

**1999 No. 2907**

**EXCHEQUER**

**The Treasury Bills (Amendment) Regulations 1999**

<i>Made</i> - - - -	<i>25th October 1999</i>
<i>Laid before Parliament</i>	<i>25th October 1999</i>
<i>Coming into force</i>	<i>15th November 1999</i>

The Treasury, in exercise of the powers conferred on them by section 9 of the Treasury Bills Act 1877(a), section 5 of the National Debt Act 1889(b) and of all other powers enabling them in that behalf, hereby make the following Regulations:—

**Title and commencement**

**1.**—(1) These Regulations may be cited as the Treasury Bills (Amendment) Regulations 1999 and shall come into force on 15th November 1999.

(2) Nothing in these Regulations shall have effect in relation to any Treasury bill issued before the commencement of these Regulations.

**Amendment of principal Regulations**

**2.** The Treasury Bills Regulations 1968(c) shall be amended in accordance with the following provisions of these Regulations.

**3.** In regulation 1(b), for the words “fixed rate of discount, determined by the Treasury” there shall be substituted the words “price, determined on such basis as the Treasury think fit”.

**4.** In regulation 2—

(a) for paragraph (1) there shall be substituted the following—

“(1) An invitation to tender for Treasury bills shall be by notice given by such means as the Treasury may direct, and such notice shall specify (whether itself or by reference to some other document)—

- (a) how tenders may be made,
- (b) the closing date for tenders, and
- (c) the period for which, and the terms and conditions subject to which, the bills are to be issued.” ; and

(b) for paragraph (2) there shall be substituted the following—

“(2) For the purposes of paragraph (1)(a) of this regulation, and without prejudice to its generality,—

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(a) 1877 c. 2; section 9 was amended by Part XII of Schedule 1 to the Statute Law (Repeals) Act 1986 (c. 12).

(b) 1889 c. 6; section 5 was amended by the Schedule to the Statute Law Revision Act 1908 (c. 49) and the Schedule to the Statute Law Revision Act 1966 (c. 5).

(c) S.I. 1968/414, amended by S.I. 1988/1603, 1991/1667, 1998/1450.

- (a) more than one method of tendering may be specified,
  - (b) different provision may be specified for different descriptions of tender or tenderer, and
  - (c) it may be specified as a condition of any method of tendering that the action which is to constitute the tender must take place by a specified time or between specified times.”.
5. In regulation 3, for paragraph (a) there shall be substituted the following–
- “(a) (i) if an NLF bill denominated in sterling, shall be in the form set out in Part 1 of Schedule 1 to these Regulations,
  - (ii) if an NLF bill denominated in any other currency, shall be in the form set out in Part 1 or Part 2 of Schedule 1,
  - (iii) if a DMA bill denominated in sterling, shall be in the form set out in Part 3 of Schedule 1, and
  - (iv) if a DMA bill denominated in any other currency, shall be in the form set out in Part 3 or Part 4 of Schedule 1;”.
6. In regulation 4–
- (a) for paragraph (1) there shall be substituted the following–
    - “(1) The Treasury may from time to time prepare bills in such denominations as they think fit, and may authorise any other person to prepare bills in such denominations and for such total amounts as the Treasury may authorise”;
  - (b) in paragraph (2)–
    - (i) there shall be inserted at the beginning the words “Subject to paragraph (3) of this regulation,”, and
    - (ii) for the words “Bank of England, under the authority of the Treasury warrant” there shall be substituted the words “Treasury, or such agent as may have been authorised by the Treasury in that behalf,”; and
  - (c) after paragraph (2) there shall be inserted the following–
    - “(3) Where a Treasury bill is ready for issue and the Treasury have determined to acquire that bill on issue under paragraph 3(1)(a) of Schedule 5A to the National Loans Act 1968<sup>(a)</sup> (acquisition of Treasury bills etc by the Treasury for the purpose of exercising their functions with regard to the Debt Management Account), no delivery shall be necessary and the bill shall be deemed to be issued on the date of issue specified in the bill.”.
7. In regulation 5, before the words “Treasury bills” there shall be inserted the letters “NLF”.
8. In regulation 6–
- (a) for paragraph (1) there shall be substituted the following–
    - “(1) The principal sum payable in respect of a Treasury bill shall be paid in the currency in which the bill is denominated–
      - (a) by credit or transfer to an account–
        - (i) denominated in that currency, and
        - (ii) specified by the payee for that purpose, or
      - (b) if the Bank of England determines that–
        - (i) it has not been furnished with sufficient particulars of such an account, or has not been furnished with such particulars in sufficient time, to enable the credit or transfer to be made on the date of payment of the bill, or
        - (ii) by reason of any systems failure or otherwise that credit or transfer will not be likely to be made on that date,

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<sup>(a)</sup> 1968 c. 13; Schedule 5A is inserted by paragraph 1(3) of Schedule 26 to the Finance Act 1998 (c. 36), which is to be brought into force contemporaneously with these Regulations.

by banker's draft at the head office of the Bank of England.”;

(b) for paragraph (1A) there shall be substituted the following—

“(1A) Where—

- (a) payment is to be made by banker's draft in accordance with paragraph (1)(b) of this regulation in circumstances in which any process by which the credit or transfer was to have been made in accordance with paragraph (1)(a) of this regulation had already been initiated, and
- (b) the Bank of England determines that that process may result in the credit or transfer being made (whether on the day on which the payment is due or on some later date),

the payment by banker's draft may be made on such terms and conditions as to repayment or indemnity, or otherwise for preventing any loss to the Bank or the Treasury, as the Bank may determine.”.

