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Item 1148

**ANNOUNCEMENT
OF THE MINISTER OF FINANCE**

of 29 May 2020

**on the publication of the consolidated text of the Regulation of the Minister of Finance on the conditions
for issuing Treasury bills**

1. Pursuant to Article 16(3) of the Act of 20 July 2000 on the promulgation of normative acts and certain other legal acts (Journal of Laws of 2019, item 1461), the consolidated text of the Regulation of the Minister of Finance of 30 August 2013 on the conditions for issuing Treasury bills (Journal of Laws, item 1088), as amended by the Regulation of the Minister of Finance of 22 May 2019 amending the Regulation on the conditions for issuing Treasury bills (Journal of Laws, item 1002), is hereby published in the Annex to this Announcement.

2. The consolidated text of the Regulation, as presented in the Annex to this Announcement, shall not include Article 2 of the Regulation of the Minister of Finance of 22 May 2019 amending the Regulation on the conditions for issuing Treasury bills (Journal of Laws, item 1002), which states the following:

“Article 2. The Regulation shall enter into force on 1 June 2019”.

Minister of Finance: *T. Kościński*

Annex to the Announcement of the Minister of Finance of 29 May 2020 (item 1148)

**REGULATION
OF THE MINISTER OF FINANCE**

of 30 August 2013

on the conditions for issuing Treasury bills

Pursuant to Article 97(1) of the Public Finance Act of 27 August 2009 (Journal of Laws of 2019, item 869, as amended¹), it is hereby ordered as follows:

Chapter 1

General Provisions

Article 1. The Regulation sets out the terms and conditions for issuing Treasury bills, hereinafter referred to as “bills”, in particular:

- 1) the face value of a single bill;
- 2) the currency in which bills may be issued;
- 3) the rules and procedure for sale, including the date or method of determining the sale price of issued bills on the primary market;
- 4) the entities to which bills of a given issue are offered for purchase on the primary market;
- 5) the restrictions on bills trading on the primary and secondary markets;
- 6) the manner of executing payments of benefits arising from bills.

Article 2. Whenever the Regulation refers to:

- 1) issuing agent – this shall mean the entity responsible for organising bill auctions;
- 2) electronic auction system – this shall mean the information and communications technology system operated by the issuing agent for handling bill auctions;
- 3) announcement – this shall mean information concerning the bills published by the Minister of Finance under this Regulation;
- 4) letter of issue – this shall mean the letter of issue published by the Minister of Finance pursuant to Article 98 of the Public Finance Act of 27 August 2009, containing the detailed terms and conditions for the issuance of bills;
- 5) auction price – this shall mean the price for the face value of a single bill with a given maturity date, accurate to two decimal places;
- 6) minimum sale price – this shall mean the auction price set by the Minister of Finance for a given sale auction, representing the lowest accepted auction price for bills with a given maturity date;
- 7) non-competitive bid – this shall mean a bid for the purchase or sale of bills with a given maturity date, that does not specify an auction price;
- 8) ² Register – this shall mean the Treasury bill register maintained by the issuing agent, in which the issuing agent records bill holdings and changes in bill holdings;
- 9) ³ TSDs – this shall mean banks, credit institutions or financial institutions, as well as their branches, as defined in the Banking Law Act of 29 August 1997 (Journal of Laws of 2019, item 2357, and of 2020, items 284, 288, 321, and 1086), with which the Minister of Finance concluded the agreement for fulfilling the function of the Treasury Securities Dealer.

¹ The amendments to the consolidated text of the mentioned act were published in the Journal of Laws of 2019, items 1622, 1649, 2020 and 2473, as well as in the Journal of Laws of 2020, items 284, 374, 568 and 695.

² As established by Article 1(1)(a) of the Regulation of the Minister of Finance of 22 May 2019 amending the Regulation on the conditions for issuing Treasury bills (Journal of Laws, item 1002), which entered into force on 1 June 2019.

³ Added by Article 1(1)(b) of the regulation referred to in footnote 2.

