

**Rules and Regulations Governing the Activities
of the Treasury Securities Dealer
as of October 19, 2004**

I. General terms and conditions

§ 1

These Rules and Regulations determine the principles governing the activities of a Treasury Securities Dealer, and they set in particular:

- 1) Duties and rights of the Treasury Securities Dealers,
- 2) Duties and rights of the Minister of Finance,
- 3) Selection criteria for the Treasury Securities Dealers.

§ 2

The following terms used in the Rules and Regulations shall mean:

- 1) Minister – means the Minister of Finance,
- 2) NBP – means the National Bank of Poland,
- 3) NDS – means the National Depository for Securities,
- 4) MTS-CeTO – means the MTS-CeTO company which operates the MTS Poland market,
- 5) TSD - means the Treasury Securities Dealer,
- 6) Applicant TSD – means the bank which has submitted a TSD application, eligible under the Rules and Regulations and admitted by the Minister to participate in the competition,
- 7) Council of the TS Market Participants – means a body consisting of the representatives of TSDs, NBP, NDS and MTS-CeTO. The Council acts as an advisory panel of the Minister of Finance,
- 8) TS – means Treasury Securities offered on the domestic primary market excluding securities offered on the primary retail market and the DK0809 bond.
- 9) MTS Poland - means here a form of electronic trading of TS as pointed by the Minister,
- 10) DAI – means the Dealer's Activity Index,
- 11) TS fixing – means activities undertaken to set a fixing and informational rates for the buy and sell bids in accordance with the TS Fixing Regulations determined by NBP in agreement with the Minister,

- 12) Spread – means the difference between bid and offer prices quoted for a TS by TSD or applicant TSD, calculated in accordance with the rules relevant for the electronic secondary market – MTS Poland,
- 13) Benchmark issues – issues of TS defined by the Minister, in consultation with the Council of the TS Market Participants. Such securities will usually be fixed income bonds with at least 1 year maturity and face value of PLN 2.5 billion or more,
- 14) Decree – means the Decree of the Minister of Finance of 26 April 1999 on terms and conditions of issuing Treasury bonds to be offered at the auctions (Journal of Laws no 38 item 368 with subsequent changes),
- 15) Auction – means the auction under § 5 of the Decree,
- 16) Repurchase auction – means the auction under §18 of the Decree,
- 17) Switch auction – means the auction under §14a–14h of the Decree,
- 18) Non-competitive auction - means the auction under §12a–12g of the Decree,
- 19) Settling participant – means an institution which settles the TS transaction concluded by a TSD or an applicant TSD and which has a securities account or a Treasury bills account with the NBP or a security or deposit account with the NDS,
- 20) FRA (Forward Rate Agreement) – means a transaction concluded to hedge an interest rate,
- 21) IRS (Interest Rate Swap) – means an exchange of interest payments in one currency between two parties,
- 22) Foreign bank – a bank or credit institution which is seated out of Poland.
- 23) Domestic bank – a bank or branch of credit institution which is seated in Poland.

II. Duties and rights of the TSDs.

§ 3

1. TSDs are obliged to participate in the Treasury bond auctions mentioned in § 2.15 organized by NBP on behalf of the Minister.
2. TSDs are obliged to purchase not less than 4% of the face value of TS sold in one quarter.
3. Non-compliance with the condition referred to in § 3.1, shall result in reduction of the score, which is regularly assessed for a given TDS in line with § 17, by 1 to 5 points.
4. Non-compliance with the condition referred to in § 3.2, shall result in reduction of the score, which is regularly assessed for a given TDS in line with § 17, by 1 to 5 points. Further non-compliance with this condition observed during one of the following assessments shall result in another reduction of the score by 1 to 5 points and may result an immediate termination of the Agreement on fulfilling the function of the TSD.

5. Rules of reducing the scores mentioned in § 3.3 are specified in Appendix No 1.1.

6. Rules of reducing the scores mentioned in § 3.4 are specified in Appendix No 1.2.

§ 4

1. TSDs are obliged to participate in daily fixing sessions of TS organized by NBP and carried out on the MTS Poland in accordance with the TS Fixing Regulations.

