

Kingdom of Belgium
Belgian Debt Agency
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**Procedure Manual regarding
the issuance of**

linear bonds (OLOs)

**through the method of an
Optional Reverse Inquiry
facility**

PROCEDURE MANUAL REGARDING THE ISSUANCE OF LINEAR BONDS (OLOs) through the method of an Optional Reverse Inquiry Facility

The current procedure manual applies to linear bonds, the issuance of which is governed by the Royal Decree of October 16th, 1997 as amended, and by the Ministerial Decree of December 12th, 2000 as amended.

This procedure has to be read together with the procedure manual regarding the issuance of linear bonds.

The right to acquire ordinary non-competitive subscriptions or special non-competitive subscriptions after a competitive auction of OLOs **does not apply** to auctions in the light of the ORI facility.

Furthermore, **amounts auctioned in the ORI facility are excluded** for the calculations of primary market shares.

The specific elements of an issue of OLOs through the "Optional Reverse Inquiry" are explained hereafter.

Terminology

BAS: Bloomberg Auction System
BDA : Belgian Debt Agency
ORI: Optional Reverse Inquiry

Definition of an ORI Facility

An ORI facility is an auction organised at the BDA's decision upon demand of one or more primary dealers to issue specific OLOs for a limited amount.

In an ORI auction the number of lines is limited to two fixed rate OLOs and the amount to issue to EUR 500 million.

Who is entitled to submit bids at the ORI Auctions

Only Primary dealers are entitled to submit competitive bids at the ORI auctions.

Calendar

In principle, ORI auctions take place on the second Friday of every month in which no OLO auction is scheduled.

Before January 1st of each year, an indicative calendar of the ORI auctions is published on the website of the BDA : <http://www.debtagency.be>

For each ORI auction this calendar gives the following information:

- the date of the ORI auction;
- the value date for settlement and delivery of the allocated OLOs .

Invitation to bid

Primary dealers may inform the BDA by telephone, e-mail or chat up to 3 PM (CET) in principle on the Thursday preceding the scheduled ORI auction, of their demand for one or more fixed-rate OLOs.

After 5:00 PM (CET) the BDA will announce whether or not the ORI auction will take place. If it does, the invitation to bid will be published on the pages of the BDA on Bloomberg (BEDA – OLO Optional Reverse Inquiry - Results) and Refinitiv (BELG/ORI)

The invitation mentions :

- the date of the auction;
- the value date for settlement and delivery of the allocated OLOs
- the specifications of the OLOs to be issued (maximum 2 OLOs);
- the ISIN codes of the OLO lines which will be issued;
- the range of the nominal amount to be auctioned, all lines together;
- the current outstandings of the OLO lines which will be issued.

In addition, a personal announcement message is sent to each primary dealer via BAS.

Auction

The ORI auction proceeds in the same way as for the auction of OLOs as described in the procedure manual regarding the issuance of OLOs.

Publication of the results

The results of the ORI auction are normally published a few minutes after cut-off time of the auction :

- via BAS, global results and individual results for each bidder;
- and thereafter, via the pages of the BDA on Bloomberg (BEDA – OLO Optional Reverse Inquiry - Results) and Refinitiv (BELG/ORI) on which the following data are published :
 - the total amount of valid bids;
 - the proposed minimum and maximum prices;
 - the stop price;
 - the total amount allocated and the number of successful bidders;
 - the allocated percentage at stop price;
 - the weighted average price and the weighted average yield of the ORI auction;

Non-competitive subscriptions

Non-competitive subscriptions are excluded for ORI auctions.

Contactpersons

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