

RESOLUTION 7/2015
OF THE MANAGEMENT BOARD OF NARODOWY BANK POLSKI

of 12 March 2015

concerning the introduction of the "Regulations on operating accounts and deposit accounts for Treasury bills and NBP bills by Narodowy Bank Polski in the SKARBNET4 system and performing securities transactions in this system"

Pursuant to Article 109 item 1(4) of the Act of 29 August 1997 on Banking Law (Journal of Laws of 2015 item 128), the following has been resolved:

§ 1. The "Regulations on operating accounts and deposit accounts for Treasury bills and NBP bills by Narodowy Bank Polski in the SKARBNET4 system and performing securities transactions in this system" constituting the Attachment to the Resolution are hereby introduced.

§ 2. 1. The agreements on operating accounts and deposit accounts of securities in the Securities Register, concluded pursuant to the resolution referred to in § 3, shall remain effective until their expiry or termination.

2. In the case where an existing participant of the Securities Register has not concluded an agreement with Narodowy Bank Polski on operating an account and a deposit account of Treasury bills and NBP bills and performing securities transactions in the SKARBNET4 system under the terms and conditions specified in the Regulations referred to in § 1, the Treasury bills and NBP bills held by the participant should be sold by it or transferred to another account operated in the Securities Register by the time the agreement referred to in item 1 is terminated.

3. In relation to transactions on Treasury bills and NBP bills concluded prior to the day of entry into force of this Resolution, the regulations used so far shall apply.

§ 3. Resolution no. 71/2010 of the Management Board of Narodowy Bank Polski of 23 December 2010 concerning the introduction of the "Regulations of the Securities Register" is repealed (Official Journal of NBP of 2014, item 7).

§ 4. The Resolution shall enter into force as of 13 April 2015.

Chairperson of the
Management Board
of Narodowy Bank Polski

REGULATIONS
on operating accounts and deposit accounts of Treasury bills and NBP bills by Narodowy Bank Polski in
the SKARBNET4 system and performing securities transactions in this system

Chapter 1
General Provisions

§ 1. Within the meaning of the "Regulations on operating accounts and deposit accounts of Treasury bills and NBP bills by Narodowy Bank Polski in the SKARBNET4 system and performing securities transactions in this system", hereinafter referred to as the "Regulations", the following terms shall have the following meanings:

- 1) bank – a domestic bank, a branch of a credit institution or a branch of a foreign bank holding a bank account;
- 2) BFG – the Bank Guarantee Fund (Bankowy Fundusz Gwarancyjny);
- 3) bills – Treasury bills and NBP bills;
- 4) DOK – the Domestic Operations Department in the NBP Head Office;
- 5) DSP – the Payment Systems Department in the NBP Head Office;
- 6) issuer – Narodowy Bank Polski or the State Treasury represented by the Minister of Finance;
- 7) KDPW – the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.);
- 8) NBP – Narodowy Bank Polski (National Bank of Poland);
- 9) securities – bills and financial instruments whose list is published on the NBP website;
- 10) bank account – an account in zloty operated at NBP for participants of the SORBNET2 system, provided that settlement of operations through such an account is possible in accordance with the Regulations, as well as the current account of BFG in NBP Regional Branch in Warsaw;
- 11) electronic market – electronic market of Treasury securities where trade in such securities is carried out;
- 12) SKARBNET4 system – a system for bill registration in DOK, in which bill accounts and deposit accounts are operated by NBP and securities operations are performed;
- 13) participant – a participant of the SKARBNET4 system;
- 14) registration – execution of entries on bills accounts and deposit accounts, resulting from bill operations conducted;
- 15) order – order to register a bill operation.

§ 2. 1. NBP operates bill accounts and deposit accounts in the SKARBNET4 system.

2. Accounts and deposit accounts for Treasury bills are operated for:

- 1) banks;
- 2) BFG;
- 3) KDPW;
- 4) other entities holding a bank account.

3. Accounts and deposit accounts of NBP bills are operated for:

- 1) banks;
- 2) BFG.

4. NBP also operates the issuer's bill account.

5. Registration of Treasury bills held by the Minister of Finance may be performed on the deposit account of Treasury bills of a participant selected by the Minister of Finance.

§ 3. In the SKARBNET4 system, issuer accounts are operated for:

- 1) the Minister of Finance – reflecting the current status of Treasury securities issue;

2) NBP – reflecting the current status of NBP bills issue.

§ 4. In the SKARBNET4 system the following accounts are operated:

- 1) accounts on which bills owned by a participant are registered, constituting the participant's own portfolio;
- 2) deposit accounts on which the following bills are registered:
 - a) Treasury bills:
 - owned by a participant's clients, divided into portfolios,
 - entered in omnibus accounts,
 - b) NBP bills representing the total clients' portfolio.

