingdom, and, in particular, the interest will not be exempt from income tax where, under any such provision, it falls to be treated for the purpose of the Income Tax Acts as income of any person resident or ordinarily resident in the United Kingdom.

Method of Application

13. Bids may be made on either a competitive or a non-competitive basis, as set out below, and must be submitted on the application form published with this prospectus. Each application form must comprise either one competitive bid or one non-competitive bid. Separate arrangements have been made under which gilt-edged market makers may make competitive bids by telephone to the Bank of England not later than 10.00 a.m. on Wednesday, 27th January 1993.

14. Application forms must be sent to the Bank of England, New Issues, PO Box 444, Gloucester, GL1 1NP to arrive not later than **10.00 A.M. ON WEDNESDAY, 27TH JANUARY 1993**; or lodged by hand at the Central Gilts Office, Bank of England, Bank Buildings, 19 Old Jewry, London not later than **10.00 A.M. ON WEDNESDAY, 27TH JANUARY 1993**; or lodged by hand at any of the Branches or Agencies of the Bank of England not later than **3.30 P.M. ON TUESDAY, 26TH JANUARY 1993**. Bids will not be revocable between 10.00 a.m. on Wednesday, 27th January 1993 and 10.00 a.m. on Monday, 1st February 1993.

15. Each bid must be for a minimum amount and in a multiple of the Loan as follows:-

| Amount of the Loan applied for | Multiple |
|--|------------|
| Competitive bids (minimum £500,000) | |
| £500,000-£1,000,000 | £100,000 |
| £1,000,000 or greater | £1,000,000 |
| Non-competitive bids (minimum £1,000) | |
| £1,000-£10,000 | £1,000 |
| £10,000-£50,000 | £5,000 |
| £50,000-£500,000 | £25,000 |

16. COMPETITIVE BIDS

- (i) Each competitive bid must be for one amount and at one price expressed as a multiple of $\frac{1}{32}$ nd of £1 and must be for a minimum of £500,000 nominal of the Loan.
- (ii) Unless the applicant is a member of the CGO Service, a separate cheque representing the **DEPOSIT DUE, i.e. THE PRICE BID LESS £60 FOR EVERY £100 NOMINAL OF THE LOAN BID FOR**, must accompany each competitive bid. Cheques must be drawn on a branch or office, situated within the Town Clearing area, of a settlement member of CHAPS and Town Clearing Company Limited.
- (iii) Her Majesty's Treasury reserve the right to reject any competitive bid or part of any competitive bid. Competitive bids will be ranked in descending order of price and allotments will be made to applicants whose competitive bids are at or above the lowest price at which Her Majesty's Treasury decide that any competitive bid should be accepted (the lowest accepted price). **APPLICANTS WHOSE COMPETITIVE BIDS ARE ACCEPTED WILL BE ALLOTTED AMOUNTS OF THE LOAN AT THE PRICES WHICH THEY BID**: competitive bids which are accepted and which are made at prices above the lowest accepted price will be allotted in full; competitive bids which are accepted and which are made at the lowest accepted price may be allotted in full or in part only.

17. NON-COMPETITIVE BIDS

- (i) A non-competitive bid must be for not less than £1,000 nominal and not more than £500,000 nominal of the Loan, and must be in one of the multiples described in paragraph 15 above.
- (ii) Only one non-competitive bid may be submitted for the benefit of any one person. Multiple applications or suspected multiple applications are liable to be rejected.
- (iii) Unless the applicant is a member of the CGO Service, a separate cheque representing a **DEPOSIT AT THE RATE OF £40 FOR EVERY £100 NOMINAL OF THE LOAN APPLIED FOR** must accompany each non-competitive bid; cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.
- (iv) Her Majesty's Treasury reserve the right to reject any non-competitive bid. All allotments which are made to non-competitive applicants will be made in full **AT A PRICE (the non-competitive allotment price) EQUAL TO THE AVERAGE OF THE PRICES AT WHICH COMPETITIVE BIDS HAVE BEEN ACCEPTED, the average being weighted by reference to the amount accepted at each price and ROUNDED DOWN TO THE NEAREST MULTIPLE OF $\frac{1}{32}$ ND OF £1.**

(v) If the non-competitive allotment price is less than £100 per cent, the amount by which the amount paid as deposit exceeds the non-competitive allotment price less £60 per cent will be refunded by cheque despatched by post at the risk of the applicant.

