SCHEDULE 1

PART 1

ELIGIBLE TREASURY BILLS

Modification of the Treasury Bills Regulations 1968

9. For regulation 3, substitute–

"**3.** –

(1) The terms of a Treasury bill shall include a term to the effect that uncertificated units of the bill–

(a) are issued subject to–

(i) the Treasury Bills Act 1877; and

(ii) these Regulations,

as modified by the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003;

(b) are issued to raise money either for–

(i) the National Loans Fund ("NLF") under section 12 of the National Loans Act 1968(**1**); or

(ii) the Debt Management Account ("DMA") under paragraph 4 of Schedule 5A to the National Loans Act 1968; and

(c) entitle the holder of the units to payment of a defined sum out of the NLF or the DMA (as the case may be) on redemption of the units in accordance with the terms on which they are issued.

(2) Where the value of uncertificated units of a Treasury bill is denominated in a currency other than sterling, the terms of the bill shall include a term indicating the circumstances in which, and the conditions subject to which, such units may be exchanged for units whose value is denominated in sterling.".

(**1**) 1968 c. 13.