§ 5. 1. Banks for which deposit accounts are operated in the SKARBNET4 system operate individual accounts of bills for their clients, on which such bills are registered, and omnibus accounts for Treasury bills.

2. Only banks may be clients for whom individual accounts for NBP bills are operated.

§ 6. The SKARBNET4 system operates on all business days, from Monday to Friday. DOK will inform the participant, with at least seven days' notice, of an additional operating day falling on a public holiday or on a Saturday, and of an additional day that will not be an operating day, falling on a day from Monday to Friday.

Chapter 2

Terms and conditions of opening a bill account and deposit account

§ 7. 1. Opening a bill account or deposit account shall take place by means of concluding the "Agreement on operating an account or a deposit account for Treasury bills and NBP bills and performing securities operations in the SKARBNET4 system", hereinafter referred to as the "agreement", with NBP by the authorised entity.

2. Prior to the conclusion of the agreement, the authorised entity shall submit the following documents to NBP:

- 1) a copy from the National Court Register in the form of a computer printout or other documents confirming the establishment of a given entity in accordance with the legal regulations, and indicating the persons authorised to represent the entity;
- 2) a specimen signature form containing signatures to be used for signing bids, orders and documents associated with operating the bill account and deposit account in the SKARBNET4 system;
- 3) a list of contact data containing telephone numbers and electronic mail addresses for the purpose of contact on issues related to operating the account and the deposit account and registration of bill operations;
- 4) an authorisation for NBP to debit the participant's bank account.

3. The specimen signature form referred to in item 2(2) should bear the official stamp and be undersigned by persons authorised to represent the entity.

4. The documents referred to in items 2(3) and (4) should hold the official stamp and be undersigned in accordance with the specimen signature form.

5. The templates of the documents referred to in items 2 (2-4) constitute attachments to the agreement.

6. The documents referred to in item 2 should be updated on an on-going basis.

7. As of the day of signing the agreement the authorised entity shall become the participant of the SKARBNET4 system and it shall receive the number of its bills account in this system.

§ 8. 1. The participant shall pay commissions and fees in favour of NBP, in accordance with the tariff of bank commissions and fees used by NBP.

2. NBP shall charge commissions and fees by debiting the participant's bank account in NBP, subject to item 3.

3. In relation to KDPW, the payment of commissions and fees referred to in item 1 shall take place through the execution of the payment order issued by KDPW – based on information provided by NBP to KDPW concerning the level of such commissions and fees.

Chapter 3

Rules on operating bills accounts and deposit accounts

§ 9. Operating accounts and deposit accounts in the SKARBNET4 system consists, in particular, in:

- 1) registering and checking the compliance of bill issues with the number and nominal value of bills registered on accounts and deposit accounts, taking into account the buy-back of Treasury bills or early redemption of NBP bills performed by the issuer;
- 2) registering changes in the status of bills on accounts and deposit accounts, arising from bill operations conducted;
- 3) fulfilment of the bill issuer's obligations towards bill holders.

§ 10. Bills are registered on accounts and deposit accounts by their volume, value and the maturity dates.

§ 11. Registering bills on accounts and deposit accounts is conducted in accordance with the following rules:

- 1) double entry – each bill operation is registered on at least two accounts or deposit accounts, whereas an entry or a sum of entries on one side of the account or deposit account is accompanied by an entry, equivalent in terms of quantity and value, on the opposite side of another account or deposit account; the above rule shall not apply to operations resulting in the blocking or unblocking of bills;
- 2) completeness – all operations related to bills resulting in the requirement to change the status of bills on participants' accounts or deposit accounts are subject to registration;
- 3) accuracy – the registration of bills is performed fully and in compliance with the actual status;
- 4) transparency – the registration of operations on accounts and deposit accounts is performed in an explicit manner and beyond any doubt.

§ 12. Information concerning the status of accounts and deposit accounts and changes on those accounts and deposit accounts is subject to bank secrecy and may be made available exclusively to their holders and entities authorised under separate provisions.

Chapter 4

Rules on conducting operations on the secondary market

§ 13. 1. In the SKARBNET4 system the following bill operations are conducted:

- 1) transactions:
 - a) purchase or sale,
 - b) repo and sell-buy-back,
 - c) transfer of bills within a participant's account and deposit account;
- 2) transfer of ownership of bills between participants;
- 3) blocking bills on a participant's account and deposit account;
- 4) loans of Treasury bills;
- 5) transfer of Treasury bills between a participant's account or deposit account and the KDPW account.

2. Operations on bills are registered on the basis of orders entered and approved by the participant in the SKARBNET4 system. Upon approval of the order by the participant, the order shall be deemed entered in the SKARBNET4 system.