2. The list of TS subject to fixing is determined by the Minister.

3. The lack of TS quotations during a fixing session may result in a warning given by the Minister. Each warning shall result in the reduction of the periodical assessment of a given TSD, as referred to in § 17.1, by 1 to 5 points.

4. Terms and conditions of the reduction of score mentioned in § 4.3 are specified in Appendix No 1.3.

§ 5

1. TSDs and applicant TSDs are obliged to submit quotations for TS on MTS Poland by presenting the bid and offer prices, in accordance with the rules relevant for MTS Poland, in particular for the benchmark issues. Minimum daily time for quoting each benchmark issue by a TSD or applicant TSD is 5 hours.

2. TSDs and applicant TSDs are obliged to conclude transactions on the MTS Poland at the price set in accordance with §5.1 and with the quoted face value.

3. TSDs and applicant TSDs are obliged to provide quotations for benchmark issues not exceeding the maximum spread. Maximum spreads are determined by MTS-CeTO, following their consultation with Council of the TS Market Participants and approval by the Minister and.

4. Nominal value of quotations of benchmark issues and other TS issues is determined in accordance with the rules relevant for MTS Poland market.

5. Information on quotations and transactions on MTS Poland market may be released through the information and news services determined by the Minister in consultation with the Council of the TS Market Participants.

§ 6

TSDs are, in addition, obliged to:

1) Fulfil their duties resulting from participation in the depository-settlement systems with due diligence,

2) Co-operate with the Minister towards further development of the transparent and efficient TS market,

- 3) Promote wider participation of the non-banking investors,
- 4) Promote the TS market and other debt instruments.

§ 7

1. TSDs are entitled to:

- 1) Exclusive submission of bids at the Treasury bonds auctions mentioned in § 2.15,
- 2) Purchase TS, (this applies only to those TSDs whose bids were accepted at an auction) at a non-competitive auctions,
- 3) Exclusive submission of bids at the switch and repurchase auctions,
- 4) Exclusive submission of bids at the auctions, mentioned in the Minister of Finance Regulation of the 26 August 1999 on the terms and conditions for issuing Treasury Bills (Journal of Laws No 74, it. 831, as amended), according to the terms and conditions specified thereof,
- 5) Priority in concluding individual transactions with the Minister concerning:
 - a) hedging transactions,
 - b) repo and sell-buy-back transactions,
 - c) private placement transactions (including the collateral-related transactions),
 - d) other financial transactions,
- 6) Exclusive participation in everyday fixing sessions of TS.

2. Amount of TS, which can be bought by TSD at an auction mentioned in § 7.1.2 is proportional to the amount of TS purchased by TSD at the auction.

3. Proportional share is calculated as a share (in %) of a given TSD in the total purchases made at a given auction, after subtracting the purchases made by the TSDs who resigned from participation in the non-competitive auction.

4. When the bid submitted at the non-competitive auction by a given TSD is lower than the result of multiplying the proportional share by the supply of securities at the auction, the TS not assigned to this TSD (in the amount resulting from the difference between the two) will be distributed proportionally among the remaining TSDs. The shares of those TSDs will be calculated in line with item 3, after subtracting the amount of TS purchased by the TSD who is not utilising its full allotment.

5. When the total value of bids submitted at the non-competitive auction by TSDs is lower than the supply, the bids submitted by the TSDs are accepted to the full extent.

6. Transactions mentioned in § 7.1.5 letters a), c), d) apply to the activities of the Minister at PLN-denominated TS market. When the non-TSD banks show interest in accepting the same terms of a transaction, the choice will be affected by the TSD status of a party and the regularly assessed score and position in the ranking, mentioned in §17.

7. The key criterion for selection of the counterpart for transactions mentioned in § 7.1.5 letter b) concluded on the MTS Poland will be the level of quotes received. In case of equal

received from two or more banks, the transaction shall be concluded with bank that has the higher position in actual competition for fulfilling the function of TSD.

§ 8

TSD, during the term of the Agreement on fulfilling the function of the TSD, has exclusive right to use the title of the "Treasury Securities Dealer".