Article 3. 1.⁴ Bills shall be purchased and sold at an auction at a discount, subject to paragraph 2 and Article 28a(1).

2. In order to manage the debt of the State Treasury, the Minister of Finance may enter into agreements with entities referred to in Article 6(1), granting the right to purchase bills or to provide bills for repurchase outside the auction.

3. Information on the conclusion of the agreement referred to in paragraph 2 shall be made public by the Minister of Finance in the manner specified in Article 7.

Article 4. 1. The face value of one bill shall be PLN 10,000 (ten thousand zlotys).

2. Bills shall be issued for a period of:

- 1) from 1 to 90 days, or
- 2) from 1 to 52 weeks.

3. The face value of the bills shall be specified in the letter of issue.

Article 5. 1. Bills shall be bearer securities.

2. Bills shall not take the form of a document and shall be registered in the bill accounts and deposit accounts maintained within the Register.

3. The detailed conditions for maintaining the Register shall be specified in the rules and regulations issued by the issuing agent.

Article 6. 1. Bills may be purchased by natural persons, legal persons, or companies without legal personality.

2. Bills may be traded between entities referred to in paragraph 1, subject to the conditions arising from regulations governing foreign exchange trading, as well as trading in financial instruments and supervision of the capital market.

Article 7. Letters of issue and announcements shall be published on the websites of the Ministry of Finance or in other mass media with national coverage.

Chapter 2

Auction Participants

Article 8. 1.⁵ The following entities may participate in the auctions:

- 1) TSDs,
- 2) state banks as defined by the Banking Law Act of 29 August 1997, not having the TSD status – hereinafter referred to as “auction participants”.

2. The detailed conditions for participation in the auctions for the entities referred to in paragraph 1(2) shall be specified in an agreement concluded with the Minister of Finance.

Article 9. Auction participants shall purchase bills on their own behalf and for their own account. The obligation to pay the purchase price of the bills shall rest with the auction participant.

Chapter 3

Bill Auctions

Article 10. 1. Bill auctions shall be organised by the issuing agent.

2. The issuing agent shall act based on an agreement concluded with the Minister of Finance.

3. The Minister of Finance may, without stating a reason, cancel or annul the auction before the acceptance of bids or announce an additional auction.

Article 11. 1. Auction participants shall submit bids in electronic form, by means of the electronic auction system, on the auction date, by the time specified in the auction announcement.

⁴ As established by Article 1(2) of the regulation referred to in footnote 2.

⁵ As established by Article 1(3) of the regulation referred to in footnote 2.

2. In the event of a failure of the electronic auction system, auction participants shall submit bids using direct remote communication means (telephone, fax) to the address provided by the issuing agent.

3. An auction participant may withdraw the submitted bid before the deadline referred to in paragraph 1.

Article 12. 1. The bill sale agreement shall be concluded on the auction date upon the acceptance by the Minister of Finance of the bid submitted by the auction participant.

2. Auction participants shall receive confirmation from the issuing agent of the acceptance or rejection of their bid by the Minister of Finance no later than the second business day following the auction date.

3. Fractional parts of bills shall not be allocated.

Article 13. 1. The face value of the bid submitted by an auction participant may not be lower than that specified in the announcement.

2. Bill purchase bids submitted in violation of the condition specified in paragraph 1 or incorrectly calculated, as well as those submitted after the deadline specified in the announcement, shall be rejected.

Chapter 4

Sale Auction

Article 14. Bills shall be offered at auctions on the dates specified in the letter of issue.

Article 15. Bills shall be sold at actions of the following types:

- 1) a multi-price auction – where each successful sale auction participant is obliged to pay for the purchased bills the amount resulting from the product of their number and the auction price offered by that participant;
- 2) a uniform-price auction – where all successful sale auction participants are obliged to pay for the purchased bills the amount resulting from the product of their number and the minimum sale price.