3. The order should contain, in particular:

- 1) number of bill account in the SKARBNET4 system of the participant;
- 2) date of order execution;
- 3) maturity date and ISIN code of Treasury bills or type of NBP bills;
- 4) number of bill account in the SKARBNET4 system of the counterparty;
- 5) type of the bill portfolio or portfolios;
- 6) date of beginning or termination of repo or sell-buy-back transactions;
- 7) number of bills subject to transaction;
- 8) purchase value or sales value of bills in PLN.

4. An example of the way of preparing an order is available on the NBP website.

§ 14. 1. A participant may place an order in DOK by means of fax only if it is not possible – due to technical reasons – to enter and approve orders in the SKARBNET4 system.

2. Orders sent by fax should contain data indicated in § 13 item 3 and be signed in accordance with the specimen signature form referred to in § 7 item 2 (2).

3. Orders entered and approved by the participant in the SKARBNET4 system and transmitted by means of fax shall be treated as originals constituting the only evidence for the parties related to the content of the submitted declaration of intent.

§ 15. Orders submitted in the manner other than defined in § 13 item 2 and in § 14 item 1 shall be rejected.

§ 16. 1. A transaction concluded between participants, the registration of which requires settlement through bank accounts, will be registered in the SKARBNET4 system subject to the fulfilment of the following conditions:

- 1) holding a sufficient number of relevant bills, not blocked due to any title, by a participant acting as the seller, on its account or deposit account;
- 2) holding a sufficient quantity of cash, by a participant acting as the buyer, on the bank account;
- 3) entering and approval, by both parties to the transaction, of orders compatible in formal and accounting terms in the SKARBNET4 system; in case of any incompatibility the parties shall be bound to explain it; any discrepancies should be explained and eliminated by parties until 05.00 p.m. on the order execution day; if the orders are compatible, they are automatically matched in the SKARBNET4 system;
- 4) supplying data from the electronic market related to the transaction concluded through this market to the SKARBNET4 system - and following the fulfilment of the conditions referred to in items 1 and 2; if one of the parties to such a transaction is an entity which is not a participant, the additional condition for its registration is the approval of the order confirming this transaction by the participant holding a deposit account on which Treasury bills subject to the transaction, referred to in § 13 item 1(1), are registered, complying with the terms of the transaction transmitted from the electronic market;
- 5) performing the cash settlement of the transactions referred to in §13 item 1(1)(a) and (b), respectively, in DSP or in the NBP Regional Branch in Warsaw, and receiving the confirmation of payment instruction execution by the SKARBNET4 system.

2. As a result of a failure to fulfil any of the conditions referred to in item 1 the transaction will not be registered in the SKARBNET4 system.

3. An order related to the operation referred to in item 1 may not be cancelled by the participant as of the moment of fulfilment of the conditions referred to in items 1 and 3.

§ 17. 1. In case of a lack of a sufficient number of relevant bills on the account or deposit account, the participant may withdraw the order. The withdrawal order shall result in returning the bill operation order to the participant.

2. In case of a transaction concluded between participants, withdrawal orders should be entered and approved by both parties to the transaction.

§ 18. 1. In the SKARBNET4 system, bill transactions concluded by a participant and their clients through the electronic market are registered, based on the data related to those transactions, submitted to the SKARBNET4 system by the electronic market.

2. NBP shall not be liable for any incompatibility between the data submitted by the electronic system to the SKARBNET4 system and the data submitted by the participant to the electronic market.

3. If the data from the electronic market have been submitted to the SKARBNET4 system:

- 1) prior to the execution day – registration of the transaction shall take place at the beginning of the business day on the day of its execution – following the fulfilment of the conditions referred to in §6 item 1(1), (2), (4) and (5), respectively;
- 2) on the transaction execution day – registration of the transaction shall take place immediately following the receipt of the data, in any case, no later than until 05.00 p.m. on the same day – following the fulfilment of the conditions referred to in § 16 item 1 (1), (2), (4) and (5), respectively.

§ 19. 1. Transfer of ownership of bills and a bill transaction the registration of which shall not require settlement through bank accounts will be registered in the SKARBNET4 system following the fulfilment of the conditions referred to in §16 item 1(1) and (3).

2. Orders related to operations referred to in item 1 may not be cancelled by the participant as of the moment of fulfilment of the conditions referred to in § 16 item 1(1) and (3).

§ 20. 1. Transfer of bills performed between a participant's individual portfolios will be registered in the SKARBNET4 system subject to the fulfilment of the condition referred to in §16 item 1(1).

2. An order related to the operation referred to in item 1 may not be cancelled by the participant as of the moment of fulfilment of the conditions referred to in §16 item 1(1).

§ 21. The registration of an operation referred to in §16, §19 and §20 is final.

