

# INFORMATION MEMORANDUM



## KINGDOM OF BELGIUM

### **EuroCommercial Paper Program**

*Arranger*

### **Citibank International Limited**

*Co-Arranger*

### **BNP Paribas Fortis**

*Issuing and Paying Agent*

### **National Bank of Belgium**

Information Memorandum dated 15 December 2015. This Information Memorandum replaces the information memorandum dated 23 September 1998.

This Information Memorandum dated 15 December 2015 as supplemented from time to time (the "**Information Memorandum**") relates to the issuance by the Kingdom of Belgium acting through the Treasury of the Federal Public Service Finance (the "**Kingdom**") of notes issued under a euro-commercial paper programme (the "**Programme**") (*bons du Trésor/Schatkistbons*, to be known as Euro Commercial Paper) ("**ECPs**"). The Kingdom has appointed Citibank International Limited<sup>1</sup> as Arranger (the "**Arranger**") and has appointed BNP Paribas Fortis SA/NV as Co-Arranger (the "**Co-Arranger**"). The Kingdom may act as Dealer in respect of the ECPs, and has appointed several financial institutions as dealers in respect of the ECPs, and may appoint from time to time other financial institutions as dealer (together with the Arranger and the Co-Arranger, the "**Dealers**"). The actual list of Dealers can be consulted on [http://www.debtagency.be/en\\_products\\_btb\\_dealers.htm](http://www.debtagency.be/en_products_btb_dealers.htm).

The Kingdom has authorised the Dealers to circulate this Information Memorandum and has confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading. In accordance with the terms of the Royal Decree of 14 October 1991 relating to *billets de trésorerie et certificats de dépôt/thesauriebewijzen en depositobewijzen*, as amended from time to time, the Kingdom accepts responsibility for the Information Memorandum and its supplements and updates if any. In particular, the Kingdom will be responsible toward interested parties for losses which may occur as an immediate and direct result of the absence or inaccuracy of any matters that are required to be contained herein pursuant to article 5 of the Belgian law of 22 July 1991 relating to *billets de trésorerie et certificats de dépôt/thesauriebewijzen en depositobewijzen*, as amended and Chapter II, Section 2 of the royal decree of 14 October 1991 on the same subject, as amended.

Neither the Kingdom, the Arranger, the Co-Arranger nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Kingdom or that there has been no change in the business, financial condition or affairs of the Kingdom since the date thereof.

No person is authorised by the Kingdom to give any information or to make any representation not contained in the Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

Neither the Arranger, the Co-Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger, the Co-Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Co-Arranger, the Dealers or the Kingdom that any recipient should purchase ECPs. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Kingdom and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum.

Neither the Arranger, the Co-Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Kingdom during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to the Arranger's or any Dealer's attention.

Neither the Arranger, the Co-Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does

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<sup>1</sup> Citibank International Limited will merge with Citibank Europe plc on 1 January 2016 and will thereafter be dissolved by operation of law. Following the transfer of Citibank International Limited's assets and liabilities to Citibank Europe plc as part of such merger, Citibank Europe plc will become a Dealer under the Programme.

not, and is not intended to, constitute an offer or invitation by the Arranger, the Co-Arranger, the Dealers or the Kingdom to any person to purchase ECPs. The distribution of this Information Memorandum and the offering for sale of ECPs or any interest in such ECPs or any rights in respect of such ECPs, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any ECPs or any interest in such ECPs or any rights in respect of such ECPs are required by the Kingdom, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of ECPs and on distribution of this Information Memorandum and other information in relation to the ECPs, the Kingdom set out under "*Selling Restrictions*" below.

No application will be made at any time to list the ECPs on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received in connection with the issue or sale of any ECPs will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Kingdom.

**THE ECPS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND ECPS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS.**

#### **Tax**

Although a summary of the treatment for taxation purposes of payments or receipts in respect of the ECPs is included, each investor contemplating acquiring ECPs is advised to consult a professional adviser in connection therewith.