Article 16. No later than on the sale auction date, the Minister of Finance shall publish an announcement on the sale auction that shall specify, in particular:

- 1) the type of the auction;
- 2) the date of the auction and the deadline for submitting bids;
- 3) the date and time of the auction settlement;
- 4) the periods for which the bills will be issued;
- 5) the maturity date and ISIN code of the bills;
- 6) the predicted face value of the bills offered at the sale auction;
- 7) the minimum face value of the bid;
- 8) information on the permission to submit non-competitive bids;
- 9) the projected share of non-competitive bids in the total sales value at the auction if submission of non-competitive bids has been permitted.

Article 17. 1. Sale auction participants may submit non-competitive bids if submission of non-competitive bids has been permitted for a given sale auction.

2. At the sale auction, an auction participant may submit one non-competitive bid.

3. By submitting a non-competitive bid, the auction participant agrees to conclude a transaction:

- 1) in the case of a multi-price auction – at the weighted average auction price established for accepted bids containing the auction price;
- 2) in the case of a uniform-price auction – at the minimum sale price.

4. The Minister of Finance shall have the right to reduce non-competitive bids after the bid submission deadline. In the case of a reduction of non-competitive bids, the Minister of Finance shall determine the face value of the bills sold under this procedure and specify the reduction rate of non-competitive bids, accurate to two decimal places.

5. The number of bills in a reduced non-competitive bid shall be rounded up to the nearest multiple of 10 (ten), provided that it does not exceed the number of bills specified in the bid.

6. If only non-competitive bids are submitted, the auction for the bills with a given maturity date shall be cancelled.

Article 18. A bid for the purchase of bills at a sale auction shall contain, in particular:

- 1) the address of the issuing agent;
- 2) the maturity date and ISIN code of the bills;
- 3) the auction price of the bills being subject to the purchase bid, unless the purchase bid is a non-competitive bid;
- 4) the number and face value of the bills being subject to the purchase bid;
- 5) an authorisation for the issuing agent to debit the bank account at the National Bank of Poland, specifying its number, with the amount:
 - a) resulting from the purchase price referred to in Article 29(1), considering the number of bills and the offered auction price, including accrued interest for each day of delay – in the situation referred to in Article 30,
 - b) of the cancellation fee – in the situation referred to in Article 31;
- 6) the number of the bill account maintained in the Register to which the participant purchases the bills.

Article 19. 1. After the deadline for submitting purchase bids, the Minister of Finance shall determine the minimum sale price for a given sale auction.

2. Bill purchase bids:

- 1) with a price higher than the minimum sale price shall be accepted in full;
- 2) with a price equal to the minimum sale price may be accepted in full or in part, with a reduction applied to the bids.

3. In the event of a bid reduction, the Minister of Finance shall determine the face value of the sold bills with a given maturity date and specify the bid reduction rate as a percentage, accurate to two decimal places.

4. The provision of Article 17(5) shall apply accordingly.

Article 20. 1. After the sale auction, the Minister of Finance shall publish an announcement on the sale auction results, which shall include, in particular, the following data:

- 1) the type of the auction;
- 2) the date of the auction;
- 3) the date and time of the auction settlement;
- 4) the periods for which the bills will be issued;
- 5) the maturity date and ISIN code of the bills;
- 6) the face value of the bills offered for sale;
- 7) the face value of the bills for which a purchase bid has been received, detailing non-competitive bids, if their submission has been permitted;
- 8) the face value of the accepted bids, detailing non-competitive bids, if their submission has been permitted;
- 9) the minimum sale price and its corresponding yield, accurate to three decimal places;
- 10) the weighted average auction price established for accepted bids containing an auction price, and its corresponding yield, accurate to three decimal places;
- 11) the highest auction price submitted by an auction participant and its corresponding yield, accurate to three decimal places;
- 12) the reduction rate of bids containing the minimum sale price, accurate to two decimal places, detailing non-competitive bids, if their submission has been permitted;
- 13) ⁶ the hours during which bids for an additional sale may be submitted.

2. In the case of selling bills at a uniform-price auction, the announcement referred to in paragraph 1 shall not contain the data specified in paragraph 1(10) and 1(11).

