

Stock and Bonds of this issue will be accepted by the Commissioners of Inland Revenue as the equivalent of cash on the basis of £80 cash for each £100 Stock or Bonds surrendered, with due adjustment on account of interest, in satisfaction of amounts due on account of Death Duties, provided that the Stock or Bonds surrendered have formed part of the Estate passing on death of the deceased continuously up to the date of death from the date of the original subscription or for a period of not less than six months immediately preceding the date of death. Stock and Bonds so surrendered and outstanding will be held for account of His Majesty's Government until redeemed by the operation of the Sinking Fund or until the final redemption of the Loan; any portion of the Sinking Fund applied in any half-year to the purchase for cancellation of Stock or Bonds so held will bear to the total of the Sinking Fund available a ratio not exceeding that which the Stock and Bonds so held at the commencement of such half-year bore to the total of the Loan then outstanding.

Stock or Bonds of this issue and the interest payable from time to time in respect thereof will be exempt from all British Taxation, present or future, so long as it is shown in the manner directed by the Treasury that they are in the beneficial ownership of persons who are neither domiciled nor ordinarily resident in the United Kingdom of Great Britain and Ireland.

Further, the interest payable from time to time in respect of Stock and Bonds of this Issue will be exempt from British Income Tax, present or future, so long as it is shown in the manner directed by the Treasury that the Stock or Bonds are in the beneficial ownership of persons not ordinarily resident in the United Kingdom of Great Britain and Ireland, without regard to the question of domicile. Where Bonds are in the beneficial ownership of a person entitled to exemption under these provisions, the relative Coupons will be paid without deduction for Income Tax or other taxes if accompanied by a declaration of ownership in such form as may be required by the Treasury.

The Books of the Loan will be kept at the Bank of England and at the Bank of Ireland.

Stock will be convertible into Bonds to Bearer (in denominations of £50, £100, £200, £500, £1000, and £5000) with Coupons attached for the Interest payable half-yearly, and Bonds will be convertible into Stock without payment of any fee. Stock will be transferable in any sums which are multiples of a penny.

Dividend warrants will be forwarded by post. In the case of inscribed and registered holdings of "Fully-paid Allotments," the warrants for the first dividend, payable 1st November 1919, will be forwarded in all cases to the original Allottees or their Nominees.

"Fully-paid-Allotments" will be issued in one or other of the following forms as applicants may direct:—

1. "Certificate of Inscription" of Stock transferable in the Stock Transfer Books;
2. "Register Certificate" of Stock transferable by Deed;
3. "Bond Certificate(s)" exchangeable in due course for Bond(s) to Bearer.

Allotments made in respect of applications

paid for, in whole or in part, by the surrender of Stock or Registered Bonds will in all cases be inscribed or registered in the names of the holders in whose names the surrendered holdings stood. Allotments made in respect of applications paid for, in whole or in part, by the surrender of Bearer Bonds will in all cases be made in Bearer form.

Allotment Letters with Coupon attached for the dividend, if any, due 1st November 1919, will be issued in respect of "Instalment Allotments," and, when paid in full, may be inscribed or registered on or after the 1st September 1919, or may be exchanged for Bonds to Bearer as soon as these can be prepared.

The Instalments payable in respect of "Instalment Allotments" may be paid in full on or after the 29th July 1919, under discount at the rate of $3\frac{1}{2}$ per cent. per annum. Where payment in full is made between two instalment dates, discount will be calculated as from the instalment date next succeeding the date of such full payment. In case of default in the payment of any instalment by its proper date, the deposit and any instalments previously paid will be liable to forfeiture. Payments may be made without additional charge at Offices of the undermentioned Banks in the United Kingdom.

A commission of one-eighth per cent. will be allowed to Bankers, Stockbrokers, and Financial Houses on allotments made in respect of applications bearing their Stamp, and paid for wholly in cash and/or by the discounting of Treasury Bills. No commission will be allowed on Allotments paid for, in whole or in part, by the surrender of Stock or Bonds.

Application Forms for

- (1) "Fully-paid Allotments,"
- (2) "Instalment Allotments,"

to be paid for wholly in cash and/or by the discounting of Treasury Bills may be obtained at the Bank of England and at the Bank of Ireland; at any Bank or Money Order Office in the United Kingdom; of Messrs. Mullens, Marshall & Co., 13 George Street, Mansion House, E.C. 4; and of any of the principal Stockbrokers.

Application Forms for "Fully-paid Allotments" to be paid for, in whole or in part, by the surrender of Stock or Registered Bonds, have been sent by post to all inscribed and registered holders (in the case of a joint account to the first holder) of Issues receivable in lieu of cash. Further Forms may be obtained—

1. (a) For the surrender of holdings registered or inscribed in the Books of the Bank of England, at the Bank of England, London, E.C.
- (b) For the surrender of Bonds to Bearer, at the Bank of England, London, E.C.
2. For the surrender of holdings registered or inscribed in the Books of the Bank of Ireland, at the Bank of Ireland, Dublin.

Applicants for these Forms must state the description of holding which it is desired to surrender.

The List of Applications will be closed on Saturday, the 12th July 1919.

BANK OF ENGLAND,
12th June 1919.