§ 22. Repo transactions may be conducted – due to the method of recording bills being subject to such transactions in the SKARBNET4 system – through:

- 1) transfer of bills from the account or deposit account of the bill of the seller to the account or deposit account of the party accepting of such bills,
or
- 2) transfer of bills from the account or deposit account of the bill of the seller to the account or deposit account of the party accepting of such bills and blocking the bills on the latter account; or
- 3) blocking the bills on the account or deposit account of the seller.

§ 23. 1. The day of termination of a repo or sell-buy-back transaction may not occur earlier than on the day following its beginning and later than on the day preceding the date of redemption of bills being subject to the transaction.

2. A repo or sell-buy-back transaction may be terminated only on the basis of compatible orders entered and approved in the SKARBNET4 system by both parties to the transaction.

3. Should the parties to the transaction fail to enter and approve the orders referred to in item 2 in the SKARBNET4 system until the day preceding the date of redemption of bills, the redemption shall take place in accordance with §38 item 3.

§ 24. 1. In order to apply the blocking of all or a specific number of bills registered on the account or the deposit account, the participant shall enter and approve the order of blocking registration in the SKARBNET4 system.

2. The blocking referred to in item 1 may be applied for optional periods included in the period remaining to the redemption date of bills.

3. The unblocking of bills shall be done on the basis of an order to unblock bills entered and approved by the participant in the SKARBNET4 system.

4. The bills blocked, the blocking of which has not been removed until the day preceding the date of their redemption, shall be unblocked automatically on the redemption day, and funds acquired due to their redemption shall be transferred to the bank accounts referred to in § 38 item 3.

§ 25. 1. A participant who has pledged bills included in it's own portfolio enters and approves an order for the registration of bill blocking in the SKARBNET4 system due to the establishment of the pledge.

2. Entering and approval of the blocking order referred to in item 1 by the participant in the SKARBNET4 system shall be equivalent to the notification of the establishment of the pledge on bills, referred to in Article 329 §2 of the Civil Code, sent to the debtor of the pledged receivable, i.e. NBP.

3. Pursuant to Article 333 of the Civil Code, the pledger may send a declaration to NBP, with the content agreed with the pledgee, stating the party in favour of which the redemption of the bills pledged shall occur. The template of the declaration constitutes the attachment to the agreement.

4. The pledger and the pledgee may also require NBP to submit cash originating from the redemption of the pledged bills to a court deposit. NBP shall fulfil the demand to submit cash to the court deposit if such a demand has been submitted later than the declaration referred to in item 3, or if the pledger has not submitted any declaration.

5. The declaration or the demand referred to in items 3 and 4 should be sent to NBP, at the latest, two days prior to the redemption date of the bills pledged.

6. If NBP does not receive the declaration or the demand referred to in items 3 and 4, the redemption of the bills pledge shall take place in favour of the pledger.

§ 26. 1. Subject to item 2, NBP shall, on the pledger's request, transfer cash originating from the redemption of the pledged bills to the bank account where such bills are blocked until the rights allocated to the pledger or the pledgee are exercised, in compliance with the joint representations of the parties in this scope, included in a separate document submitted to NBP, in particular, in the pledger's power of attorney granted to the pledgee to dispose of the cash referred to in §25 item 4.

2. The provision of item 1 shall apply if the pledger or the pledgee have failed to provide NBP with the demand referred to in §25 item 4.

§ 27. The blocking of bills pledged shall be removed on the basis of an order to unblock bills, entered and approved by the pledger in the SKARBNET4 system. The unblocking of bills is possible under the condition of entering and approval of the pledgee's confirmation of the possibility of performing such removal in the SKARBNET4 system.

§ 28. 1. A participant may transfer Treasury bills to the account operated in the SKARBNET4 system for KDPW.

2. As soon as KDPW determines the possibility of return transfer of Treasury bills, KDPW shall perform the relocation by transferring the respective Treasury bills to the relevant account or deposit account.

3. If, until the day preceding the day of redemption of the Treasury bills KDPW fails to relocate them to the relevant account or deposit account, the cash originating from the redemption of such bills will be transferred to the KDPW bank account on the redemption day.

§ 29. At the end of the business day, the participant shall be able to download the statement of operations on bills registered on that day in the SKARBNET4 system.

§ 30. Orders to register the bills operations at the SKARBNET4 system are executed from 08.00 a.m. to 05.00 p.m. on the business day.

Chapter 5 Loans of Treasury bills

§ 31. In the SKARBNET4 system a possibility exists to secure the execution of Treasury bill transactions – in the event of a lack of a sufficient number of such bills on the seller's account or deposit account during the business day – through loans of Treasury bills.

§ 32. 1. A participant may transfer Treasury bills to be the subject of the loan to the loan pool.

2. Treasury bills may be transferred to the loan pool no later than five days prior to their redemption day.

3. The Treasury bills transferred to the loan pool may not be encumbered with third party rights.

4. The transfer of Treasury bills to the loan pool by a participant shall mean the participant's consent to transfer such bills to the borrower.

