

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE AND THE STOCK DESCRIBED BELOW IS NOT AVAILABLE FOR PURCHASE DIRECT FROM THE BANK OF ENGLAND. OFFICIAL DEALINGS IN THE STOCK ON THE INTERNATIONAL STOCK EXCHANGE ARE EXPECTED TO COMMENCE ON TUESDAY, 26TH MAY 1992.

PARTICULARS OF AN ISSUE OF £1,000,000,000

9 per cent CONVERSION STOCK, 2000

SCHEDULE OF PAYMENTS:

Amount paid on issue	£40.00 per cent
Amount payable on Monday, 6th July 1992	£60.75 per cent

INTEREST PAYABLE HALF-YEARLY ON 3RD MARCH AND 3RD SEPTEMBER

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The International Stock Exchange for the Stock to be admitted to the Official List.

1. £800,000,000 of the above Stock has been issued to the Bank of England on 22nd May 1992 at a price of £100.75 per cent; the balance of £200,000,000 has been reserved for the National Debt Commissioners for public funds under their management. The amount paid on issue was £40.00 per cent and the amount payable on 6th July 1992 will be £60.75 per cent.
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 3rd March 2000.
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 3rd March and 3rd September. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post. The first interest payment will be made on 3rd September 1992 at the rate of £1.8954 per £100 of the Stock.
6. 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.
7. 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.
8. 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.
9. 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. The appropriate forms may be obtained from the Inspector of Foreign Dividends, Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP.
10. 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.

11. Until payment in full has been made and a completed registration form submitted to the Bank of England, the Stock (other than amounts held in the CGO Service for the account of members) will be represented by letters of allotment.

12. Payment in full may be made at any time prior to 6th July 1992 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 Stock will render such Stock and any amount previously paid liable to forfeiture.

13. 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 2nd July 1992. Such requests must be signed and must be accompanied by the letters of allotment.

14. Members of the CGO Service may, subject to the provisions governing membership of that Service, surrender a partly-paid letter of allotment to the CGO for cancellation and for the Stock 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 Stock shall, to the exclusion of all persons previously entitled to such Stock and any person claiming any entitlement thereto, both be treated as entitled to such Stock 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 Stock. A member will be entitled at any time prior to registration to withdraw, in multiples of £100, Stock credited to the member's account and to obtain a partly-paid letter of allotment comprising such Stock, and such member shall be liable for the payment of all amounts becoming due thereafter in respect of such Stock unless and until that letter of allotment is surrendered to the CGO for cancellation as aforesaid.

15. Payment of the final instalment due on 6th July 1992 must be sent to the Bank of England, New Issues, Southgate House, Southgate Street, Gloucester, GL1 1UW. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment 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 6th July 1992; in the case of Stock held for the account of members of the CGO Service payment of the final instalment and registration of Stock will be effected under separate arrangements.

16. Until the close of business on 30th July 1992, stock issued in accordance with this notice will be known as 9 per cent Conversion Stock, 2000 "C". The interest due on 3rd September 1992 will be paid separately on holdings of the existing 9 per cent Conversion Stock, 2000 and on holdings of "C" stock registered at the close of business on 30th July 1992; 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 3rd September 1992 on holdings of "C" stock.

17. Transfers of 9 per cent Conversion Stock, 2000 "C" may be lodged at the Bank of England for registration in that form up to 28th July 1992. After that date, for purposes of certification, the "C" stock will not be distinguished from the existing 9 per cent Conversion Stock, 2000. From the opening of business on 31st July, the "C" stock will be amalgamated on the register with the existing Stock. CGO account balances will have been amalgamated from the opening of business on 29th July 1992.

18. Copies of this notice 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 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

22nd May 1992