

THE BELGIAN REGULATED OFF-EXCHANGE MARKET IN
LINEAR BONDS, STRIPS AND TREASURY CERTIFICATES

1. The Belgian regulated off-exchange market

The regulated off-exchange market in linear bonds (OLOs), strips and treasury certificates is, from a practical point of view, a quote-driven market on which a group of recognised "Primary Dealers in Belgian Government Securities" ensures liquidity. Investors operate on it with the freedom of action and the flexibility of an over-the-counter market.

The regulated off-exchange market is also, in legal terms, a regulated market within the meaning of the European Directive on investment services in the securities field (Directive 93/22/EEC of 10 May 1993), in order to provide protection for investors.

The Securities Regulation Fund, an independent public institution, is charged with the administration of the market and has regulatory and supervisory powers. The Belgian Banking and Finance Commission monitors the way in which the Fund performs its tasks as market authority.

2. Scope of the Belgian regulated off-exchange market

Investors do not need to be market members to carry out transactions in OLOs, strips or treasury certificates on the regulated market. Foreign (non-Belgian) investors wishing to be involved in the regulated market only have to deal with a market member and agree that the transaction takes place on the regulated market. Transactions between (non-Belgian) non-members without the intermediation of a member can never take place on the regulated off-exchange market.

The Securities Regulation Fund, which keeps the membership list, can provide any information on this matter (see below). All Primary Dealers in Belgian Government Securities are market members according to the code of duties of Primary Dealers.

To sum up, a foreign investor who wishes to conclude a transaction in OLOs, strips or treasury certificates on the Belgian regulated off-exchange market can in particular take contact with a Primary Dealer in Belgian Government Securities and ask or agree to carry out the transaction on the regulated market.

3. Facilities provided to the foreign investors (non-members)

3.1. Legal security

The Securities Regulation Fund has laid down the "Regulations on the secondary off-exchange market in linear bonds, strips and treasury certificates", which are applicable to all transactions carried out on the regulated market. They impose, among other things, rules of conduct on the market members and a whole set of technical provisions, including the standard market conventions for the Euro. Unless otherwise agreed by the parties, the Regulations enforce also a settlement in the event of late payment by the buyer or late delivery by the seller of securities.

The Securities Regulation Fund monitors the activities of all market members on the regulated off-exchange market to ensure their compliance with the rules and requirements, especially the Regulations laid down by the Fund.

3.2. Legal assistance

Investors can bring an action before the Securities Regulation Fund against a market member, provided the complaint relates to the regulated off-exchange market.

The Committee of the Securities Regulation Fund can designate one or more of its members as arbiter or as chairman of an arbitration board, at the request and with the consent of all involved parties, in order to settle disputes related to the regulated off-exchange market.

Intervention by the Securities Regulation Fund in these matters is free of charge.

3.3. Market transparency

In order to ensure market transparency, the Securities Regulation Fund publishes daily reference prices and rates for OLOs, strips and treasury certificates as well as turnover figures with regard to purchases/sales concluded in these instruments on the Belgian regulated off-exchange market. This information is available on Reuters (pages SRF/INDEX), Telerate (pages 21.712/15) Bloomberg (page SRF) and Knight Ridder (pages 2.927/35).

4. Obligations of the foreign investors (non-members)

Investors have no formal obligations. Access to the regulated off-exchange market is free (provided they deal with a market member) and does not involve any contribution or charge.

Carrying out a transaction on the regulated market implies only that some provisions, mostly of a technical nature, of the Regulations on the secondary off-exchange market are imposed on the contracting parties, for example the day-count and accrued interest calculation.

5. How to contact the Securities Regulation Fund

The complaints and requests for arbitration mentioned above have to be addressed in writing to the chairman of the Securities Regulation Fund Committee, avenue des Arts 30 - 1040 Brussels, Belgium.

As the National Bank of Belgium carries out the day-to-day management of the Securities Regulation Fund, for any operational information (membership list, market practices, etc.) as well as regulatory information ("Regulations on the secondary off-exchange market", etc.) with regard to the Belgian regulated off-exchange market, please :

- write to the National Bank of Belgium, , Securities Regulation Fund service, boulevard de Berlaimont 14, 1000 Brussels, Belgium ;
- Tel.: +32/2 221 24 40 or 32/2 221 33 68 ;
- Fax: +32/2 221 31 02
- E-mail: frf@nbb.be.

The Securities Regulation Fund has a website (www.fondsdesrentes.be or www.rentenfonds.be) which includes the membership list, the Regulations of the secondary off-exchange market in linear bonds, strips and treasury certificates and an E-mail address.

Brussels, 29 November 2001.