⁶ Added by Article 1(4) of the regulation referred to in footnote 2.

Chapter 5

(repealed)⁷Chapter 5a⁸**Additional Sale**

Article 28a. 1. TSDs that have purchased bills at a sale auction may purchase additional bills outside the sale auction (additional sale) on the terms set out in this Chapter.

2. An additional sale shall be organised on the sale auction date.

3. The provisions of Chapter 3 shall apply accordingly to an additional sale, provided that the minimum face value of a bid is PLN 10,000 (ten thousand zlotys).

Article 28b. As part of an additional sale, bills with a given maturity shall be sold:

- 1) at the weighted average auction price, where the bills were sold at a multi-price auction;
- 2) at the minimum sale price, where the bills were sold at a uniform-price auction.

Article 28c. 1. Each TSD may purchase, as part of an additional sale, any bills offered at a sale auction in an amount corresponding to the product of the face value of all bills purchased by that TSD at the sale auction and a percentage multiplier corresponding to that TSD's position in the most recently published TSD ranking. The amount referred to in the preceding sentence shall be rounded up to the nearest multiple of PLN 1,000,000 (one million zlotys).

2. The Minister of Finance shall publish, in the manner referred to in Article 7, a list containing the multipliers referred to in paragraph 1 along with their corresponding positions in the TSD ranking.

3. The TSD ranking for a given quarter shall be determined in accordance with the criteria specified in the rules and regulations governing the activities of the Treasury Securities Dealer, which forms an integral part of the agreement for fulfilling the function of the Treasury Securities Dealer concluded by the Minister of Finance with the TSD, and based on which it shall be published by the Minister of Finance on the website of the Ministry of Finance.

Article 28d. 1. A TSD may submit bids as part of an additional sale during the hours specified in the announcement referred to in Article 20(1).

2. A bill purchase bid submitted by a TSD as part of an additional sale shall contain, in particular:

- 1) the address of the issuing agent;
- 2) the maturity date and ISIN code of the bills;
- 3) the number and face value of the bills being subject to the purchase bid;
- 4) the number of the bill account maintained in the Register to which the participant purchases bills;
- 5) an authorisation for the issuing agent to debit the bank account at the National Bank of Poland, specifying its number, with the amount:
 - a) resulting from the purchase price referred to in Article 29(1), considering the number of bills and the auction price, including accrued interest for each day of delay – in the situation referred to in Article 30,
 - b) of the cancellation fee – in the situation referred to in Article 31.

3. The total face value of the purchase bids submitted as part of an additional sale by a single TSD shall not exceed the amount referred to in Article 28c(1).

4. A bid submitted by a TSD as part of an additional sale that exceeds the amount referred to in paragraph 3 shall be rejected.

Article 28e. After an additional sale, the Minister of Finance shall publish an announcement regarding the results thereof, which shall include, in particular:

- 1) the date of the additional sale;
- 2) the date and time of the additional sale settlement;

⁷ By Article 1(5) of the regulation referred to in footnote 2.

⁸ Chapter added by Article 1(6) of the regulation referred to in footnote 2.

- 3) the periods for which the bills will be issued;
- 4) the maturity date and ISIN code of the bills;
- 5) the price referred to in Article 28b;
- 6) the face value of the bills sold.

Chapter 6

Settlement of Sale Auction and Additional Sale⁹

Article 29. 1. Sale auction participants whose purchase bids have been accepted are obliged to pay for the bills purchased at the auction the amount resulting from the corresponding auction price and the number of bills sold (purchase price).

2. Payment of the purchase price shall be made by debiting the account referred to in Article 18(5), and in the case of an additional sale – the account referred to in Article 28d(2)(5).¹⁰ The deadline for the payment for the bills purchased at the auction shall be specified in the announcement.

Article 30. 1. In the event of a failure to pay the purchase price on the payment date, interest shall accrue.

