
STATUTORY INSTRUMENTS

1998 No. 1450

EXCHEQUER

The Treasury Bills (Amendment) Regulations 1998

<i>Made</i>	- - - -	<i>11th June 1998</i>
<i>Laid before Parliament</i>		<i>12th June 1998</i>
<i>Coming into force</i>	- -	<i>6th July 1998</i>

The Treasury, in exercise of the powers conferred on them by section 9 of the Treasury Bills Act 1877(1) and section 5 of the National Debt Act 1889(2) and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Treasury Bills (Amendment) Regulations 1998 and shall come into force on 6th July 1998.

2. The Treasury Bills Regulations 1968(3) shall be amended as follows:

(a) for regulation 3 there shall be substituted—

“3. A Treasury bill—

(a) if denominated in sterling, shall be in the form set out in Part 1 of Schedule 1 to these Regulations, if denominated in ECU, shall be in the form set out in Part 2 or Part 3 of Schedule 1 and, if denominated in euro, shall be in the form set out in Part 4 or Part 5 of Schedule 1;

(b) shall have printed on it a facsimile of the signature of one of the Secretaries to the Treasury for the time being; and

(c) shall have printed on it the serial number of the bill.”;

(b) in regulation 4(1), the words “and the warrant shall be transmitted to the Comptroller and Auditor General for his counter-signature” shall be omitted;

(c) in regulation 6(1B), for the words “in which the operations of the European Monetary Co-operation Fund are expressed pursuant to Council Regulation (EEC) No. 3180/78, or any Council regulation amending or replacing the same,” there shall be substituted “of the European Communities,”;

(1) 1877 c. 2; section 9 was amended by Part XII of Schedule 1 to the Statute Law (Repeals) Act 1986 (c. 12), and section 8 was amended by section 79 of the Finance (No. 2) Act 1992 (c. 48).

(2) 1889 c. 6; section 5 was amended by the Schedule of the Statute Law Revision Act 1908 (c. 49) and the Schedule to the Statute Law Revision Act 1966 (c. 5).

(3) S.I. 1968/414; relevant amending instrument is S.I. 1988/1603.

- (d) in regulation 6(1C), for the words “in which the operations of the European Monetary Cooperation Fund are expressed” there shall be substituted “of the European Communities”;
- (e) in regulation 6(1D), for the words “in which the operations of the European Monetary Cooperation Fund were expressed pursuant to Council Regulation (EEC) No. 3180/78, or any Council regulation amending or replacing the same,” there shall be substituted “of the European Communities,”;
- (f) for paragraphs (1E) to (1G) of regulation 6, there shall be substituted the following paragraphs—

“(1E) The principal sum payable in respect of a Treasury bill denominated in euro shall, subject to paragraphs (1F) and (1G) of this regulation, be paid in euro by credit or transfer to a euro account nominated by the payee or, if the Bank of England determines that 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, be paid in euro by banker’s draft at the head office of the Bank of England.

(1F) If any principal sum in respect of a Treasury bill denominated in euro shall become payable before the day on which the euro is introduced as the currency of participating Member States at the beginning of the third stage of economic and monetary union as described in the EEC Treaty, as amended (“the introduction date”), then the principal sum shall, subject to paragraph (1G) of this regulation, be paid in ECU by credit or transfer to an ECU account nominated by the payee or, if the Bank of England determines that 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, be paid in ECU by banker’s draft at the head office of the Bank of England. The amount of any payment due under this paragraph shall be made at the rate of one ECU for one euro.

(1G) If any principal sum in respect of a Treasury bill denominated in euro shall become payable before the introduction date and if the ECU shall have ceased to be the unit of account of the European Communities, then the principal sum shall be paid in sterling by credit or transfer to a sterling account nominated by the payee or, if the Bank of England determines that 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, be paid in sterling by banker’s draft at the head office of the Bank of England. The Bank of England shall, as soon as practicable after the ECU ceases to be the unit of account of the European Communities, give notice that principal sums due under this paragraph in respect of Treasury bills denominated in euro shall be paid in sterling. This notice shall be given in the London Gazette or by such other means as the Treasury shall direct.

(1H) The amount of any payment due under paragraph (1G) shall be calculated by the Bank of England, at the rate of one ECU for one euro, by aggregating the sterling amount and the sterling equivalents of the currency amounts other than sterling which were the components of the ECU on the day on which the ECU was last used as the unit of account of the European Communities. In this regulation the sterling equivalent of any currency shall be determined by the Bank of England on the basis of the middle spot delivery quotations prevailing at 11.00 a.m. London time in the London foreign exchange market two days (being days on which the Bank of England is open for business) before the date of maturity of the bill concerned, as obtained by the Bank of England from one or more banks in London selected by it.

(1J) If the official unit of any component currency of the ECU is altered by way of combination or subdivision then, for the purpose of paragraph (1H), the number of units

of that currency which is used as a component of the ECU shall be divided or multiplied in the same proportion. If two or more component currencies of the ECU are consolidated into a single currency then, for the purpose of paragraph (1H), the amounts of those currencies which are used as components of the ECU shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated component currencies expressed in such single currency. If any component currency of the ECU is divided into two or more currencies then, for the purpose of paragraph (1H), the amount of that component currency shall be replaced by amounts of such two or more currencies, each of which shall be equal to the amount of the former component currency divided by the number of currencies into which that currency was divided.