5. If a participant does not withdraw Treasury bills from the loan pool until the day falling five days before their redemption day, they shall be automatically transferred to the participant's account on the fourth business day prior to this date.

6. The Treasury bills transferred to the loan pool shall not be blocked. If the Treasury bills are not used by any participant, the participant who submitted such bills may withdraw them from the loan pool. The participant may simultaneously perform the operations of supply and withdrawal of Treasury bills from the loan pool.

7. The loan shall be granted on the borrower's order. A single order for taking up a loan shall refer to Treasury bills with a single maturity date.

8. A borrower may take up more than one loan during the business day.

§ 33. 1. In the order to take up a loan the borrower must define the Treasury bills that will constitute:

1) the subject of the loan,

2) the collateral of the loan

– with simultaneous calculation of their market value in accordance with §34 item 1.

2. Treasury bills may not constitute the collateral of the loan, starting from the second business day preceding their redemption day.

3. If the Treasury bills referred to in item 1(1) are deposited in the loan pool and the Treasury bills referred to in item 1(2) are deposited on the borrower's account and are not encumbered with third party rights, the order for taking up a loan will be executed and the Treasury bills being the subject of the loan will be registered on the borrower's account or deposit account. Otherwise, the order shall be rejected.

4. Upon execution of the order referred to in item 1, the Treasury bills on the borrower's account being the subject of collateral for such a loan shall be blocked.

5. Each participant granting a loan shall receive a message in the SKARBNET4 system, containing information on the Treasury bills collected from its pool, including the nominal value of such bills.

§ 34. 1. The market value of Treasury bills being the subject of the loan and of its collateral shall constitute the product of the number of such Treasury bills and their price.

2. The price referred to in item 1 shall constitute the average weighted price calculated on the basis of transactions performed on Treasury bills with the specific maturity date, executed on the preceding business day. The transactions (excluding repo and sell-buy-back transactions) settled in the SKARBNET4 system shall be taken into account for the calculation. If no transactions on Treasury bills with the specific maturity date have been executed on a given business day, the data of the last day on which the transactions on Treasury bills with such a maturity date were executed shall provide the basis for the calculations.

3. The market value of the Treasury bills constituting the collateral may not be lower than 110% of the market value of the Treasury bills being the subject of the loan.

4. Each participant will have access to the report containing the price referred to in item 2.

5. The Treasury bills allocated for a loan for a given participant taking up a loan shall be collected from the participants granting the loan, on a pro-rata basis, in relation to the value of Treasury bills held by them in the loan pool.

§ 35. The return of the Treasury bills being the subject of the loan should occur, at the latest, by 04.30 p.m. on the next business day following the day on which the loan was granted. Should the participant taking up a loan fail to return the Treasury bills by the time specified, an order will be triggered in the SKARBNET4 system transferring the Treasury bills constituting the collateral of the loan to the accounts of the participants granting the loan. If Treasury bills with various maturity days were submitted as a collateral, the Treasury bills with the nearest maturity date shall be allocated to the participant granting the loan who contributed the highest part of the loan.

§ 36. The nominal value of Treasury bills with the specific maturity date lent to the participant taking up the loan may not exceed 5% of the total nominal value of such bills registered on accounts and deposit accounts. The nominal value of Treasury bills with the specific maturity date, lent to all the participants taking up a loan, may not exceed 10% of the total nominal value of such bills registered on accounts and deposit accounts.

§ 37. 1. The fee for granting a loan shall amount to 0.01% of the nominal value of the Treasury bills borrowed. This fee shall be paid by the participant taking up the loan in favour of the participants granting the loan. The debiting of the borrower's bank account and the crediting of the bank accounts of the participants granting the loan shall be performed based on an order issued by NBP in accordance with the authorisation referred to in §7 item 2(4).

2. The settlement of fees for loans shall take place on the third business day following the month in which the loan was repaid.

3. The borrower shall pay the fee referred to in item 1 both if it has repaid the loan on time, and if it has not repaid the loan and the Treasury bills being the subject of loan collateral have been transferred to lenders' accounts .

Chapter 6 Redemption of bills

§ 38. 1. At the end of the business day preceding the redemption date, NBP shall define the value of funds allocated for redemption on the basis of the balance of bills held on participants' accounts and deposit accounts.

2. The property rights arising from the bills are executed on the redemption day.
3. The redemption of bills shall occur by means of crediting the bank accounts of participants holding bills allocated for redemption on their accounts and deposit accounts, with the amount corresponding to the nominal value of such bills.
4. Bills shall be redeemed on their maturity date.
5. Payment orders related to the crediting of the accounts referred to in item 3 shall be issued by NBP.