2. The amount of interest for each day of failure to meet the payment deadline referred to in paragraph 1 shall be calculated as the product of the lombard rate set by the National Bank of Poland and the amount of the unsettled single transaction, divided by 365. A single transaction shall be understood as the purchase of bills by an auction participant who has submitted a bid for a given number of bills at a given auction price.

3. Partial settlement of a single transaction shall not be permitted.

Article 31. 1. If the purchase price, increased by accrued interest as specified in Article 30(2), is not paid by the fifth business day following the auction settlement date at the latest, it shall be deemed that the purchase of the bills has been cancelled, and the auction participant is obliged to pay a cancellation fee.

2. The amount of the cancellation fee referred to in paragraph 1 shall be calculated as the product of double the lombard rate set by the National Bank of Poland, the amount of the unsettled single transaction, and 5/365.

3. ¹¹ The cancellation fee shall be debited from the account referred to in Article 18(5), and in the case of an additional sale, from the account referred to in Article 28d(2)(5) – on the next business day following the date referred to in paragraph 1.

Article 32.¹² In the case of an additional sale, the provisions of Articles 29-31 shall apply accordingly.

Chapter 7

Bill Buy-back Auction

Article 33. 1. The Minister of Finance may repurchase the bills before their maturity date.

2. The provisions of Article 15(1) shall apply accordingly to a bill buy-back auction.

3. Repurchased bills shall be cancelled upon payment for them, except for the bills purchased by the Minister of Finance for the purpose of managing State Treasury debt.

Article 34. No later than on the buy-back auction date, the Minister of Finance shall publish an announcement on the buy-back auction that shall specify, in particular:

- 1) the date of the auction and the deadline for submitting bids;
- 2) the date and time of the auction settlement;
- 3) the maturity date and ISIN code of the bills to be repurchased;
- 4) the face value of the bills to be repurchased;

⁹ The chapter title as established by Article 1(7) of the regulation referred to in footnote 2.

¹⁰ The first sentence as established by Article 1(8) of the regulation referred to in footnote 2.

¹¹ As established by Article 1(9) of the regulation referred to in footnote 2.

¹² As established by Article 1(10) of the regulation referred to in footnote 2.

- 5) the minimum face value of the bid;
- 6) information on the permission to submit non-competitive bids;
- 7) the projected share of non-competitive bids in the total repurchase value at the auction, if submission of non-competitive bids has been permitted.

Article 35. Buy-back auction participants may submit non-competitive bids if submission of non-competitive bids has been permitted for a given buy-back auction. The provision of Article 17 shall apply accordingly.

Article 36. 1. A bid for the sale of bills at a buy-back auction shall contain, in particular:

- 1) the address of the issuing agent;
- 2) the maturity date and ISIN code of the bills;
- 3) the auction price of the bills being subject to the bid, unless the bill repurchase offer is a non-competitive bid;
- 4) the number and face value of the bills being subject to the bid;
- 5) the number of the account at the National Bank of Poland that is to be credited with the amount resulting from the repurchase price, including the face value of the bills, and the offered auction price;
- 6) the bill account number in the Register, where the bills being subject to the sale bid are registered;
- 7) an authorisation for the issuing agent to debit the bank account at the National Bank of Poland, specifying its number, with the amount of the cancellation fee in the situation referred to in Article 39(6)-(8).

2. The provision of Article 13 shall apply accordingly.

Article 37. 1. After the deadline for submitting sale bids, the Minister of Finance shall determine for a given buy-back auction the highest accepted auction price for the bills with a given maturity date.

2. Bill sale bids:

- 1) with a price lower than the highest auction price shall be accepted in full;
- 2) with a price equal to the highest accepted auction price may be accepted in full or in part, with a reduction applied to the bids.

3. In the event of a bid reduction, the Minister of Finance shall determine the reduction rate as a percentage, accurate to two decimal places.

