

Kingdom of Denmark  
Ministry of Finance



**TREASURY BILLS**

# SKATKAMMERBEVISER

TRANSLATION

December 2009

Treasury bills have a maturity of up to 12 months. Sale of a new series will normally open on the penultimate trading day of February, May, August and November. Sale may open on other days, and other maturities may be offered.

## Interest and Redemption

Treasury bills are zero-coupon papers and are redeemed at par on the maturity date. Treasury bills fall due for redemption on the first trading day of the month in which they mature. Treasury bills are non-callable for both the central government and the investor. Payment of principal shall take place in Danish kroner, and only through VP Securities. Such payment shall constitute full discharge of the central government's obligations once VP Securities has distributed the principal payments to the cash account controllers that are direct participants in VP Securities.

## Issue

Treasury bills are normally issued at auctions in amounts with multiple of DKK 20 million. Issuance takes place at an auction platform designated by Government Debt Management. Auction bids may be submitted by primary dealers in Danish T-bills. Bids shall be submitted to Danmarks Nationalbank on the auction day. A cut-off yield will be fixed on the basis of the bids received. Bids for this yield or below will be accommodated at the cut-off yield. A pro-rata accommodation of bids at the cut-off yield may be made. An auction can be terminated without accommodation. If considered appropriate, either part or all of an auction may be cancelled, or it may take place at another time.

## Registration

Treasury bills are registered in VP Securities. No physical certificates are issued. Treasury bills are issued to the bearer. There is no limitation to their transferability.

## Stock-Exchange Listing and Settlement

Treasury bills are listed on Nasdaq OMX Copenhagen. Settlement of trading will normally take place in accordance with the current market convention, at present 2 business days from the trading day.

## Legislative basis

Treasury bills are issued pursuant to Act no. 1079 of 22 December 1993 as amended on authorisation to float government loans. All legal disputes concerning Treasury bills shall be settled according to Danish law, and the courts of Denmark shall have the exclusive jurisdiction in respect of legal proceedings with respect to Treasury bills. Venue shall be Copenhagen.

## Force majeure

The government shall not be liable for any damage or loss caused by a delay in payment of principal on the Treasury bills arising from actual or imminent war, insurrection, civil commotion, terrorism, sabotage, failure of power supply or telecommunication or natural disasters. Nor shall the government be liable for any damage or loss caused by a delay in payment of principal on the Treasury bills arising from strikes, lockouts, boycotts or blockades, regardless of whether the government itself is a party to the dispute, and notwithstanding that the dispute may affect only part of the government's functions. Payment of any principal on the Treasury bills delayed as a result of any of the events specified in this paragraph shall be made to holders of the Treasury bills together with any accrued interest on such delayed payments when such event has ceased to be of effect.

## Limitation

Claims for principal will become void unless presented for payment within a period of 10 years.

## Taxes

Capital gains are taxed according to current Danish law.

### Calculation of yields

The conversion from price to yield and vice versa takes place according to current money-market practice, according to which the yield to maturity per day is calculated by dividing the capital gain to the maturity date by the actual number of calendar days remaining. The annual yield is arrived at by multiplying the yield per day by 360:

$$\text{Yield} = \frac{100 - \text{price}}{\text{price}} \cdot \frac{360}{\text{actual number of days}}$$

The conversion from yield to price takes place according to the following formula:

$$\text{Price} = \frac{100}{1 + \text{yield} \cdot \frac{\text{actual number of days}}{360}}$$

### Change in Terms of Borrowing

The central government can decide that issuing, registration, listing or settlement take place in another way.

Further information can be obtained from:

Danmarks Nationalbank

Financial Markets

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