(vi) If the non-competitive allotment price is greater than £100 per cent, applicants whose non-competitive bids are accepted may be required to pay a further deposit equal to the non-competitive allotment price less £100 for every £100 nominal of the Loan allocated to them. An applicant from whom a further deposit is required will be notified by letter by the Bank of England of the amount of the Loan allocated to him and of the further deposit due, but such notification will confer no right on the applicant to transfer the amount of the Loan so allocated. The despatch of allotment letters to applicants from whom a further deposit is required will be delayed until such further deposit has been made.

18. Her Majesty's Treasury may allot to applicants less than the full amount of the Loan. Any balance of the Loan not allotted to applicants will be allotted at the lowest accepted price to the Governor and Company of the Bank of England, Issue Department.

19. Letters of allotment in respect of the amount of the Loan allotted, being the only form in which the Loan (other than amounts held in the CGO Service for the account of members) may be transferred prior to registration, will be despatched by post at the risk of the applicant, but the despatch of any letter of allotment, and any refund of the balance of the amount paid as deposit, may at the discretion of the Bank of England be withheld until the applicant's cheque has been paid. In the event of such withholding, the applicant will be notified by letter by the Bank of England of the acceptance of his application and of the amount of the Loan allocated to him, subject in each case to the payment of his cheque, but such notification will confer no right on the applicant to transfer the amount of the Loan so allocated.

20. No allotment will be made for a less amount than £1,000 of the Loan. In the event of partial allotment, the balance of the amount paid as deposit will, when refunded, be remitted by cheque despatched by post at the risk of the applicant; if no allotment is made the amount paid as deposit will be returned likewise.

21. Letters of allotment may be split into denominations of multiples of £100 on written request to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW received not later than 13th April 1993. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any payment is overdue).

22. Subject to the provisions governing membership of the CGO Service, a member of that Service may, by completing Section D of the application form, request that any amount of the Loan allotted to him be credited direct to his account in the CGO on Thursday, 28th January 1993 by means of a member-to-member delivery from an account in the name of the Governor and Company of the Bank of England, New Issues Account. Failure to accept such delivery by the deadline for member-to-member deliveries under the rules of the CGO Service on 28th January 1993 shall for the purposes of this prospectus constitute default in due payment of the deposit payable in respect of the relevant amount of the Loan. A member of the CGO Service may also, subject to the provisions governing membership of that Service, surrender a partly-paid letter of allotment to the CGO for cancellation and for the amount of the Loan comprised therein to be credited to the member's account. The member who is shown by the accounts of the CGO as being entitled to any amount of the Loan shall, to the exclusion of all persons previously entitled to such amount of the Loan and any person claiming any entitlement thereto, both be treated as entitled to such amount of the Loan as if that member were the holder of a letter of allotment and be liable for the payment of any amount due in respect of such amount of the Loan. A member will be entitled at any time prior to registration to withdraw, in multiples of £100, amounts of the Loan credited to the member's account and to obtain a partly-paid letter of allotment comprising such amount of the Loan, and such member shall be liable for the payment of all amounts becoming due thereafter in respect of such amount of the Loan unless and until that letter of allotment is surrendered to the CGO for cancellation as aforesaid.

23. Payment of the call due on 22nd February 1993 and the final instalment due on 15th April 1993 must be sent to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW. Payment in full may be made at any time after allotment but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for such payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Default in due payment of any amount in respect of the Loan will render the relevant amount of the Loan and any amount previously paid liable to forfeiture. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the balance of the purchase money is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 15th April 1993; in the case of amounts of the Loan held for the account of members of the CGO Service payment of the call and the final instalment and registration of amounts of the Loan will be effected under separate arrangements.

24. Until the close of business on 11th June 1993, stock issued in accordance with this prospectus will be known as $8\frac{1}{2}$ per cent Treasury Loan, 2007 "B". The interest due on 16th July 1993 will be paid separately on holdings of the existing $8\frac{1}{2}$ per cent Treasury Loan, 2007 and on holdings of "B" stock registered as at the close of business on 11th June 1993; consequently, interest mandates, authorities for income tax exemption and other notifications recorded in respect of holdings of existing stock will not be applied to the payment of interest due on 16th July 1993 on holdings of "B" stock.