

THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND and THE GOVERNOR AND COMPANY OF THE BANK OF IRELAND are authorised to receive applications for the above Loan, which will take the form of Stock or Bonds to Bearer at the option of Subscribers; Stock may be inscribed as "transferable in the Stock Transfer Books," or may be registered as "transferable by Deed."

Applications must be for sums which are multiples of £50, and may be for either (1) "Fully-paid Allotments," or (2) "Instalment Allotments." They will be received at the Bank of England Loans Office, 5 and 6, Lombard Street, London, E.C. 3, and at the Bank of Ireland, Dublin, and may be forwarded either direct, or through the medium of any Banker or Stockbroker in the United Kingdom.

British Government Treasury Bills issued prior to the 1st June, 1919, will be accepted under discount at $3\frac{1}{2}$ per cent. per annum as from the 21st June, 1919, in lieu of cash in payment for "Fully-paid Allotments," provided that the entire proceeds of the Bills are so applied. "Fully-paid Allotments" made in respect of such Applications will receive on the 1st November, 1919, the dividend payable on that date in respect of "Fully-paid Allotments" applied for on or before the 21st June, 1919.

Stock and Bonds of the undermentioned Issues will be accepted at par as the equivalent of cash in payment, in whole or in part, for "Fully-paid Allotments" of this Issue:—
 £4 10s. per cent. War Loan, 1925-1945.
 £5 per cent. Exchequer Bonds, 1919, 1920, 1921 and 1922.
 £6 per cent. Exchequer Bonds, 1920.
 £4 per cent. National War Bonds, 1st, 2nd, and 3rd Series.
 £5 per cent. National War Bonds, 1st, 2nd, and 3rd Series.

Where the Stock or Bonds surrendered do not represent the exact sum required to pay for an Allotment (which must be a multiple of £50), the requisite balance must be provided in cash. Interest accrued to the 21st June, 1919, will be paid on holdings surrendered, and the Allotments issued in lieu of such holdings will receive on the 1st November, 1919, the dividend payable on that date in respect of "Fully-paid Allotments" applied for on or before the 21st June, 1919. In the case of the £6 per cent. Exchequer Bonds, 1920, an additional payment will be made representing interest at 1 per cent. from the 21st June, 1919, to the 16th February, 1920, upon the holdings surrendered.

NOTE.—Applications paid for, in whole or in part, by the surrender of Stock inscribed or Bonds registered in the Books of the Bank of Ireland must be forwarded to the Bank of Ireland, Dublin. Stock registered in the Books of the General Post Office, and Bonds issued by the General Post Office, will not be accepted at the Bank of England. They will be accepted at the Post Office under the arrangements set forth in the separate Prospectus issued by H.M. Postmaster-General.

The Principal and Interest of the Loan will be a charge on the Consolidated Fund of the United Kingdom.

His Majesty's Government undertake to set aside at the close of each half-year a sum equal to $2\frac{1}{2}$ per cent. on the nominal amount of the Loan originally created. After deducting therefrom the amount required for payment of Interest on the Loan for the half-year, the balance of the sum so set aside will be carried to a Sinking Fund, which will be applied during the succeeding half-year to the purchase of the Loan for cancellation if the price is at or under par; when the price is above par it will be either so applied or otherwise invested under the control of His Majesty's Treasury. Any outstanding balance of the Loan not previously redeemed will be repaid at par on the 1st May, 1920, but His Majesty's Government reserve to themselves the right, on giving three calendar months' notice in the London Gazette, to redeem at par at any time on or after the 1st May, 1920, any outstanding balance of the Loan not previously purchased and cancelled by the operation of the Sinking Fund.

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 shewn 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 shewn 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, £1,000, and £5,000) with Coupons attached for the Interest payable half-yearly, and Bonds will be convertible into Stock without