#### **Interpretation**

In the Information Memorandum, references to euros and € are to the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; references to Sterling and £ are to pounds sterling; references to U.S. Dollars and U.S.\$ are to United States dollars; references to CNY and Renminbi are to the lawful currency of the People's Republic of China.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

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## PROGRAMME SUMMARY

- Issuer:** Kingdom of Belgium.
- Arranger:** Citibank International Limited.
- Co-Arranger:** BNP Paribas Fortis.
- Dealers:** The actual list of dealers can be consulted on [http://www.debtagency.be/nl\\_products\\_btb\\_dealers.htm](http://www.debtagency.be/nl_products_btb_dealers.htm).
- Issuing and Paying Agent:** National Bank of Belgium.
- Form:** The ECPs will be evidenced by treasury notes (*billets de trésorerie/thesauriebewijzen*) in dematerialised form issued in accordance with the Belgian law of 22 July 1991 as amended and the Belgian Royal Decree of 14 October 1991 as amended relating to *billets de trésorerie et certificats de dépôt/thesauriebewijzen en depositobewijzen* and the ministerial decree of 6 July 1998 (as amended), and will not be exchangeable for bearer or registered notes. The dematerialised form of the ECPs is governed by the law of 2 January 1991 *relative au marché des titres de la dette publique et aux instruments de la politique monétaire/betreffende de markt van de effecten van de overheidsschuld en het monetair beleidsinstrumentarium*). The ECPs will be cleared through the securities settlement system (the "NBB-SSS") operated by the National Bank of Belgium (the "NBB") or any successor.
- The ECPs, being dematerialised, are not represented by any bearer document or register entry but by book entries in securities accounts maintained with the NBB-SSS itself or with participants or sub-participants in such system approved by the Belgian Minister of Finance for the purposes of maintaining such securities accounts. Such participants include Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").
- Currencies:** The ECPs may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and the rules and regulations of the NBB-SSS. The NBB-SSS exclusively clears securities denominated in any currency for which the European Central Bank daily publishes Euro foreign exchange reference rates. The general terms and conditions of the ECPs contain provisions allowing the Kingdom to, in certain circumstances, satisfy payments of ECPs denominated in Renminbi in U.S. dollars.
- Maturity:** The tenor of the ECPs shall be not less than one day or more than 364 days (or 365 days in a leap year) from and including the date of issue, subject to compliance with any applicable legal and regulatory requirements.
- Minimum Denomination:** Minimum denomination of EUR 250,000 or such other denomination as may be required by any applicable law or regulation. The minimum denomination of ECPs denominated in other currencies than euro will have an equivalent value of EUR 250,000 (and, in the case of ECPs denominated in GBP, will be (in addition) at least GBP 100,000)), and will otherwise be in accordance with any applicable legal and regulatory requirements. The Kingdom may require a higher minimum amount and multiples of a given amount.

<b><i>Yield basis:</i></b>	The ECPs will be issued on a discount-basis. The issue price will be calculated on the basis of the formula set out in the section "Issue and Settlement".
<b><i>Redemption</i></b>	The ECPs will be redeemed at their principal amount.
<b><i>Status</i></b>	The ECPs constitute direct, unconditional and general obligations of the Kingdom, ranking pari passu with all present and future indebtedness of the Kingdom.
<b><i>Gross-up</i></b>	None.
<b><i>Negative pledge</i></b>	None.
<b><i>Cross-default</i></b>	None.
<b><i>Clearing Systems:</i></b>	The Securities Settlement System operated by the National Bank of Belgium, called "NBB-SSS". Delivery is also possible through participants or sub-participants in the NBB-SSS, including Euroclear and Clearstream, Luxembourg
<b><i>Listing:</i></b>	It is not anticipated that the ECPs will be listed on any stock exchange.
<b><i>Taxation:</i></b>	Provided that ECPs are held by eligible investors (entities referred to in Art.4 of the Royal Decree of 26 May 1994) in an exempt securities account with the NBB-SSS or one of its participants, all payments by or on behalf of the Kingdom in respect of the ECPs will be made without deduction or withholding taxes. (See also the "Taxation" in the Information Memorandum)
<b><i>Selling Restrictions:</i></b>	The offering and sale of the ECPs is subject to all applicable selling restrictions including, without limitation, the United States of America, United Kingdom, Japan, China, Hong Kong, Taiwan, Singapore and Germany.
<b><i>Governing Law:</i></b>	Belgian Law.

