



GOVERNMENT
DEBT MANAGEMENT

GENERAL TERMS OF AUCTION TREASURY BILLS

1. Treasury bills are auctioned in accordance with the Government Debt Management issuance calendar. No later than one banking day before each auction, the series being auctioned, the auction date, and the settlement date will be publicised. If an auction is cancelled, an announcement will be made with the same advance notice. Announcements according to the above will be made public.
2. In other respects, Treasury bills shall be subject to the *General terms for Icelandic Treasury bills*, which can be found on the Government Debt Management website: www.lanamal.is/EN/treasury-securities/treasury-bills
3. The Central Bank, on behalf of the Treasury, reserves the right to accept some or all of the bids placed in Treasury bill auctions, or to reject all of them. Unless otherwise specified in the auction notice, auctions will be structured with a single-price format; i.e., all accepted bids will be offered to primary dealers at the same price. The lowest accepted price (highest yield) will determine the sale price.
4. Only primary dealers in Treasury securities are authorised to submit bids in Treasury bill auctions. The minimum amount of each bid is 1 m.kr. nominal value. Bids shall be submitted in multiples of 1 m.kr.
5. Bids may only be sent to the Central Bank through the Bloomberg Auction System between 10:30 hrs. and 11:00 hrs. (Icelandic time) on the auction date, unless otherwise specified in the auction notice. Bids shall be presented as prices, with three decimal places.
6. If bids do not reach the Central Bank due to system error or for any other reason, the Central Bank disclaims all liability. Parties may obtain a confirmation of acceptance of their bids by calling Government Debt Management at the Treasury and Market Operations Department of the Central Bank of Iceland (tel: +354 569 9635). Bids that reach the Central Bank and are registered to individual terminals in the Bloomberg Auction System are binding and are the responsibility of the person who is registered for that terminal. It is permissible to amend or withdraw offers by sending an appropriate message through the Bloomberg Auction System to the Central Bank before 11:00 hrs. on the auction date (or another time specified in the auction notice when the auction is over).

7. Under extraordinary circumstances and upon prior consultation with primary dealers, the Central Bank is authorised to postpone auctions to a later time on the specified auction date or to cancel them; e.g., if it is not possible to hold an auction due to technical problems.
8. Auction results will be announced publicly and sent to primary dealers.
9. Payments for Treasury bills in accordance with accepted bids in the auction must be received by the Central Bank before 14:00 hrs. on the settlement date, and the bills will be delivered in electronic form on the same day. If payment is not received at the correct time, the Central Bank reserves the right to claim from the bidder the maximum legal penalty interest for the duration of the delay.