

**ESTABLISHING THE TERMS AND CONDITIONS FOR THE
ISSUE AND REDEMPTION OF TREASURY BONDS**

The President of the Republic,

On the recommendation of the Minister of Finance,

Having regard to Law No. 67-53 of December 8, 1967, on the organic law on the budget, as amended and supplemented by subsequent texts, in particular Organic Law No. 2004-42 of May 13, 2004,

Having regard to the Public Accounting Code promulgated by Law No. 73-81 of December 31, 1973, as amended and supplemented by subsequent texts, in particular Law No. 2005-106 of December 19, 2005, relating to the 2006 Finance Act, and in particular Article 65 thereof,

Having regard to Law No. 94-117 of November 14, 1994, on the reorganization of the financial market, as amended and supplemented by Law No. 2005-96 of October 18, 2005, on strengthening the security of financial relations,

Having regard to Decree No. 75-316 of May 30, 1975, establishing the powers of the Ministry of Finance,

Having regard to Decree No. 97-2462 of December 22, 1997, establishing the terms and conditions for the issuance and redemption of assimilated treasury bills, as amended and supplemented by Decree No. 99-1781 of August 9, 1999, and Decree No. 2000-1891 of August 24, 2000,

Having regard to Decree No. 99-1782 of August 9, 1999, establishing the terms and conditions for the issuance and redemption of short-term treasury bills,

Having regard to the opinion of the administrative court.

Decrees:

Article 1

The State issues assimilated bonds known as short-term treasury bonds, assimilated treasury bonds, and zero-coupon treasury bonds. Assimilation consists of linking a new issue to a previously issued treasury bond of the same category.

Article 2

Treasury Bonds are redeemed in a single payment at maturity. The maturity date and the terms and conditions of the bonds are set at the time of issue.

Article 3

Treasury bonds are admitted to trading on the Tunisian Interprofessional Securities Clearing and Depository Corporation. Treasury bonds with a maturity of more than one year may be traded on the Tunis Stock Exchange.

Article 4

Treasury bills are issued by auction reserved for Treasury securities specialists, hereinafter referred to as "SVTs," who have signed a set of specifications established and issued by decision of the Minister of Finance.

The said specifications set out the terms and conditions for the issuance and redemption of Treasury bills, either on their own behalf or on behalf of their clients.

The role of SVTs is to participate in Treasury bill auctions and to guarantee their negotiability and liquidity, in accordance with the above-mentioned specifications.

Regulation of treasury bills - regulation of treasury bills - regulation of treasury bills

SVTs are selected from among banks, stockbrokers, legal entities, and financial institutions that are members of the Tunisian Interprofessional Society for Clearing and Depository of Securities, which have an account with the Central Bank of Tunisia and meet the above-mentioned specifications.

Article 5

SVTs may submit non-competitive bids. The specifications set the percentage of non-competitive bids of the amount awarded and the conditions for benefiting from these bids.

Article 6

The amounts subscribed for Treasury bills shall be paid to the General Treasury of Tunisia.

Article 7

The Ministry of Finance shall publish a half-yearly issuance schedule providing an estimate of the total volume of issuances. This schedule shall be updated as necessary. Prior to each auction, the Ministry of Finance shall announce an estimate of the total volume it intends to issue and specify the lines on which the issuances may be based.

Article 8

The Treasury may carry out exchange and early redemption operations for Treasury bills by auction.

Article 9

The provisions of Decree No. 97-2462 of December 22, 1997, setting the terms and conditions for the issuance and redemption of assimilated treasury bills, as amended and supplemented by subsequent texts, in particular Decree No. 2000-1891 of August 24, 2000, and the provisions of Decree No. 99-1782 of August 9, 1999, setting the terms and conditions for the issuance and redemption of short-term treasury bills.

Article 10

The Minister of Finance is responsible for the implementation of this decree, which shall be published in the Official Journal of the Republic of Tunisia.

Tunis, April 24, 2006

Zine El Abidine Ben Ali.