## GENERAL TERMS AND CONDITIONS OF THE ECPS

The following is the text of the terms and conditions which, as supplemented or amended by the relevant Security Information Form delivered to the NBB-SSS by the Kingdom prior to each issue of ECPS, shall govern the ECPS.

Purchasers of Renminbi denominated ECPS should note that the Renminbi is currently not a freely convertible currency. All payments in respect of Renminbi denominated ECPS will be made solely by transfer to a Renminbi bank account maintained outside of the PRC (as defined below) in accordance with prevailing rules and regulations. The Kingdom cannot be required to make payment by any other means (including in another currency or by bank transfer to a bank account in the PRC), but the Kingdom may do so at its option in certain circumstances. In addition, there can be no assurance that access to Renminbi funds for the purposes of making payments on Renminbi denominated ECPS or generally may not remain or become restricted. For these purposes the "PRC" means the People's Republic of China (excluding Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), the Macau Special Administrative Region of the People's Republic of China and Taiwan).

The Kingdom of Belgium (the "**Kingdom**") will issue notes (the "**ECPS**") under a Commercial Paper Programme (the "**Programme**") for the issuance of ECPS. The National Bank of Belgium (the "**NBB**") acts as issuing and paying agent (the "**Issuing and Paying Agent**") in respect of the ECPS.

The ECPS will be issued in dematerialised form under the treasury note regime set out by the law of 22 July 1991 on treasury notes and certificates of deposit (*loi relative aux billets de trésorerie et aux certificats de dépôt / wet betreffende de thesauriebewijzen en depositobewijzen*) and the royal decree of 14 October 1991 on the same subject, both as amended from time to time and the ministerial decree of 6 July 1998 (the "**Ministerial Decree**") (as amended), and will not be exchangeable for bearer or registered notes. The dematerialised form of the ECPS is governed by the law of 2 January 1991 *relative au marché des titres de la dette publique et aux instruments de la politique monétaire/betreffende de markt van de effecten van de overheidsschuld en het monetair beleidsinstrumentarium*. The ECPS will be cleared through the securities settlement system (the "**NBB-SSS**") operated by the National Bank of Belgium or any successor. The characteristics of ECPS are established by the Ministerial Decree. This Information Memorandum is the "*note d'information/informatienota*" referred to in the Ministerial Decree.

Before the issuance of any ECPS the Kingdom will, or procures that the relevant dealer shall, issue a trade confirmation to the Dealer (or to the Kingdom, as the case may be) specifying the following:

Series No: \_\_\_\_\_ Issue Date: \_\_\_\_\_  
Currency: \_\_\_\_\_ Denomination: \_\_\_\_\_  
Maturity Date: \_\_\_\_\_ Principal Amount: \_\_\_\_\_  
Issue Price: \_\_\_\_\_  
Common Code: \_\_\_\_\_ ISIN: \_\_\_\_\_

The ECPS are accepted for clearance through the NBB-SSS, and are accordingly subject to the rules and regulations of the NBB-SSS.

### 1. COVENANT TO PAY

- 1.1 For value received, the Kingdom will pay for each ECP on the Maturity Date the principal amount of such ECP through the Issuing and Paying Agent.

## 2. PAYMENTS

- 2.1 Payments of principal under the ECPs shall be made in the currency in which such payment is due (without prejudice to paragraph 2.4 below in respect of ECPs denominated in Renminbi) through the NBB-SSS, in respect of any ECPs issued in Euro, or through the Issuing and Paying Agent, Euroclear and/or Clearstream, Luxembourg in respect of any ECPs issued in any currency other than a Euro and in each case in accordance with the rules thereof.
- 2.2 All payments in respect of the ECPs are subject to any applicable fiscal or other laws and regulations.
- 2.3 If the Maturity Date is not a Payment Business Day (as defined below) payment in respect of the ECPs will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day and the holders of ECPs shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in these Conditions:

**"Payment Business Day"** means any day other than a Saturday or Sunday which is either (i) if the above-mentioned Currency is any currency other than Euro, a day on which (a) TARGET2 is open, (i) the NBB-SSS is open for general business and (c) commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Currency (which, if the Renminbi, shall be Hong Kong or (ii) if the aforementioned Currency is Euro, a day on which (a) TARGET2 is open and (b) the NBB-SSS is open;

**"TARGET2"** means the Trans-European Automated Real-time Gross Settlement Express Transfer System, which utilises a single shared platform, or any successor thereto.