4. The provision of Article 17(5) shall apply accordingly.

Article 38. After the buy-back auction, the Minister of Finance shall publish an announcement on the buy-back auction results, which shall include, in particular:

- 1) the date of the auction;
- 2) the date and time of the auction settlement;
- 3) the maturity date and ISIN code of the bills;
- 4) the face value of the bills to be repurchased;
- 5) the face value of the bills covered by the repurchase bids, detailing non-competitive bids, if their submission has been permitted;
- 6) the face value of the repurchased bids, detailing non-competitive bids, if their submission has been permitted;
- 7) the lowest accepted auction price and its corresponding yield, accurate to three decimal places;
- 8) the weighted average auction price established for accepted bids containing an auction price, and its corresponding yield, accurate to three decimal places;
- 9) the highest accepted auction price and its corresponding yield, accurate to three decimal places;
- 10) the reduction rate of bids with the highest auction price, accurate to two decimal places, detailing non-competitive bids, if their submission has been permitted.

Article 39. 1. Payment for the repurchased bills shall be made within the timeframe specified in the announcement on the buy-back auction, at the prices of the accepted bids.

2. The obligation arising from the repurchase shall be fulfilled by debiting the bank account of the Ministry of Finance maintained at the National Bank of Poland.

3. If the participant's Treasury bill account maintained in the Register does not contain the required number of bills on the buy-back auction settlement date, a contractual penalty shall be incurred.

4. The amount of the contractual penalty for each day of delay in delivering bills, as referred to in paragraph 3, shall be calculated as the product of the lombard rate set by the National Bank of Poland, the number of bills offered for repurchase in the unsettled repurchase transaction, and the auction price, divided by 365.

5. Partial settlement of a repurchase transaction shall not be permitted.

6. If the auction participant fails to deliver the required number of bills and fails to pay the contractual penalty by the fifth business day following the auction settlement date at the latest, it shall be deemed that the sale of the bills has been cancelled, and the auction participant is obliged to pay a cancellation fee.

7. The amount of the cancellation fee referred to in paragraph 6 shall be calculated as the product of double the lombard rate set by the National Bank of Poland, the auction price, the number of bills offered for repurchase in a given repurchase transaction, and 5/365.

8. The cancellation fee shall be debited from the account referred to in Article 36(1)(7) on the next business day following the date referred to in paragraph 6.

Chapter 8

Bill Redemption

Article 40. 1. The period for the redemption of the bills referred to in Article 4(2)(1) shall commence on the date of payment for these bills specified in the announcement.

2. The period for the redemption of the bills referred to in Article 4(2)(2) shall commence on the day preceding the date of payment for these bills specified in the announcement.

Article 41. 1. Bills shall be redeemed at their face value upon the expiration of the period for which they were issued.

2. The payment for the redemption of the bills shall be made by debiting the bank account of the Ministry of Finance maintained at the National Bank of Poland.

3. The issuing agent shall fulfil the obligations of the Minister of Finance towards the owners of the bills registered in the bill accounts and bill deposit accounts maintained in the Register. The amounts allocated for the redemption of the bills shall be determined by the issuing agent in accordance with the balance of the bill accounts and bill deposit accounts in the Register on the maturity date.

4. The holders of bill deposit accounts in the Register shall determine the amounts due for the redemption of the bills to the entities for which they maintain bill accounts, based on the balance of those accounts on the business day preceding the maturity date. The property rights arising from the bills shall be exercised on the maturity date.

Article 42. If the day on which the obligation to perform an action under this Regulation or the letter of issue falls on a statutory holiday or Saturday, the deadline for performing that action shall expire on the first business day following that day.

Article 43. The rules and procedures specified in this Regulation shall apply to the sale and buy-back of bills to be issued under letters of issue published until the date of entry into force of this Regulation, but the provisions of the Regulation referred to in Article 44 shall apply to bills to be offered at auctions announced before the date of entry into force of this Regulation.

Article 44. The Regulation of the Minister of Finance of 20 December 2010 on the conditions for issuing Treasury bills (Journal of Laws No. 1679) is hereby repealed.

Article 45. This Regulation shall enter into force on 1 October 2013.