III. Duties and rights of the Minister.

§ 9

1. The Minister is obliged to draw up a list of benchmark issues and to make a list of TS subject to fixing and to present that information, at least once a year, to the public in the way specified in § 19.
2. The list of benchmark issues and the list of TS subject to fixing are determined by the Minister, having considered the opinion of the Council of the TS Market Participants.
3. The Minister is obliged to present an issuance calendar to the public according to following schedule:
 - a) once a year - yearly issuance calendar including total amount of issue for Treasury bills and bonds and expected bonds auctions dates,
 - b) once a quarter - quarterly issuance calendar including particular types of bonds along with range of expected offer,
 - c) two days before the auction day - the exact amount of bond offer for the auction.

§ 10

1. The Minister is obliged to:
 - 1) organize TS auctions by the electronic system,
 - 2) announce TS auction results not later than:
 - a) at 12.00 am on an auction,
 - b) at 12.30 am on a switch auction,
 - c) at 14.15 am on a non-competitive auction;
 - 3) perform annual and periodical assessment of TSDs and candidates for TSDs, in accordance with § 17 of the Rules and Regulations,
 - 4) organize regular meetings with TSDs in order to:
 - a) solve subject-matter, organizational and technical problems connected with organization and functioning of the TS market,

- b) discuss issuing policy, plans for financing state budget borrowing needs and financial market conditions;
2. Duties mentioned in §10.1.1-2 do not apply to unpredicted events or technical problems which make impossible to organize an auction by the electronic system or announce TS auction results before terms mentioned in §10.1.2.
3. In case of impossibility of organizing TS auction by the electronic system, an auction is organized with using alternative means of data transmitting.
4. In case of technical problems or appearance of other unpredicted events, the Minister announces deadline of the publications of the auction results and information on reason of the delay. The information shall be published not later than original deadline for announcement of the result of an auction.
5. Current deadline of the announcing results of the auction is published in the way mentioned in §19.1.

§ 11

The Minister as well as NBP, pursuant to the powers granted to it under the Agreement on fulfilling the function of the TSD, has right to perform, in bank's or clearing institution's premises, verification of information and data submitted to Minister, NBP and NDS due to fulfilling functions of the TSD. Independently of that a TSD authorizes the Minister to undertake other, deemed by the Minister necessary, verification and control actions with regard to the TDS activity connected with its functioning.

§ 12

1. In case of default execution of the provisions of the Rules and Regulations the Minister may impose a reminder to a TSD. Each imposition of a reminder shall mean reduction of the periodical assessment of the TSD by 1–2 points.
2. In case of gross defaults in fulfilling the functions of the TSD, Minister may dismiss a TSD from its function by means of termination of the Agreement on fulfilling the function of the TSD with immediate effect. Information on a dismissal of particular entities from the TSD system shall be pronounced in public by the Minister in the way specified in § 19.
3. In case of the termination of the Agreement fulfilling the function of the TSD with immediate effect the Minister may sign another agreement on fulfilling the function of the TSD with the bank that gained the highest scoring in the annual assessment during the most recent competition for a TSD from among banks which were not granted the status of the TSD. Such an agreement with a bank shall be concluded for the term up to the end of a calendar year. Information about signing agreement with new TSD shall be published in the way mentioned in § 19.

IV. Principles of selection of Treasury Securities Dealers.

§ 13

1. The Minister shall arrange a competition for banks which apply for a function of a TSD.
2. Conditions of participation in competition for domestic bank and foreign bank are:
 - 1) having Treasury bill accounts and deposit accounts with NBP and securities accounts and deposit accounts run by NDS or pointing the settling participant and consent to provide data about bank's activity on financial markets by that settling participant;
 - 2) submitting a declaration of the settling participant giving consent to providing data about activity of the bank on financial markets and for verification and control these data by the Minister, NBP and NDS in accordance with Appendix No 3.2 to the Rules and Regulations;
 - 3) submitting a declaration including the following:
 - a) credit rating,
 - b) net capital,
 - c) solvency ratio,
 - d) trading experiences with Polish Treasury securities including data on Polish Treasury securities portfolio,
 - e) investors' base,
 - 4) participation in MTS Poland or submitting declaration of joining to MTS Poland.
3. Foreign bank that intends to apply for obtaining of a TSD status shall have a similar status in at least one OECD member country.
4. The pattern of the declaration mentioned in § 13.2.3 is specified in Appendix No 2.1 to the Rules and Regulations.