- 2.4 This paragraph 2.4 applies to ECPs denominated in Renminbi. Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Kingdom is not able to satisfy payments in respect of ECPs denominated in Renminbi when due in Renminbi, the Kingdom may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi amount. Upon the determination that a condition of Inconvertibility, Non-transferability or Illiquidity prevails, the Kingdom shall promptly notify the Issuing and Paying Agent and the Holders thereof of such determination. Any payment made in the U.S. Dollar Equivalent of a Renminbi amount under this Condition 2.4 will constitute valid payment, and will not constitute a default in respect of the ECPs denominated in Renminbi.

For the purposes of these Conditions, **"U.S. Dollar Equivalent"** of a Renminbi amount means the relevant Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date as determined by the Issuing and Paying Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date.

For this purpose:

- (i) **"Governmental Authority"** means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong or the PRC;
- (ii) **"Illiquidity"** means the general Renminbi exchange market in Hong Kong becomes illiquid, other than as a result of an event of Inconvertibility or Non-transferability, as determined by the Kingdom in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers, as a result of which the Kingdom cannot, having used its reasonable endeavours, obtain sufficient Renminbi in order fully to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the ECPs denominated in Renminbi;
- (iii) **"Inconvertibility"** means that the Kingdom determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable



endeavours, impracticable, for it to convert any amount due in respect of ECPs denominated in Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility or impracticability is due solely to the failure of the Kingdom to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the relevant ECPs denominated in Renminbi and it is impossible or, having used its reasonable endeavours, impracticable for the Kingdom, due to an event beyond its control, to comply with such law, rule or regulation);

- (iv) "**Non-transferability**" means that the Kingdom determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable endeavours, impracticable, for it to deliver Renminbi (i) between accounts inside Hong Kong or (ii) from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility or impracticability is due solely to the failure of the Kingdom to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the issue date of the relevant ECPs denominated in Renminbi and it is impossible or, having used its reasonable endeavours, impracticable for the Kingdom due to an event beyond its control, to comply with such law, rule or regulation);
- (v) "**PRC**" means the People's Republic of China;
- (vi) "**Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, Beijing and New York City;
- (vii) "**Rate Calculation Date**" means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Conditions;
- (viii) "**Renminbi**" or "**CNY**" means the official currency of the People's Republic of China;
- (ix) "**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong; and
- (x) "**Spot Rate**" means, for a Rate Calculation Date, the spot USD/CNY exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the Issuing and Paying Agent at or around 11.00 a.m. (Hong Kong time) on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Issuing and Paying Agent will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available USD/CNY official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this 2.4 by the Issuing and Paying Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Kingdom and the holders of any ECPs.

### 3. STATUS

The ECPs will constitute direct, unconditional and general obligations of the Kingdom, ranking pari passu with all present and future indebtedness of the Kingdom.

**4. TAXATION**

All payments of principal and interest in respect of the ECPs by the Kingdom shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the holders of ECPs will not be entitled to receive grossed-up amounts to compensate for such withholding or deduction, nor be reimbursed for the amount of any shortfall.

**5. NOTICES**

Any notice made by the Kingdom to the holders of any ECPs shall be validly made if delivered to the NBB for communication by the NBB to the participants in the NBB-SSS.

**6. GOVERNING LAW AND JURISDICTION**

The ECPs and any non-contractual obligations arising out of or in connection with them shall be governed by Belgian law. The courts of Brussels have exclusive jurisdiction for the purposes of hearing and determining any suit, action or proceedings or settling any disputes arising out of or in connection with the ECPs (including a dispute relating to the existence, validity or termination of the ECPs or any non-contractual obligation arising out of or in connection with them).