(c) paragraphs (1B) to (1K) shall be omitted;

(d) in paragraph (1L),

- (i) the words “denominated in ECU or euro” shall be omitted, and
- (ii) for the words from “(as the case” to the end of the paragraph substitute the words “the currency in which the bill is denominated”;

(e) in paragraph (1M) the words “denominated in ECU or euro” shall be omitted; and

(f) in paragraph (1N), for the words from “calculations” to the words “any bank” there shall be substituted the words “determinations made”.

**9.** In regulation 9, the existing regulation shall become paragraph (1), after which there shall be inserted the following new paragraph—

“(2) In these Regulations, except where the context otherwise requires—

“DMA bill” means a Treasury bill issued by virtue of paragraph 4 of Schedule 5A to the National Loans Act 1968 (which enables the Treasury to borrow for the Debt Management Account by the issue of Treasury bills, the payment of which is charged on the Debt Management Account by sub-paragraphs (5) and (6) of that paragraph); and

“NLF bill” and “NLF Treasury bill” mean a Treasury bill which is not a DMA bill (and the payment of which is, accordingly, charged on the National Loans Fund by section 5 of the Treasury Bills Act 1877(a)).”.

**10.** Regulation 9A shall be omitted.

**11.** For Schedule 1 there shall be substituted the Schedule set out in the Schedule to these Regulations.

*Clive Betts*  
*Jim Dowd*

Two of the Lords Commissioners  
of Her Majesty's Treasury

25th October 1999

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(a) 1877 c. 2; section 5 was amended by the Statute Law Revision Act 1963 (c. 30). and by the National Loans Act 1968 (c. 13), Schedule 5 and Schedule 6, Part I, and is disapplied to DMA bills by paragraph 4(6) of Schedule 5A to the latter Act (which is inserted by paragraph 1(3) of Schedule 26 to the Finance Act 1998 (c. 36), which is to be brought into force contemporaneously with these Regulations).

SCHEDULE

Regulation 11

SCHEDULE 1

Regulation 3

PART 1

**FORM OF NLF TREASURY BILL DENOMINATED IN STERLING AND OF  
DEFINITIVE NLF TREASURY BILL DENOMINATED IN ANY OTHER  
CURRENCY**

Treasury Bill

Issued under the Treasury Bills Act 1877 to raise money for the National Loans Fund under section 12 of the National Loans Act 1968.

..... [Nominal amount in figures with name  
or symbol of currency]

..... [Serial Number]

London ..... Issue date

This Treasury bill entitles\*..... or Order to payment of ..... [Nominal amount and  
currency in words] out of the National Loans Fund on ..... [date] on surrender of this  
Treasury Bill to the Bank of England, subject to and in accordance with the Treasury Bills  
Regulations 1968 as amended.

..... [Serial Number]

..... [Nominal amount in figures with name  
or symbol of currency]

.....  
Secretary to the Treasury

\*If this blank is not filled in, the Bill will be paid to bearer.

PART 2

**FORM OF GLOBAL NLF TREASURY BILL DENOMINATED IN  
CURRENCIES OTHER THAN STERLING**

Global Treasury Bill

Issued under the Treasury Bills Act 1877 to raise money for the National Loans Fund under section 12 of the National Loans Act 1968.

..... [Nominal amount in figures with name  
or symbol of currency]                      ..... [Serial Number]

London ..... Issue date

This Global Treasury Bill entitles\* the bearer to Payment of ..... [Nominal amount and  
currency in words] out of the National Loans Fund on ..... [date] on surrender of this Global  
Treasury Bill to the Bank of England, subject to and in accordance with the Treasury Bills  
Regulations 1968 as amended.

On any business day (as defined in the Treasury Bills Regulations 1968 as amended) on or after  
the Issue Date stated above upon surrender or presentation of the Global Treasury Bill to the  
Bank of England, this Global Treasury Bill shall be exchanged without charge in whole or in part  
for definitive Treasury Bills in the form prescribed by the Treasury Bills Regulations 1968 as  
amended and in the denominations permitted thereunder and requested by the bearer. Upon any  
exchange of a part of this Global Treasury Bill for definitive Treasury Bills, the portion of the  
principal amount hereof so exchanged shall be endorsed by the Bank of England on the Schedule  
hereto, whereupon the principal amount of the Global Treasury Bill shall be reduced for all  
purposes by the amount so exchanged and endorsed.