§ 14

1. A bank intending to apply for a TSD should submit to the Minister the written declaration of participation in the competition as well as a statement on fulfilling the conditions mentioned in § 13.2 and § 13.3 in accordance with the templates provided in Appendix No 2 and Appendix No 3 to the Rules and Regulations.
2. The submission of the declaration mentioned above is the basis to initiate the assessment of a banks applying for the TSD and means acceptance of obligations specified in § 5 and § 6 as well as acceptance of terms and conditions specified in §11 and §12 of the Rules and Regulations.
3. The Minister reserves the right to verify the submitted statements and to reject the declaration in case of not fulfilling the conditions specified in §13.2 and §13.3 of the Rules and Regulations.

4. In case of not fulfilling the obligations, mentioned in §14.2, the Minister may dismiss a bank from the competition.

§ 15

1. Each of the TSDs and TSD applicants is subject to an assessment according to the qualification criteria specified in the Rules and Regulations.

2. The basis of the assessment mentioned in §15.1 is the DAI scoring counted as a share of:

1) Nominal (face) value of the Treasury bills (T-bills) traded by a bank on the secondary market in transactions concluded with another banks, in which the bank is accepting price quoted on the MTS Poland by another bank, compared to the total nominal (face) value of T-bills traded by TSDs and applicants TSDs on MTS Poland; the scoring shall be performed according to the following scale:

- a) > 0% - 2% – 1 point,
- b) > 2% - 4% – 2 points,
- c) > 4% - 6% – 3 points,
- d) > 6% - 8% – 4 points,
- e) > 8% - 10% – 5 points,
- f) > 10% – 6 points;

2) Nominal (face) value of the T-bills traded by the bank on the secondary market in transactions concluded with another banks in which the bank is quoting a price, compared to the total nominal (face) value of T-bills traded by TSDs and applicants TSDs on MTS Poland; the scoring shall be performed according to the following scale:

- a) > 0% - 2% – 2 points,
- b) > 2% - 4% – 4 points,
- c) > 4% - 6% – 6 points,
- d) > 6% - 8% – 8 points,
- e) > 8% - 10% – 10 points,
- f) > 10% – 12 points;

3) Nominal (face) value of the Treasury bonds (T-bonds) traded by a bank on the secondary market in transactions concluded with another banks, in which the bank is accepting price quoted on the MTS Poland by another bank, excluding the repo, buy-sell back and sell-buy back transactions, compared to the total nominal (face) value of T-bonds traded by TSDs and applicants TSDs on MTS Poland; the scoring shall be performed according to the following scale:

- a) > 0% - 2% – 3 points,
- b) > 2% - 4% – 5 points,
- c) > 4% - 6% – 7 points,
- d) > 6% - 8% – 9 points,
- e) > 8% - 10% – 11 points,
- f) > 10% - 13 points;

4) Nominal (face) value of the T-bonds traded by the bank on the secondary market in transactions concluded with another banks in which the bank is quoting a price, excluding the

repo, buy-sell back and sell-buy back transactions, compared to the total nominal (face) value of T-bonds traded by TSDs and applicants TSDs on MTS Poland; the scoring shall be performed according to the following scale:

- a) > 0% - 2% – 6 points,
- b) > 2% - 4% – 10 points,
- c) > 4% - 6% – 14 points,
- d) > 6% - 8% – 18 points,
- e) > 8% - 10% – 22 points,
- f) > 10% - 26 points;

5) Nominal (face) value of the T-bonds traded by the bank on the secondary market through the repo, buy-sell back and sell-buy back transactions concluded on MTS Poland, compared to the total nominal (face) value of such trading performed by TSDs and applicants TSDs, ; the scoring shall be performed according to the following scale:

- a) > 0% - 2% – 3 points,
- b) > 2% - 4% – 5 points,
- c) > 4% - 6% – 7 points,
- d) > 6% - 8% – 9 points,
- e) > 8% - 10% – 11 points,
- f) > 10% – 13 points;

6) Nominal (face) value of T-bills traded by the bank in transactions concluded with resident non-banks, compared to the total nominal (face) value of such trading performed by TSDs and applicant TSDs, the scoring shall be performed according to the following scale:

- a) > 0% - 2% - 2 points,
- b) > 2% - 4% – 4 points,
- c) > 4% - 6% – 6 points,
- d) > 6% - 8% – 8 points,
- e) > 8% - 10% – 10 points,
- f) > 10% – 12 points;

7) Nominal (face) value of T-bonds traded by the bank in transactions concluded with resident non-banks compared to the total nominal (face) value of such trading performed by TSDs and applicant TSDs, the scoring shall be performed according to the following scale: :

- a) > 0% - 2% - 2 points,
- b) > 2% - 4% – 4 points,
- c) > 4% - 6% – 6 points,
- d) > 6% - 8% – 8 points,
- e) > 8% - 10% – 10 points,
- f) > 10% – 12 points;

8) Nominal (face) value of trading done by a bank on the PLN FRA market and on the T-bond futures market run by the Warsaw Stock Exchange, compared to the total nominal (face) value of trading on those markets performed by TSDs and applicant TSDs; the scoring shall be performed according to the following scale:

- a) > 0% - 2% – 0,5 point,

- b) > 2% - 4% – 1 point,
- c) > 4% - 6% – 1,5 points,
- d) > 6% - 8% – 2 points,
- e) > 8% - 10% – 2,5 points,
- f) > 10% – 3 points;

9) Nominal (face) value of trading done by a bank on the PLN IRS market compared to the total nominal (face) value of trading on that market performed by TSDs and applicant TSDs; the scoring shall be performed according to the following scale:

- a) > 0% - 2% – 0,5 point,
- b) > 2% - 4% – 1 point,
- c) > 4% - 6% – 1,5 points,
- d) > 6% - 8% – 2 points,
- e) > 8% - 10% – 2,5 points,
- f) > 10% – 3 points;

3. The periodical assessment includes apart from the DAI also the assessment of TSDs and applicant TSDs in respect of:

- 1) Number of issues of bonds other than benchmarks, which are traded on MTS Poland – up to 3 points.
- 2) Cooperation with the Minister, in particular in the area of: (up to 6 points)
 - a) design of new instruments,
 - b) issuance policy ,
 - c) place of business of a given TSD or applicant TSD.

4. Detailed rules of assessment mentioned in § 15.3 are specified in Appendix No 1.4 and 1.5 to the Rules and Regulations.

§ 16.

1. The value TS purchased by a particular TSD, mentioned in § 3.2, is calculated with regard to the sum of TS purchased by the TSDs. Calculations are made on the basis of data from NBP and NDS. Unsettled transactions are not covered.

2. The criteria specified in § 15.2.1-5 are measured on the basis of data from MTS-CeTO.

3. The criteria specified in § 15.2.6-7 are measured on the basis of data submitted according to the template specified in Appendix No 4.1 and provided by the:

- 1) NDS and NBP with regard to the transactions settled through NDS and NBP,
- 2) Settling participant with regard to the transactions settled outside of NDS and NBP. In such a case the data is provided by the settling participant to the Minister.

4. The criteria specified in §15.8 are measured on the basis of data submitted by:

- 1) TSDs and applicants TSDs according to the template specified in Appendix No 4.2. with regard to the transactions on the FRA market,

- 2) Warsaw Stock Exchange, with regard to the transactions on bond futures market according to template in Appendix No 4.3.
5. The criteria specified in § 15.9 are measured on the basis of data submitted by TSDs and applicant TSDs according to Appendix No 4.2.
6. The criteria specified in § 15 do not cover transactions concluded with the Minister, NBP or an agent acting on behalf of the Minister or NBP.
7. The criteria specified in § 15 cover only the settled transactions.
8. Calculation of shares is done with accuracy of two decimal places and the following rule of rounding:
 - 1) Downward – for values lower than 5,
 - 2) Upwards – for values equal to or higher than 5.