## ISSUE AND SETTLEMENT

### *Legal framework*

The ECPs issued by the Kingdom are issued pursuant to the Belgian law of 22 July 1991 as amended and the Belgian Royal Decree of 14 October 1991 as amended relating to *billets de trésorie et certificats de dépôt/thesauriebewijzen en depositobewijzen*, and further in accordance with a Decree of the Minister of Finance of the Kingdom of Belgium dated 6 July 1998 (as amended) (the "**Ministerial Decree**") (as amended) which sets out the maximum tenor of the ECPs as being not less than one day or more than 364 days (or 365 days in a leap year) from and including the date of issue.

The dematerialised form of the ECPs is governed by the law of 2 January 1991 *relative au marché des titres de la dette publique et aux instruments de la politique monétaire/betreffende de markt van de effecten van de overheidsschuld en het monetair beleidsinstrumentarium*. The characteristics of ECPs are established by the Ministerial Decree. This Information Memorandum is the "*note d'information/informatienota*" referred to in the Ministerial Decree.

The ECPs generally follow ICMA's ECP Conventions, provided that due to the Belgian legal regime applicable to ECPs the minimum denomination is EUR 250,000 or such other denomination as may be required by any applicable law or regulation. The minimum denomination of ECPs denominated in currencies other than euro will have an equivalent value of EUR 250,000 (and, in the case of ECPs denominated in GBP, will be (in addition) at least GBP 100,000), and will otherwise be in accordance with any applicable legal and regulatory requirements. The Kingdom may require a higher minimum amount and multiples of a given amount. Please refer to the section "General Terms and Conditions of the ECPs" for the general terms and conditions of the ECPs.

### *Description*

ECPs, formerly known as Belgian Treasury Bills (BTB's) are short-term dematerialised notes which represent indebtedness of the Kingdom. Their legal and fiscal status is broadly comparable with the status of the Kingdom's domestic Treasury Certificates which are denominated in Euro and have been auctioned in the Belgian domestic market since 1991.

ECPs differ from domestic Treasury Certificates in the following main ways:

- besides Euro, ECPs can be denominated in any lawful currency for which the European Central Bank daily publishes Euro foreign exchange reference rates;
- it is expected that ECPs denominated in Euro will in general be issued by issuance methods other than competitive bidding process (although this procedure may be used from time to time by the Kingdom); and
- it is expected that ECPs will offer a high degree of maturity flexibility (without prejudice to the tenor of the ECPs being no longer than 364 days (or 365 days in a leap year) from and including the date of issue.

ECPs may be issued either as a new series or to form a single series with an existing issue (or existing issues) of ECPs.

### *Purchase*

The Kingdom has the right under Belgian law, subject to any conditions of sale agreed with the seller, to purchase or otherwise acquire ECPs and, at the option of the Kingdom, such ECPs may be held to maturity by the Kingdom or cancelled without notice or resold.

### *ISIN Code*

Each ECP will be identified by an ISIN code. Issues of ECPs denominated in the same currency and having the same maturity date may be given the same ISIN code and treated by the Kingdom as forming a single issue of ECPs.

## ***Issuance and Settlement Arrangements***

### *General Issuance Procedures*

In general, the procedures for issuance, delivery and settlement of ECPs shall be determined by agreement between the Kingdom and the relevant Dealer or purchaser.

### *Issue price*

ECPs will be issued on a discount basis, for which the yield will be the interest rate agreed on the trade date. The issue price paid by the subscriber on the issue shall be calculated as follows:

$$IP = \frac{FV}{1 + \left( \frac{D \times Y}{C} \right)}$$

where:

- IP** = issue price of the ECP
- FV** = Principal amount of the ECP to be redeemed on the maturity date
- Y** = yield of the ECP expressed as an annual interest rate divided by 100.
- D** = the actual number of days in the period from and including the issue date to, but excluding, the maturity date.
- C** = 360 or 365, following market practices for the relevant currency.

