

Independent Reference Prices Review

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PRESS NOTICE

REQUEST FOR PROPOSALS FOR SUCCESSOR ARRANGEMENTS TO END OF DAY GILT AND TREASURY BILL REFERENCE PRICES

The Independent Reference Prices Review ('the Review') was commissioned by the government to facilitate the transition of the present administration of end-of-day Gilt-edged Market Makers Association ('GEMMA') and Treasury bill reference prices from the UK Debt Management Office ('the DMO') to suitable successor arrangements in a transparent and orderly fashion.

The Review has today published a request for proposals for successor arrangements. Potential providers will have until 5 August 2016 to submit their proposals to the Review for evaluation. The Review intends to finalise its recommendations in September 2016.

The request for proposals document is available on the [Price Provision](#) page on the DMO website: www.dmo.gov.uk.

NOTES TO EDITORS

The DMO announced on 21 January 2015 its strategic intention to withdraw in due course from the provision of daily end of day GEMMA and Treasury bill reference prices.

The DMO engaged with market participants to explore the requirements for gilt and Treasury bill prices, to build stakeholder consensus around the conditions for the DMO ceasing to provide reference prices, and to help stakeholders to identify potential alternative ways that requirements can be met.

On 31 July 2015 the DMO announced that an individual would be appointed to head an independent review of price provision by the DMO and to provide recommendations to Ministers on any successor arrangements. It was announced on 8 January 2016 that Professor David Miles CBE had been appointed to lead the Review. The Review conducted a public consultation to inform its approach to the request for proposals. The consultation started on 19 May 2016 and closed on 19 June 2016.

Professor David Miles CBE was a member of the Bank of England's Monetary Policy Committee from June 2009 to August 2015. He is a Professor at Imperial College London, where he was formerly head of the Financial Economics department. He is also a council member of the Royal Economic Society and a research fellow of the Centre for Economic Policy Research. Professor Miles was Chief UK Economist at Morgan Stanley from October 2004 to May 2009 and has acted as a specialist economic advisor to the Treasury Select Committee. He is also a former editor of "Fiscal Studies".

The DMO currently formally publishes reference prices in all gilts on behalf of GEMMA. GEMMA reference prices were introduced in July 1996 and were published by the Bank of England until April 1998, when the responsibility transferred to the DMO. The DMO currently requires all GEMMs to contribute closing reference prices in all liquid gilts. Every evening the DMO uses these contributions to produce end of day reference prices and associated redemption yields for each gilt. It also derives and publishes prices for the less liquid gilts (including strips) on behalf of GEMMA.

The DMO has been publishing reference prices for Treasury bills since September 2003 and these are intended to provide indicative prices for the purpose of CREST valuation of collateral transfers. These prices are calculated by the DMO from prevailing General Collateral (GC) repo rates adjusted by a spread which reflects the results from recent Treasury bill tenders.

The gilt and Treasury bill reference prices, including those derived by the DMO, are published to the DMO's wire services pages, on the DMO's website, and transmitted directly to various stakeholders.

All announcements concerning the Review are available on the [Price Provision](#) section of the DMO website: www.dmo.gov.uk