§ 17

1. The periodical assessment is made quarterly according to DAI specified in section IV of the Rules and Regulations and constitutes the sum DAI score and negative points mentioned in §3.3, § 4.3 and § 12.1.
2. The annual assessment is calculated as the average of three periodical assessments in the period set in the declaration of participation in the competition.
3. The annual assessment score may be lowered pursuant to § 3.3, § 4.3 and § 12.1, even after the competition is over but before the announcement of the results .

§ 18

1. The Minister shall conclude Agreements on fulfilling the function of the TSD for one year with those applicants for a TSD who have achieved the highest scores in the annual assessment.
2. The list of banks, with which the Minister concluded the agreement on fulfilling the function of the TSD, shall be announced to the public in line with § 19.

§ 19

1. The Minister shall publish a ranking of TSDs in the information and news services and on the internet website of the Ministry of Finance after completing the annual assessment and after every change of this list.
2. The Minister shall provide each TSD or an applicant TSD with information that would enable them to estimate their position in the TSD competition; such information shall include in particular the position and the number of points scored in a given quarter of the year during the term of the competition.

V. Transitory and final provisions.

§ 20

A state-owned bank, with which Minister has signed the agreement granting the right to participate in the auctions, may also have the right to enter auctions of Treasury bills or bonds.

§ 21

In case of changes to the Rules and Regulations the Minister is obliged to inform TSDs about them not later than two weeks before they come into effect.

§ 22

The Rules and Regulations become effective as of December 1, 2004.

MINISTER OF FINANCE

**Appendix No 1 to the Rules and
Regulations Governing the
Activities of the TSD as of
October 19, 2004**

1. Negative points, mentioned in §3.3, are awarded to a bank that has been absent within a quarter at:

- 1) one auction – 1 point,
- 2) two auctions – 2 points,
- 3) three auctions – 3 points,
- 4) four auctions – 4 points,
- 5) five and more auctions – 5 points.

2. Negative points, mentioned in §3.4, are awarded in the following situations:

Share of a bank's purchases of TS in the auctions in a given quarter:

- 1) > 3.5% to 4% - 1 point,
- 2) > 3% to 3.5% included – 2 points,
- 3) > 2.5% to 3% included – 3 points,
- 4) > 2% to 2.5% included – 4 points,
- 5) up to 2 % – 5 points.

3. Negative points, mentioned in w §4.3, are awarded to a bank which has achieved the following ratio of quotations on the fixing:

- 1) > 93% to 95% – 1 point,
- 2) > 91% to 93%– 2 points,
- 3) > 89% to 91%– 3 points,
- 4) > 87% to 89% – 4 points,
- 5) up to 87% – 5 points.

4. Points in DAI ranking, mentioned in §15.3.1, are awarded in the following way: a bank which has achieved the following position in the ranking based on the number of issues of bonds traded concluded on non-benchmark issues:

- 1) 1st and 2nd place – 3 points,
- 2) 3rd and 4th place – 2 points,
- 3) 5th and 6th – 1 point.

5. Points mentioned in § 15.3.2 are awarded according to the following schedule:

- 1) cooperation with the Minister in designing new instruments – 2 points,
- 2) advising the Minister on the issuance policy – 2 points,
- 3) domestic activity (in Poland) of the TSD or applicant for TSD – 2 points.

Appendix No 2 to the Rules and Regulations Governing the Activities of the TSD as of October 19, 2004

Appendix No 2.1

(stamp of a bank)

STATEMENT

In accordance with § 13.2.3 of the Rules and Regulations,*(name of a bank)* declares that at the end of 2003*(name of a bank)* had the:

- credit rating -.....
- equity -.....
- solvency ratio -.....

We also inform that value of Polish Treasury bonds portfolio amounted to:

- at the end of September 2004 -.....million PLN,
- at the end of December 2003 -million PLN,
- at the end of December 2002 -million PLN.