The Kingdom has the right without notification to annul any ECPs issued if the issue price is not received by the Kingdom at the specified time for payment.

### *Clearing and settlement of the ECP's in euro*

The ECP's will be created, cleared and settled in the NBB-SSS.

Settlement will take place on a "delivery versus payment" basis in accordance with the rules and regulations of the NBB-SSS. As from the migration of NBB-SSS in Target2-Securities "T2S" (foreseen in March 2016), clearing and settlement will be in accordance with the operational procedures available in T2S. In general ECPs are settled on a T+2 basis.

The ECPs will be created in the account of the Kingdom with the NBB-SSS on the issue date and will be transferred on the same day from the Kingdom's account with the NBB-SSS to the account of the Dealer with the NBB-SSS on a "delivery versus payment" basis (i.e. against payment by the Dealer of the subscription funds into the account of the Kingdom with the NBB-SSS). The ECPs created in the NBB-SSS may be delivered on the issue date to an account with Euroclear or Clearstream in accordance with the Euroclear or Clearstream, Luxembourg procedures applicable at the time of issue.

### *Clearing and settlement of the ECP's in foreign currencies*

The ECPs will be created in the account of the Kingdom with the NBB-SSS on the issue date and will be transferred on the same day, free of payment, to the Euroclear account with the NBB-SSS. Following this transfer, Euroclear will credit the ECPs to the account held by the Kingdom with Euroclear. The ECPs will be transferred from the Kingdom's account at Euroclear to the account held by the Dealer with Euroclear or Clearstream, Luxembourg in accordance with the Euroclear procedures applicable at the time of issue, on a "delivery versus payment" basis (i.e. against payment by the Dealer in Euroclear or Clearstream, Luxembourg of the subscription funds into the account of the Kingdom at Euroclear).

The clearing and settlement procedure described for the issue of notes denominated in foreign currencies can be used for the issue of notes denominated in euro as far as the counterparty has requested it expressly.

## TAXATION

### *Belgian taxation*

All payments by or on behalf of the Kingdom in respect of the ECPs will be made without deduction or withholding for or on account of any present or future taxes, duties, fees, assessment or other charges of whatsoever nature levied or imposed by or on behalf of the Kingdom or any subdivision or taxing authority thereof or therein, provided that ECPs are held by certain eligible investors (the "**Eligible Investors**") in an exempt securities account (an "**Exempt Account**") with the NBB-SSS or with a Participant. For ECPs that are held otherwise than on an Exempt Account, withholding tax will be applicable to the ECPs.

Eligible Investors are those entities referred to in Article 4 of the Royal Decree of 26 May 1994 which include, among others

- (i) all investors who are not residents of the Kingdom for Belgian tax purposes (provided in the case of non-resident collective investment schemes which are not separate legal entities that their units have not been and are not sold publicly – and are not commercialised - in the Kingdom and provided in the case of non-resident investors who are individuals or non-profit organisations that they are not holding the ECPs through a Belgian establishment within the meaning of Article 229 of the *Code des Impôts sur les revenus 1992/Wetboek Inkomstenbelastingen 1992* ("**Belgian income tax code 1992**") and are not holding the ECPs for the purpose of a professional activity in the Kingdom as defined in Article 105, paragraph 5 of the *Arrêté Royal d'exécution du Code des Impôts sur les revenus 1992/Koninklijk Besluit houdende de uitvoering van het Wetboek Inkomstenbelastingen 1992* ("**Belgian income tax Royal Decree**") and
- (ii) all Belgian resident corporate investors validly formed as separate legal entities and subject to corporate income tax.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or certain non-profit making organisations.

Upon opening of an Exempt Account with the NBB-SSS or with a Participant, an Eligible Investor is required to provide a statement of its eligible status in a form approved by the Minister of Finance. There are no ongoing reporting requirements for Eligible Investors. However, Participants are required to make annual reports to the NBB-SSS as to the eligible status of each investor for whom they hold ECPs in an Exempt Account.