Chapter 7

Conditions for performance by NBP of securities operations between NBP and participants

§ 39. In the SKARBNET4 system, NBP may carry out securities operations with participants authorised to perform such operations under separate regulations. This includes the following types of operations:

- 1) sales of NBP bills;
- 2) early redemption of NBP bills;
- 3) sales of NBP bonds;
- 4) early redemption of NBP bonds;
- 5) concluding repo transactions with a fixed or floating interest rate;
- 6) performing outright transactions.

§ 40. The operations may be performed by NBP under the tendering procedure or beyond it, pursuant to agreements concluded between NBP and banks.

§ 41. 1. NBP may conduct one or more tenders on a given day.

2. The organiser of tenders and the recipient of bids at NBP is DOK.

3. NBP shall provide information concerning the date, type and terms and conditions of individual tenders to interested banks by means of bank information systems.

4. The number of bids submitted during a tender is not subject to any limitations.

5. The total nominal value of securities covered by a bid, excluding bids related to concluding repo transactions, may not be lower – for securities of a given type and with a given maturity date – than the amount of PLN 1,000,000.

6. NBP specifies the criterion for selecting bids from among those submitted to the tender and informs of the collective results of the tender by means of bank information systems.

7. NBP may not refuse to accept all or a part of submitted bids unless reasons are provided.

§ 42. 1. A bid for the purchase or early redemption of NBP bills should contain, in particular:

- 1) document (bid) number;
- 2) number of the debited or credited bank account in NBP;
- 3) number of the account of NBP bills in the SKARBNET4 system;
- 4) type of bills and maturity date of NBP bills;
- 5) settlement date of NBP bills;
- 6) number of NBP bills;
- 7) price per one NBP bill (with an accuracy of up to 1 grosz);
- 8) nominal value of NBP bills in PLN;
- 9) purchase value of NBP bills in PLN.

2. An template of a bid for the purchase or early redemption of NBP bills is available on the NBP website.

§ 43. 1. A repo transaction bid where NBP is a buyer or a seller should contain, in particular:

- 1) document (bid) number;
- 2) number of the debited or credited bank account in NBP;
- 3) number of the account or deposit account of securities;
- 4) type of securities being the subject of the bid;
- 5) period for which the repo transaction will be concluded;
- 6) maturity date and ISIN code of securities;

- 7) number of securities if the bid covers securities denominated in PLN;
 - 8) total nominal value of securities covered by the bid;
 - 9) purchase value of securities in PLN;
 - 10) repo rate;
 - 11) amount of buyout of securities in PLN;
 - 12) securities buyout day.
2. A template of a bid for a repo transaction is available on the NBP website.

§ 44. 1. A tender bid for the purchase of Treasury securities from NBP or sales of Treasury securities to NBP should contain, in particular:

- 1) document (bid) number;
 - 2) number of the debited or credited bank account at NBP;
 - 3) number of account and deposit account of securities in KDPW or the account of Treasury bills in the SKARBNET4 system;
 - 4) type of securities being the subject of the bid;
 - 5) maturity date and ISIN code of Treasury securities;
 - 6) number of Treasury securities;
 - 7) price (excluding interest) for securities of a given type (nominal price, with an accuracy of up to 1 grosz);
 - 8) total nominal value of Treasury securities in PLN;
 - 9) purchase value of Treasury securities in PLN.
2. A template for a tender bid is available on the NBP website.

§ 45. 1. The condition of participation in the tender is the receipt by NBP of a duly prepared bid – in formal and accounting terms – from the participant, no later than by the agreed date (day, hour) of submission of bids in a given tender.

2. The participant enters and approves bids in the SKARBNET4 system.

3. In the event of participation in a tender concerning the conclusion of a repo transaction with NBP, information on securities being subject of a given tender is available to the participants in the SKARBNET4 system.

4. Following the settlement of the tender, NBP informs each of the participants who submitted a bid of its acceptance or rejection. Such information is available in the SKARBNET4 system and in case of inability to use this system – it is transmitted by fax.

§ 46.1. In determining the yield of the operations referred to in § 39 item 1(1), (2) and (5), it is assumed that the accounting year has 360 days.

2. In determining the yield of the operations referred to in § 39 item 1 (3) and (4), it is assumed that the accounting year has 365 or 366 days.

3. In determining the yield of the operations referred to in § 39 item 1 (6), it is assumed that the accounting year has 360 or 365 or 366 days, respectively, depending on the underlying period adopted within the issue of specific securities. In particular, the accounting year amounts to:

- 1) 360 days – if Treasury bills are the subject of the operation;
- 2) 365 or 366 days, respectively – if Treasury bonds are the subject of the operation.