..... [Serial Number]                                      ..... [Nominal amount in figures with name  
or symbol of currency]

.....  
Secretary to the Treasury

\*If this blank is not filled in, the Bill will be paid to bearer.

SCHEDULE

EXCHANGES FOR DEFINITIVE TREASURY BILLS

The following exchanges of a part of this Global Treasury Bill for definitive Treasury Bills have been made:

Date made	Part of face amount of this Global Treasury Bill exchanged for definitive Treasury Bills	Remaining face amount of this Global Treasury Bill following such exchange	Notation made by the Bank of England
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PART 3

**FORM OF DMA TREASURY BILL DENOMINATED IN STERLING AND OF  
DEFINITIVE DMA TREASURY BILL DENOMINATED IN ANY OTHER  
CURRENCY**

Treasury Bill

Issued under the Treasury Bills Act 1877 to raise money for the Debt Management Account under paragraph 4 of Schedule 5A to the National Loans Act 1968.

..... [Nominal amount in figures with name                      ..... [Serial Number]  
                  or symbol of currency]

London ..... Issue date

This Treasury bill entitles\* ..... or Order to payment of ..... [Nominal amount and  
currency in words] out of the Debt Management Account on ..... [date] on surrender of this  
Treasury Bill to the Bank of England, subject to and in accordance with the Treasury Bills  
Regulations 1968 as amended.

..... [Serial Number]    ..... [Nominal amount in figures with name  
  or symbol of currency]

.....

Secretary to the Treasury

\*If this blank is not filled in, the Bill will be paid to bearer.





SCHEDULE

EXCHANGES FOR DEFINITIVE TREASURY BILLS

The following exchanges of a part of this Global Treasury Bill for definitive Treasury Bills have been made:

Date made	Part of face amount of this Global Treasury Bill exchanged for definitive Treasury Bills	Remaining face amount of this Global Treasury Bill following such exchange	Notation made by the Bank of England
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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Treasury Bills Regulations 1877 to—

- (a) enable Treasury bills to be issued ad hoc at a price determined by the Treasury on such basis as they think fit rather than at a fixed rate of discount determined by them (regulation 3);
- (b) give the Treasury greater flexibility in relation to how and when they give notice inviting tenders for Treasury bills and the methods by which such tenders may be made (regulation 4);
- (c) enable Treasury bills (which have been restricted to sterling, ECU and euro) to be denominated in any currency (regulations 5 and 10 and Schedule 1);
- (d) remove the requirement for a warrant authorising the preparation and issue of Treasury bills, and reflect the Treasury's new ability to issue Treasury bills either directly or through such agent as they think fit rather than necessarily through the Bank of England (see the amendment of section 8 of the Treasury Bills Act 1998 made by section 159 of the Finance Act 1998, which will be brought into force contemporaneously with these Regulations) (regulation 6(a) and (b));
- (e) make provision to take account of the creation of the Debt Management Account and the Treasury's ability to issue Treasury bills as a means of borrowing money for that Account, and to acquire Treasury bills on issue for that account (see Schedule 5A to the National Loans Act 1968 which is inserted by paragraph 1(3) of Schedule 26 to the Finance Act 1998, which is to be brought into force contemporaneously with these Regulations); in particular, new forms of bill are prescribed to distinguish bills issued to raise money for (and the repayment of which is charged on) that Account from bills issued to raise money for (and the repayment of which is charged on) the National Loans Fund in the traditional manner; the requirement of physical delivery on issue is removed where the Treasury acquire and hold Treasury bills on issue; and regulation 5 of the principal Regulations (which provides for certain payments into and out of the National Loans Fund) is disapplied to DMA Treasury bills (regulations 5, 6(c), 7, 9 and Schedule 1);
- (f) extends to all Treasury bills the method of payment at maturity by credit or transfer to an account nominated by the payee which has hitherto applied only to Treasury bills denominated in ECU or euro; enables the Bank of England to attach terms and conditions (such as the giving of an indemnity) for preventing loss to the Bank or the Treasury where a banker's draft is issued in lieu of payment to an account where payment of the latter kind had been initiated but, due to a systems failure or otherwise, the payment was not likely to be made on the due date; removes spent provisions relating to the payment of Treasury bills denominated in ECU and euro; and extends to all Treasury bills a provision, which has hitherto applied only to Treasury bills denominated in ECU or euro, deeming the date for payment of a Treasury bill to be the last day on which the Bank of England is open for business in the period of 12 months from the date of the bill where the date for payment mentioned in the bill would be more than 12 months from the date of the bill (regulations 5 and 8 and Schedule 1); and
- (g) makes minor changes to the forms unconnected with the purposes mentioned above (Schedule 1).

None of these changes will apply in relation to bills issued before the commencement of the Regulations (regulation 1(2)).

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