

with the existing Stock. CGO account balances will have been amalgamated from the opening of business on 4 November 1993.

22. 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 London Stock Exchange in the United Kingdom.

Government Statement

Attention is drawn to the statement issued by Her Majesty's Treasury on 29 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 Stock 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

22 June 1993



ISSUE OF £3,250,000,000

8% TREASURY STOCK 2003

FOR AUCTION ON 30 JUNE 1993



**PROSPECTUS AND APPLICATION FORM FOR NON-COMPETITIVE
BIDS FOR UP TO £500,000 NOMINAL OF STOCK**

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 AM ON WEDNESDAY, 30 JUNE 1993; OR LODGED BY HAND AT THE CENTRAL GILTS OFFICE, BANK OF ENGLAND, BANK BUILDINGS, 19 OLD JEWRY, LONDON NOT LATER THAN 10.00 AM ON WEDNESDAY, 30 JUNE 1993; OR LODGED BY HAND AT ANY OF THE BRANCHES OR AGENCIES OF THE BANK OF ENGLAND NOT LATER THAN 3.30 PM ON TUESDAY, 29 JUNE 1993.

ISSUE OF £3,250,000,000

8% TREASURY STOCK 2003

INTEREST PAYABLE HALF-YEARLY ON 10 JUNE AND 10 DECEMBER
FOR AUCTION ON 30 JUNE 1993

PAYABLE WITH APPLICATION AT THE RATE OF £103 PER £100 NOMINAL OF STOCK

This Stock will, on issue, be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the London Stock Exchange for the Stock to be admitted to the Official List on 1 July 1993.

1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND invite bids for the above Stock.
2. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.
3. The Stock will be repaid at par on 10 June 2003.
4. The Stock 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. Interest will be payable half-yearly on 10 June and 10 December. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. Interest will accrue from Thursday, 1 July 1993 and the first interest payment will be made on 10 December 1993 at the rate of £3.5507 per £100 of the Stock.
6. The Stock may be held on the National Savings Stock Register.
7. The Stock 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 is in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.
8. Further, the interest payable on the Stock will be exempt from United Kingdom income tax, present or future, so long as it is shown that the Stock is in the beneficial ownership of persons who are not ordinarily resident in the United Kingdom of Great Britain and Northern Ireland.
9. 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.
10. Applications for exemption from United Kingdom income tax should be made 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.
11. 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

12. Bids may be made on either a competitive or a non-competitive basis, but the information set out below relates only to non-competitive bids.
13. 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 AM ON WEDNESDAY, 30 JUNE 1993**; or lodged by hand at the Central Gilts Office, Bank of England, Bank Buildings, 19 Old Jewry, London not later than **10.00 AM ON WEDNESDAY, 30 JUNE 1993**; or lodged by hand

at any of the Branches or Agencies of the Bank of England not later than **3.30 PM ON TUESDAY, 29 JUNE 1993**. Bids will not be revocable between 10.00 am on Wednesday, 30 June 1993 and 10.00 am on Monday, 5 July 1993.

14. 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 Stock, and must be for a multiple of £1,000 nominal of Stock.
- (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) A separate cheque representing **PAYMENT AT THE RATE OF £103 FOR EVERY £100 NOMINAL OF STOCK 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) The Bank of England reserve the right to reject any non-competitive bid. Non-competitive bids which are accepted will be accepted in full **AT A PRICE (the non-competitive sale 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 1/32ND OF £1.**
- (v) If the non-competitive sale price is less than £103 per £100 nominal of Stock, the balance of the amount paid will be refunded by cheque despatched by post at the risk of the applicant.
- (vi) If the non-competitive sale price is greater than £103 per £100 nominal of Stock, applicants whose non-competitive bids are accepted may be required to make a further payment equal to the non-competitive sale price less £103 for every £100 nominal of Stock allocated to them. An applicant from whom a further payment is required will be notified by letter by the Bank of England of the amount of Stock allocated to him and of the further payment due, but such notification will confer no right on the applicant to transfer the amount of Stock so allocated. The despatch of allotment letters to applicants from whom a further payment is required will be delayed until such further payment has been made.

15. The Bank of England may sell to applicants less than the full amount of the Stock.

16. The Stock will be, and all previous issues of 8% Treasury Stock 2003 have been, initially issued to the Bank of England at a price such that it will not be a deep discount security for the purposes of Schedule 4 to the Income and Corporation Taxes Act 1988. Further issues of 8% Treasury Stock 2003 may be at a deep discount (broadly, a discount exceeding 1/2% per annum) and in certain circumstances this could result in all of 8% Treasury Stock 2003 being treated thereafter as a deep discount security. However, it is the intention of Her Majesty's Treasury that further issues of 8% Treasury Stock 2003 will be conducted so as to prevent any of such Stock being treated as a deep discount security for United Kingdom tax purposes. Provided the Stock is neither a deep discount security, nor treated as a deep discount security, any discount to the nominal value at which the Stock is issued will not represent taxable income for the purposes of the relevant provisions.

17. Letters of allotment in respect of the Stock sold, being the only form in which the Stock (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 the refund of any excess amount paid, 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 Stock 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 Stock so allocated.

18. No sale will be made of a less amount than £1,000 nominal of Stock. If an application is rejected the amount paid on application will be returned by post at the risk of the applicant. Non-payment on presentation of a cheque in respect of any Stock sold will render such Stock liable to forfeiture. Interest at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1% per annum may, however, be charged on the amount payable in respect of any Stock for which payment is accepted after the due date. 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.

19. 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 22 July 1993. Such requests must be signed and must be accompanied by the letters of allotment. Letters of allotment, accompanied by a completed registration form, may be lodged for registration forthwith and in any case must be lodged for registration not later than 26 July 1993; in the case of Stock held for the account of members of the CGO Service registration of Stock will be effected under separate arrangements.

20. Until the close of business on 5 November 1993, stock issued in accordance with this prospectus will be known as 8% Treasury Stock 2003 "A". The interest due on 10 December 1993 will be paid separately on holdings of the existing 8% Treasury Stock 2003 and on holdings of "A" stock registered at the close of business on 5 November 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 10 December 1993 on holdings of "A" stock.

21. Transfers of 8% Treasury Stock 2003 "A" may be lodged at the Bank of England for registration in that form up to 3 November 1993. After that date, for purposes of certification, the "A" stock will not be distinguished from the existing 8% Treasury Stock 2003. From the opening of business on 8 November 1993, the "A" stock will be amalgamated on the register