

EXAMPLE OF BTP€i ISSUANCE DECREE

The following decree regarding the issuance of the 5-year BTP€i is published only as an example

MODULARIO
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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 the Ministerial Decree no. 96718 of 7 December 2012, concerning the “Dispositions for operations of stripping, trading and reconstitution of coupons, inflation linked components and the nominal redemption value of Government bonds;

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 23 January 2020 amounts, net of the public loan reimbursements already effected, to EUR 27,050 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 of 23 March, 25 June, 26 November 2018 and 21 February, 27 May, 25 July 2019, ordering the issuance of the first twelve tranches of BTP€i at 0.10% with interest entitlement as of 28 March 2018, maturing on 15 May 2023, indexed, for the principal and interest components, to the Harmonised Index of Consumer Prices (excluding tobacco products) for the Euro Area, hereinafter for the purposes of this decree referred to as the “Eurostat Index”;

HAVING DEEMED it appropriate, in relation to market conditions, to order the issuance of a thirteenth tranche of the aforementioned Treasury bonds;

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 of 288 of 3 January 2020, both cited in the preamble, this decree orders the issuance of a thirteenth tranche of Treasury bonds, 0.10%, indexed to the "Eurostat Index" (“BTP€i”), with interest entitlement as of 28 March 2018, and maturity of 15 May 2023, for a total nominal amount between a minimum of EUR 750 million and a maximum of EUR 1,250 million.

The securities bear annual interest 0.10% before taxes, payable in arrears in two semi-annual payments, on 15 May and 15 November of each year of the loan term.

The first four coupons for the securities issued pursuant to this decree, being received at maturity, will not be paid.

The operations of stripping, trading and reconstitution of coupons and the nominal redemption value of the aforementioned securities are allowed.

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; reference, in particular, should be made to Articles 14 and 17 of said 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 28 January 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 fourteenth 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. 29 January 2020.

Article 4

Bonds subscribed in auction and in the supplementary placement will be settled by the dealers to whom the bonds were awarded on 30 January 2020, at the adjudication price and with the payment of the gross accrued interest for 76 days. 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 30 January 2020, the Bank of Italy will deposit at the Provincial State Treasury, Rome Section, the net proceeds of the securities placed at the adjudication price, together with the gross interest accrued at 0.10% due to the State for 76 days.

The aforementioned Section of the Treasury will issue, for said deposits, separate receipts of income to the State budget, to be booked under Section X, Chapter 5100, Article 3 (Parliamentary voting unit 4.1.1), for the amount related to the net proceeds of the issue, and to Chapter 3240, Article 3 (Parliamentary voting unit 2.1.3) for that related to the gross accrued interest due.

Article 6

The charges for interest in relation to the 2020 financial year will be charged to Chapter 2214 (Parliamentary voting unit 21.1) of the forecast budget of the Ministry of Economy and Finance for such year, and to corresponding chapters for the subsequent years.

The charge for the reimbursement of capital in relation to the 2023 financial year will be charged to the chapter to be booked in the Ministry of the Economy and Finance's forecast budget of expenditure for such year, and corresponding to Chapter 9502 (Parliamentary voting unit 21.2) of the forecast budget for the current 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