§ 47. 1. If securities denominated in PLN are the subject of the operation, the settlement of bids accepted by NBP is performed in the following way:

- 1) payment for the securities shall occur on the date (day, hour) defined in the information on the tender, by means of simultaneous debiting and crediting of, respectively, participants' bank accounts and the relevant account used for recording NBP liabilities; the debiting of the participant's bank account is performed on the basis of the authorisation referred to in § 7 item 2 (4);
- 2) the debiting and crediting of the participant's bank account shall occur on the basis of orders issued by:
 - a) NBP – if bills are the subject of the operation,
 - b) KDPW, on the basis of record evidence received from NBP, in accordance with the KDPW regulations and with the schedule of the settlement day, agreed between NBP and KDPW; the participant shall be bound to provide the authorisation to prepare such evidence by NBP in two copies to NBP, at the latest, by the time of submission of the bid for the first participation in the tender;
the participant shall submit the second copy of the authorisation to KDPW;

the template of the authorisation constitutes the attachment to the agreement;

- 3) registration of securities being the subject of the tender on the relevant accounts in the SKARBNET4 system or on accounts and deposit accounts in KDPW shall be performed upon payment;
- 4) in case of early redemption of NBP bills, their redemption on the relevant accounts in the SKARBNET4 system shall take place.

2. The prerequisite for the settlement referred to in item 1 is the participant's holding of cash of the relevant value on the bank account, or a sufficient number of securities being subject of a given operation on the account in the SKARBNET4 system or on the account or the deposit account in KDPW.

§ 48.1. If the subject of the operation are securities denominated in foreign currencies, the settlement of bids accepted by NBP shall be performed after NBP has received information concerning the transfer of securities being the subject of the tender to the securities account operated for NBP by Euroclear Bank S.A./NV, with its registered office in Brussels, hereinafter referred to as "Euroclear Bank". NBP provides the account number to participants in the notification of acceptance of the bid.

2. The debiting or crediting of the participant's bank account shall occur in PLN on the basis of orders issued by NBP.

3. NBP shall debit – pursuant to the authorisation referred to in §7 item 2(4) – the participant's bank account operated in PLN with the costs of storage by Euroclear Bank of foreign securities purchased by NBP under repo transactions, without a separate order of the participant, no later than on the consecutive day following the day on which NBP was debited due to the same title by Euroclear Bank. Such debiting shall be applied on a pro rata basis, against the total nominal value of the securities transferred by participants to the NBP account. The conversion of costs into PLN shall be performed applying the NBP average exchange rate of the currency in which such costs are expressed, announced on the day of NBP debiting by Euroclear Bank.

4. If the participant holds funds of sufficient value on the bank account, NBP transfers securities denominated in foreign currencies being the subject of the repo transaction, to the relevant securities account of the participant.

§ 49. 1. If the settlement of all the accepted bids of a given participant is impossible, in accordance with the condition defined in § 47 item 2 or in § 48 item 4, only the bids fulfilling this condition shall be settled.

2. NBP may suspend the acceptance of bids from a participant whose bids did not fulfil the settlement conditions referred to in § 47 item 2 or in § 48 item 4 for a period of up to 12 months.

§ 50. 1. If – in the event of a repo transaction in which NBP was the buyer – the participant did not buy out securities purchased by NBP by the determined deadline, NBP shall sell such securities on the next business day following the buyout day defined in the agreement at the market price available on that day.

2. If the amount of cash acquired by NBP from the sales of securities referred to in item 1 is:

- 1) lower than the amount of the securities buyout by the participant, NBP shall debit the participant's bank account operated in PLN with the difference, no later than on the day of crediting the NBP account with funds acquired from sales;
- 2) higher than the amount referred to in item 1, NBP shall immediately return the surplus of such funds to the participant's bank account operated in PLN.

3. In the case of the NBP account being credited with proceeds of the sales of securities denominated in foreign currencies, not bought out by the participant, on the market, their conversion into PLN shall be performed applying the NBP average exchange rate announced on the settlement day.

4. Notwithstanding the right referred to in item 2(1), NBP reserves the right to claim reimbursement of all costs incurred in connection with the participant's failure to buy out the securities purchased by NBP under repo transactions.

§ 51. 1. The registration of securities arising from the settlement of operations may be performed only on the participant's own account. The securities which are the subject of the operation may not be pledged or encumbered with other rights.

2. Only such securities whose maturity date – in the case of bills, or the date of determining the right to benefits arising from their redemption – in the case of securities denominated in PLN exceeds the day of operation settlement by at least two business days, may be the subject of the operations.

§ 52. 1. Repo transactions related to securities are concluded for periods calculated in days, ranging from 1 to 365 days. NBP defines the duration of such periods in the terms and conditions of a tender.

2. Within a single tender, the participant may submit bids for disposal to NBP or purchase from NBP of securities with various maturity dates among those defined by NBP in the information on securities being the subject of a given tender.

3. In the situation referred to in item 2, the participant shall be bound to submit separate bids.

§ 53. 1. A period for which a repo transaction has been concluded shall terminate on the lapse of the last day of such period. The buyout day shall fall on the first business day following the last day of such period.

