

EXAMPLE OF CTZ ISSUANCE DECREE

The following decree regarding the issuance of the CTZ is published only as an example

MODULARIO
T. DEB. PUBBL. 893

Mod. 211/A



Ministero dell'Economia e delle Finanze

Dipartimento del Tesoro - Direzione Seconda

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THE DIRECTOR GENERAL OF THE TREASURY

HAVING WITNESSED to the President of the Republic's Decree no. 398 of 30 December 2003, containing the Consolidated Act on legislative and regulatory provisions in matters of public debt, and, in particular, Article 3, where it is stipulated that the Minister of Economy and Finance is authorised, in each financial year, to issue framework decrees that allow the Treasury, amongst other things, to carry out funding operations on the domestic or foreign markets in the form of short-, medium- and long-term financial products and instruments, indicating therein the nominal amounts, the interest rate or the criteria for determining the same, the duration, the minimum denomination subscribable, the placement system and any other characteristic and procedure;

HAVING WITNESSED Decree no. 85018 of 6 October 2016 and subsequent amendments and additions, which establish on a continuous basis the characteristics and the means for the issuance of medium- and long-term government securities to be issued through auction;

HAVING WITNESSED the Ministerial Decree no. 288 of 3 January 2020, issued in enactment of Article 3 of the President of the Republic's Decree no. 398 of 2003 (public debt Consolidated Act), which establishes for the 2020 financial year, the objectives, limits and procedures by which the Department of the Treasury must abide in carrying out the financial transactions mentioned in said article, providing that the transactions themselves be determined by the Director General of the Treasury or, by proxy, by the Director of Directorate II of said Department;

HAVING WITNESSED the Ministerial Decree no. 43044 of 5 May 2004, published in

the Official Gazette of the Italian Republic no.111 of 13 May 2004, bearing provisions in the event of a delay in the settlement of transactions covering the issuance, exchange and buyback of government securities;

HAVING WITNESSED Law no. 160 of 27 December 2019, bearing the approval of the “State Budget for the financial year 2019 and Multi-annual Budget 2020-2022”, and in particular, paragraph 2 of article 3, which establishes the maximum limit of issuance of public loans for said year;

HAVING CONSIDERED that the amount of the issues ordered through 20 February 2020 amounts, net of the public loan reimbursements already effected, to EUR 23,410 million;

HAVING WITNESSED the Determination no. 73155 of 6 September 2018, with which the Director General of the Treasury has delegated the Director of Directorate II of the Department of the Treasury to sign the decrees and acts in relation to the aforementioned transactions;

HAVING WITNESSED the Decrees of 24 October, 25 November, 23 December 2019 and 27 January 2020, with which the Director of Directorate II of the Department of the Treasury has issued the first eight tranches of zero-coupon Treasury credit certificates ("CTZ"), with interest entitlement of 30 October 2019 and maturity of 29 November 2021;

HAVING DEEMED it appropriate, in relation to market conditions, to order the issuance of a ninth tranche of the abovementioned zero-coupon Treasury credit certificates ("CTZ");

D E C R E E S:

Article 1

In accordance with and for the effects of Article 3 of the President of the Republic’s Decree no. 398 of 30 December 2003, and the Ministerial Decree no. 288 of 3 January 2020, both cited in the preamble, this decree orders the issuance of a ninth tranche of CTZ, with interest entitlement as of 30 October 2019, and maturity of 29 November 2021. The issue of the mentioned tranche is to be ordered for a nominal amount between a minimum of EUR 1,750 million and a maximum of EUR 2,250 million.

The characteristics and the means for the issuance of the aforementioned securities are those defined in the Decree no. 85018 of 6 October 2016, referenced in the preamble, which is fully incorporated herein by reference, and to which reference should be made for any matter not expressly provided by this decree.

Article 2

The bids of dealers in relation to the tranche referenced in Article 1 of this decree will

need to be received by no later than 11:00 a.m. on 25 February 2020, with the observance of the means indicated in Articles 5, 6, 7, 8 and 9 of the aforementioned decree of 6 October 2016.

The placement commission, as provided by Article 6 of the aforementioned decree of 6 October 2016, is to be paid in the amount of 0.15% of the nominal capital subscribed.

Article 3

As soon as the allocations of the amounts referenced in the preceding article are completed, the placement of the tenth tranche of the securities will begin, with the observance of the means indicated in Articles 10, 11, 12 and 13 of the aforementioned decree of 6 October 2016.

The "specialists" may participate in the supplementary placement by sending subscription bids prior to 3:30 p.m. on 26 February 2020.

Article 4

The CTZ subscribed in auction and in the supplementary placement will be settled by the dealers to whom the bonds were awarded on 27 February 2020, at the adjudication price. For this purpose, the Bank of Italy will automatically input the amounts in the clearing and settlement system with the same value date as the settlement date.

In the event of a delay in the securities settlement described in this decree, the provisions of the Ministerial Decree of 5 May 2004, cited in the preamble, will apply.

Article 5

On 27 February 2020, the Bank of Italy will deposit at the Provincial State Treasury, Rome Section, the net proceeds of the certificates placed at the adjudication price.

The aforementioned Section of the Treasury will issue, against said deposit, a special receipt of income to the State budget, to be booked under Section X, Chapter 5100 (Parliamentary voting unit 4.1.1), Article 8.

Article 6

The charge for the reimbursement of the certificates referenced in this decree in relation to the 2021 financial year will be booked to special accounts of the Ministry of Economy and Finance's forecast budget of expenditure for such year, and corresponding to Chapter 9537 (Parliamentary voting unit 21.2) for the amount equal to the net proceeds of the individual tranches, or in the eventuality that the tranche is issued above par, for the nominal value.

The charge for interest, that is the amount equal to the positive difference between the net

proceeds and the nominal value of the tranches, will be booked to special accounts of the Ministry of Economy and Finance's forecast budget for such year, and corresponding to Chapter 2216 (Parliamentary voting unit 21.1) of the forecast budget for 2021 financial year.

The amount of the placement commission, as provided by Article 2 of this decree, is to be booked by the Treasury Sections among the "payments to be settled" and in Chapter 2247 (Parliamentary voting unit 21.1; operational code 109), Ministry of the Economy and Finance's forecast budget of expenditure for the 2020 financial year.

This decree is to be published in the Official Gazette of the Italian Republic.

Rome,

For the DIRECTOR GENERAL OF THE TREASURY