(1K) If no direct quotations for the purpose of paragraph (1H) are available for a component currency of the ECU for the relevant day for any reason, the most recent direct quotations for that currency obtained by the Bank of England shall be used in computing the amount of the sterling equivalent of the ECU on the relevant day, provided, however, that such most recent quotations may be used only if they were prevailing not more than two days (being days on which the Bank of England is open for business) before such relevant day. Beyond such period of two days, the Bank of England shall determine the sterling equivalent of such component currency on the basis of rates derived from the middle spot delivery quotations for (i) such component currency and such other currency as the Bank of England may select and (ii) such other currency and sterling, in each case prevailing at 11.00 am London time on the relevant day, as obtained by the Bank of England. Within such period of two days, the Bank of England shall determine the sterling equivalent of such component currency on the basis of the method described above for periods beyond two days if the Bank of England judges that the equivalent so calculated is more representative than the sterling equivalent calculated on the basis of such most recent direct quotations.

(1L) If any day on which a payment is due in respect of any Treasury bill denominated in ECU or euro is not a business day, the person entitled to payment shall not be so entitled until the next following business day, and in this regulation “business day” means a day on which banks in London and in the place where the account (if any) nominated by the payee is held are open for business and carrying out transactions in (as the case may be) ECU, euro, or any other currency in which payment is to be made in accordance with this regulation.

(1M) If, but for this paragraph, the date mentioned in a Treasury bill denominated in ECU or euro for payment of the principal sum mentioned therein would be more than twelve months from the date of the bill, 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 the bill.

(1N) All calculations and determinations made, the choice of any currency and the selection of any bank by the Bank of England under this regulation shall be at its sole discretion and shall in the absence of manifest error be conclusive for all purposes of this regulation and binding on the Treasury and the holders for the time being of the Treasury bills concerned.”;

(h) for regulation 9A there shall be substituted—

“9A. In these Regulations “ECU” means the European Currency Unit as defined in Council Regulation (EC) No. 3320/94.”;

(i) for Schedule 1 there shall be substituted—

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“SCHEDULE 1

Regulation 3

PART 1

FORM OF TREASURY BILL DENOMINATED IN STERLING

Treasury Bill

Due
 Issued under the Treasury Bills Act 1877 and the National Loans Act 1968.
 £ [000000]
 London, [Date]
 This Treasury Bill entitles*

 or Order to Payment of Pounds at the Bank of England
 out of the National Loans Fund on [Date]
 £
 Secretary to the Treasury
 [000000]

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

PART 2

FORM OF GLOBAL TREASURY BILL DENOMINATED IN ECU

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Global Treasury Bill

Due
Issued under the Treasury Bills Act 1877 and the National Loans Act 1968.
ECU [000000]

London, [Date]

This Global Treasury Bill entitles the bearer to Payment of
European Currency Units 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 this Global
Treasury Bill to the Bank of England, this Global Treasury Bill shall be exchanged by
the Bank of England 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 this Global Treasury Bill shall
be reduced for all purposes by the amount so exchanged and endorsed.

..... ECU
Secretary to the Treasury

[000000]

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 DEFINITIVE TREASURY BILL DENOMINATED IN ECU

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Treasury Bill

Issued under the Treasury Bills Act 1877 and the National Loans Act 1968.
ECU [000000]

London, [Date]

This Treasury Bill entitles*

or Order to Payment of European Currency Units
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.

..... ECU

Secretary to the Treasury

[000000]

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

PART 4

FORM OF GLOBAL TREASURY BILL DENOMINATED IN EURO

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Global Treasury Bill

Due
Issued under the Treasury Bills Act 1877 and the National Loans Act 1968.
Euro [000000]
London, [Date]

This Global Treasury Bill entitles the bearer to Payment of
euro 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 this Global
Treasury Bill to the Bank of England, this Global Treasury Bill shall be exchanged by
the Bank of England 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 this Global Treasury Bill shall
be reduced for all purposes by the amount so exchanged and endorsed.

..... euro
Secretary to the Treasury
[000000]

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 5

FORM OF DEFINITIVE TREASURY BILL DENOMINATED IN EURO

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Treasury Bill

Issued under the Treasury Bills Act 1877 and the National Loans Act 1968.
Euro [000000]

London, [Date]

This Treasury Bill entitles*
.....
or Order to Payment of euro
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.

..... euro
Secretary to the Treasury

[000000]

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

Jim Dowd
Graham Allen
Two of the Lords Commissioners of Her
Majesty's Treasury

11th June 1998

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Treasury Bills Regulations 1968 (S.I.1968/414). Regulation 3 and Schedule 1 are amended to set out the form of Treasury bills denominated in euro. Regulation 6 is amended to update the definition of the circumstances in which ECU bills will be repaid in another currency so that it refers to circumstances in which the ECU is not the unit of account of the European Communities, rather than circumstances in which the ECU is not the unit of account in which the operations of the European Monetary Co-operation Fund are expressed. Regulation 6 is also amended to describe how payment is to be made where a bill is denominated in euro. Payment will be made in euro except that, if the euro has not been introduced as the currency of the participating Member States in Stage 3 of Economic and Monetary Union, payment will be made in ECU, and if the ECU is not the unit of account of the European Communities, payment will be made in sterling. The regulation specifies how the amount of any payment in sterling is to be computed. Regulation 9A is amended to update the definition of the ECU.

In addition, regulation 4(1) is amended to remove the reference to transmitting to the Comptroller and Auditor General, for his counter-signature, warrants authorising the Bank of England to prepare Treasury bills.