2. If, in relation to securities being the subject of repo transaction in which NBP is the buyer, the date of determining the rights to interest falls in the period between the purchase day and the buyout day, the buyer shall return the equivalent of interest paid by the entity issuing the securities to the seller – on the day of its payment.

3. In the case of securities denominated in foreign currencies, the participant shall provide NBP with information containing the name and number of the bank account to which NBP can transfer interest on such securities, acquired from the issuer, expressed in a given currency. The template of the information constitutes the attachment to the agreement.

4. If the buyer fails to return the equivalent of the interest on securities denominated in PLN in accordance with item 2, the seller shall be authorised to receive statutory interest for each day of delay.

§ 54. In the case of a fixed interest rate repo transaction being concluded, the purchase amount and the buyout amount for securities offered for disposal by a bank or by NBP, respectively, shall be determined according to the following formulas:

Formula no. 1

refers to the calculation of the purchase amount in transactions the subject of which are securities denominated in PLN

$$K_n = N \times (W_n - C) \times \frac{d \times z}{(1 - 360 \times 100)} \times (1 - h), \text{ where:}$$

K_n - purchase amount for securities offered for disposal, with accuracy of up to PLN 1,

N - number of securities (pcs),

W_n - nominal value of securities,

C - value of payable interest if the day of determining the rights to interest falls in the period of repo transaction duration,

d - discount rate defined by NBP, with accuracy of up to two decimal points (on an annual basis), adjusting the nominal value of securities,

z - number of days from the date of securities disposal by the seller to:

1) the date of their redemption by the issuer – in the case of Treasury bills,

2) the date of maturity of interest receivables nearest to this date – in the case of other securities,

h – haircut – the rate of reduction in the market value or the nominal value of securities as determined by NBP.

Note:
the expression $\frac{d \times z}{360 \times 100}$ shall be calculated with the accuracy of up to 15 significant places.

Formula no. 2

refers to the calculation of the purchase amount in transactions the subject of which are securities denominated in foreign currencies

$$K_n = (W_n \times P_n + (W_n \times AI) / 1000000 \times K_w \times (1 - h), \text{ where:}$$

- K_n - purchase amount expressed in PLN with the accuracy of up to PLN 1,
 W_n - the total denominated value of disposed securities denominated in foreign currencies of a given type, expressed in the currency in which they were issued,
 P_n - closing price (quotation on the purchase side, i.e. "BID" price: in the first place, from Bloomberg service, secondly – from Thomson Reuters service) of securities denominated in foreign currencies, expressed as a percentage of their nominal value on the last business day preceding the tender,
 AI - interest accrued according to the status on the last day preceding the tender,
 K_w - average NBP exchange rate of the currency in which disposable securities denominated in foreign currencies of a given type are denominated, announced by NBP on the last business day preceding the tender,
 h - haircut - the rate of reduction in the market value or the nominal value of securities as determined by NBP.

Formula no. 3

refers to the calculation of the buyout amount of disposed securities

$$K_o = K_n \times \left(1 + \frac{p \times t}{360 \times 100} \right) \text{ where:}$$

- K_o - buyout amount with the accuracy of up to PLN 1,
 K_n - in the case of securities denominated in PLN – the purchase amount arising from Formula no. 1; in the case of securities denominated in foreign currencies – the purchase amount arising from Formula no. 2,
 p - repo rate (on an annual basis), with accuracy of up to two decimal points,
 t - a period for which the repo transaction was concluded.

Note:
the expression $\frac{p \times t}{360 \times 100}$ shall be calculated with accuracy of up to 15 significant places.

§ 55. In the case of concluding a floating interest rate repo transaction, the purchase amount shall be determined, according to formula no. 1 or 2 defined in § 54, respectively, whereas the buyout amount – according to the following formula:

Formula no. 4

refers to the calculation of the buyout amount of disposed securities

$$K_o = K_n \times \left(1 + \frac{p_z \times t}{360 \times 100} \right), \text{ where:}$$

K_o - buyout amount with the accuracy of up to PLN 1,

K_n - purchase amount,

p_z - average of repo rates weighted by periods of their applicability (on an annual basis),

t - a period for which the repo transaction was concluded.

Note: the expression $\frac{p_z \times t}{360 \times 100}$ shall be calculated with accuracy of up to 15 significant places.

p_z parameter shall be expressed in the formula:

$$p_z = \sum_{i=1}^m \frac{sr_i \times o_i}{t}, \text{ where:}$$

m - number of repo rates applicable between the securities purchase date and buyout date ,

i - serial number of repo rate,

sr_i - i^{th} repo rate,

o_i - period of effectiveness of sr_i rate (expressed in days),

t - a period for which the repo transaction was concluded.

Note: p_z parameter is calculated with accuracy of up to 15 significant places.