

The announcement of the Minister of Finance on the interest rate of Treasury securities with a floating interest rate

Pursuant to Article 95(1) of the Public Finance Act of 27 August 2009, a State Treasury security is a type of security where the State Treasury declares to be a debtor of the owner of such a security and undertakes to provide a specific benefit to such owner, which may be either pecuniary or non-pecuniary.

According to the above-mentioned definition of a State Treasury security, the issuer, i.e., the State Treasury, is not entitled to any claims against the owner (holder) of such State Treasury security for the provision of any benefits to the issuer, including interest, as a periodic accessory benefit from the nominal value of the relevant State Treasury security.

Regulations do not provide for any benefits to the issuer from the owner (holder) of a State Treasury security, including interest, as a periodic accessory benefit from the nominal value of the relevant State Treasury security.

Thus, if the interest rate on a State Treasury security with a floating interest rate reaches a negative value, the owner (holder) of the State Treasury security will not be obliged to pay benefits to the issuer in respect of the negative interest rate.

At the same time, if the interest rate on a State Treasury security with a floating rate reaches a negative value, the owner (holder) of the State Treasury security will not have any claims against the issuer relating to the payment of interest during the relevant interest period.

Minister of Finance

Tadeusz Kościński