However, such documentary requirements do not apply to ECPs held by Eligible Investors in a securities account with Euroclear, Clearstream Luxembourg or with any Intermediary which is a Participant in Euroclear or Clearstream Luxembourg and is not established in the Kingdom, provided that these institutions administer only Exempt Accounts and are able to identify the holders of such accounts.

### *Transfer Tax*

The acquisition or disposal of dematerialised ECPs is not subject to any Belgian stamp, value added or other transfer tax.

## SELLING RESTRICTIONS

### 1. **General**

Each Dealer has represented, warranted and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver ECPs; and it will not directly or indirectly offer, sell, resell, reoffer or deliver ECPs or distribute this Information Memorandum or any other circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

### 2. **United States of America**

The ECPs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any other jurisdiction, and may not be offered or sold within the United States except in accordance with Regulation S. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered or sold, and will not offer or sell, any ECPs constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that neither it, nor any of its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any ECPs. Terms used in this paragraph have the meanings given to them by Regulation S

### 3. **United Kingdom**

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a)
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any ECPs other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the ECPs would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Kingdom;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any ECPs in circumstances in which section 21(1) of the FSMA does not apply to the Kingdom; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such ECPs in, from or otherwise involving the United Kingdom.

### 4. **Japan**

The ECPs have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; (the "**FIEA**"). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any ECPs in Japan or to, or for the account or benefit of, any resident

of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

5. **The Federal Republic of Germany**

Each Dealer has represented and agreed that it will only offer ECPs in the Federal Republic of Germany in compliance with the provisions of the German Investment Act ("**Vermögensanlagegesetz**") of 6 December 2011, as amended, or any other laws applicable in the Federal Republic of Germany governing the offer and sale of the ECPs in the Federal Republic of Germany.

6. **China**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the ECPs in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "**PRC**") as part of the initial distribution of the ECPs.

This Information Memorandum, the ECPs and any material or information contained or incorporated by reference herein in relation to the ECPs have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be distributed to the public in the PRC or used in connection with any offer for the subscription or sale of the ECPs in the PRC. Neither this Information Memorandum nor any material or information contained or incorporated by reference herein in relation to the ECPs constitutes an offer to sell or the solicitation of an offer to buy any ECP in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The Kingdom does not represent that this Information Memorandum or information contained or incorporated by reference herein in relation to the ECPs may be lawfully distributed, or that any ECPs may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption (if available) thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Kingdom which would permit a public offering of any ECPs or use of this document in connection with any offer for the subscription or sale of the ECPs in the PRC. Accordingly, the ECPs are not being offered or sold within the PRC by means of this Information Memorandum or any other document in relation to the ECPs. Neither this Information Memorandum nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

The ECPs may only be invested by or sold to PRC investors that are authorised to engage in the investment in the ECPs of the type being offered or sold. PRC investors are responsible for obtaining all relevant government regulatory approvals/licences, verification and/or registrations themselves, including, but not limited to, any which may be required from the State Administration of Foreign Exchange, CSRC, the China Banking Regulatory Commission, the China Insurance Regulatory Commission and other relevant regulatory authorities, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or foreign investment regulations.

7. **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the ECPs,

which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ECPs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made under that Ordinance.

8. **Taiwan**

The ECPs, may be made available (i) to Taiwan resident investors outside Taiwan for purchase by such investors outside Taiwan; (ii) to the Offshore Banking Units (as defined in the R.O.C Statute for Offshore Banking Operations) of Taiwan banks, the Offshore Securities Units (as defined in the R.O.C Statute for Offshore Banking Operations) of Taiwan securities firms or the Offshore Insurance Units (as defined in the R.O.C Statute for Offshore Banking Operations) of Taiwan insurance companies purchasing the ECPs either for their proprietary account or for the accounts of their non-Taiwan clients; and/or (iii) to investors in Taiwan through licensed financial institutions to the extent permitted under relevant Taiwan laws and regulations, but may not otherwise be offered, sold or resold in Taiwan, unless otherwise permitted by Taiwan laws and regulations.

9. **Singapore**

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ECPs to be issued from time to time by the Kingdom may not be circulated or distributed, nor may the ECPs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ECPs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the ECPs pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.



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