

SCHEDULE 1

PART 1

ELIGIBLE TREASURY BILLS

Modification of the Treasury Bills Act 1877

1. For the purposes of regulation 14, and the definition of “eligible Treasury bill” in the principal regulations, the 1877 Act is modified as set out in paragraphs 2 to 6, and the 1968 Regulations are modified as set out in paragraphs 7 to 13.

2. In section 2–

(a) before the definition of “prescribed”, insert–

“The expression “the 2001 Regulations” means the Uncertificated Securities Regulations 2001(1), as amended from time to time.”;

(b) after the definition of “prescribed”, add–

“The expressions “issue”, “relevant system”, “unit” and “uncertificated” have the same meaning as in the 2001 Regulations, as amended from time to time.”.

3. In section 4, for the words from “in the prescribed form” to “the bill”, substitute, “for the payment of a principal sum to the holder of one or more uncertificated units of the bill at a date not more than twelve months from the date of issue of that unit or those units”.

4. In section 5, for “of and interest on”, substitute “and interest payable in respect of”.

5. For section 8(2), substitute–

“(2) Each Treasury bill (and each uncertificated unit of such bill) shall be for the payment of such a principal sum or sums as may be directed by the Treasury.”.

6. In section 9–

(a) in subsection (1), omit “mode of payment,”;

(b) omit subsections (2) and (4);

(c) in subsection (3), omit the words from “, by the use” to “otherwise,”;

(d) at the end, add–

“No regulation under this Act applies in relation to uncertificated units of a Treasury bill to the extent that it is inconsistent with–

(a) the holding of such units in uncertificated form;

(b) the transfer of title to such units by means of a relevant system; or

(c) the 2001 Regulations.”.

Modification of the Treasury Bills Regulations 1968

7. In regulation 1–

(a) before “Treasury bills”–

(i) in the cross-heading before the regulation; and

(ii) where first occurring,

(1) S.I.2001/3755.

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insert “Uncertificated units of”;

(b) in paragraph (a), before “Treasury bills”, insert ““uncertificated units of”.

8. In regulation 2(1)–

(a) before “Treasury bills”, insert “uncertificated units of”;

(b) in subparagraph (c), for “bills”, substitute “units”.

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(2); 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.”.

10. In regulation 4–

(a) for paragraph (1), substitute–

“(1) The Treasury may from time to time issue uncertificated units of Treasury bills for the payment of such principal sums as they think fit, and may authorise any other person to issue uncertificated units of such bills for the payment of such principal sums as the Treasury may authorise.”;

(b) omit paragraphs (2) and (3).

11. In regulation 6–

(a) omit paragraphs (1), (1A), (1N) and (2);

(b) in paragraph (1L)–

(i) for “any Treasury bill”, substitute, “any uncertificated unit of a Treasury bill”;

(ii) omit the words from “and in the place” to “is held”;

(iii) for “the bill”, substitute, “the unit”;

(c) for paragraph (1M), substitute–

(2) 1968 c. 13.

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“(1M) If, but for this paragraph, the date for payment of a principal sum in respect of uncertificated units of a Treasury bill would be more than twelve months from the date of issue of those units, the said date for the payment of the principal sum shall be the last day on which the Bank of England is open for business in the period of twelve months from the date of issue of those units.”.

12. Omit regulations 7 and 8.

13. In regulation 9, after the definition of ““NLF bill” and “NLF Treasury bill””, insert–
““issue”, “uncertificated” and “units” have the same meaning as in the Uncertificated Securities Regulations 2001(3), as amended from time to time.”.