We also inform that*(name of a bank)* has the following investor base:

- pension funds - million PLN (value of bonds registered on accounts in our bank),
- investments funds - million PLN (value of bonds registered on accounts in our bank),
- insurance companies- million PLN (value of bonds registered on accounts in our bank),
- hedging funds - million PLN (value of bonds registered on accounts in our bank),
- other investors - million PLN (value of bonds registered on accounts in our bank).

(stamps and signatures of persons authorized to represent a bank)

(stamp of a bank)

DECLARATION

We hereby declare the intention of participating in the 2006 TSD competition, which shall take place from December 1, 2004 until 30 September 2005. To this end we commit ourselves to obey rules, mentioned in the **Rules and Regulations Governing the Activities of the Treasury Securities Dealers** and to the provision of the information mentioned in the Rules and Regulations to the Minister by the NBP and NDS.

We also consent to:

- 1) the provision of data concerning Treasury securities and Treasury bond futures contracts to the Minister by NBP, NDS, MTS CeTO and Warsaw Stock Exchange.
- 2) undergo an inspection and verification performed by the Minister and NBP and their authorised representatives during the competition period with regard to obeying the Rules and Regulations and reliability of the reports mentioned in the Rules and Regulations.

We authorize the Minister, NBP and their authorised representatives to perform at our premises verification of information and data provided to the Minister in connection with the TSD competition. To this end*(name of a bank)* will make available all data necessary for this verification. In addition the bank authorizes the Minister, NBP and their authorized representatives to undertake other necessary verification and inspection measures concerning bank's activity related to the TSD competition.

We consent to undergo an assessment of fulfilling the above mentioned tasks performed by the Minister and its representatives, and to accept the annual assessment mentioned in the Rules and Regulations as the assessment achieved in the course of the TSD competition.

(stamps and signatures o persons authorized to represent the bank)

**Appendix No 3 to the Rules and
Regulations Governing the
Activities of the TSD as of
October 19, 2004**

Appendix 3.1

(stamp of a bank)

STATEMENT

We hereby inform that transactions of*(name of a bank)* involving Polish Treasury securities are settled by..... *(name of a settling participant)*.

We consent to the provision of data, to the Minister – by the settling participant, concerning activity of the bank on the financial market in order to assess its performance as required by the rules of the TSD competition.

*(stamp and signature of persons authorized to
represent the bank)*

(stamp of a bank)

STATEMENT

We hereby inform that*(name of a institution)* is the settling participant for TS transactions concluded*(name of a bank)*.

We will provide the data concerning activity of*(name of a bank)* on financial market in for the purpose of its assessment required for the TSD competition.

We authorize the Minister, NBP and NDS representatives to perform at our premises verification of information and data provided to the Minister in connection with the TSD competition.

(stamp and signature of persons authorized to represent the settling participant)

Appendix No 4 to the Rules and Regulations Governing the Activities of the TSD as of October 19, 2004

Appendix No 4.1

T-bonds/bills trading on the secondary market (excluding MTS Poland) by (name of the TSD or applicant TSD) during a month*)

According to nominal value, in PLN

No.	Type of transaction	Total turnover (4+6+7)	with banks		with resident non-banks	with non- residents
				- of which with TSDs		
1	2	3	4	5	6	7
1	Total turnover on the secondary market (2+3+4+5)					
2	of which: repo					
3	buy-sell back and sell-buy back					
4	outright					
5	other					

*) transactions, in which the TSD is a party of the settlement (transactions settled on own account and transactions settled on customers' account)

Note: this table is to be filled out by NDS/NBP on the basis of settlement instructions submitted or by the settling participant - on the transactions settled outside of NDS/NBP.

Appendix No 4.2

FRA and IRS trading by (name of the TSD or applicant TSD) during a month

nominal value, in PLN

No.	Type of contract	Bought	Sold	Total turnover
1.	IRS contracts			
2.	FRA contracts			

Note: this table is to be filled out by TSD or applicant for TSD.

T-bond futures trading..... (*name of the TSD or applicant TSD*)
 during a month

No.	Name of the TSD	Code of the WSE member	Volume of trading	Share in total trading (%)
1				
2				
3				
...				
N				
	TSD total			
	Total market trading			

Note: this table is to be filled out by Warsaw Stock Exchange.