

**September 2007**

### **GEMM E-BIDDING AUCTION PROCEDURES**

In the run-up to any gilt auction, conventional or index-linked, GEMMs are required to provide details of transactions over a minimum size<sup>1</sup> in the auction bond (or its parent), executed in the WI period, between the announcement of the final terms and conditions of each auction (usually on the Tuesday in the week preceding the auction date) and the evening preceding the auction itself. These details should be submitted by e-mail to the DMO's gilt dealers ([giltdealing@dmo.gsi.gov.uk](mailto:giltdealing@dmo.gsi.gov.uk)) by 8:00am on the morning of the auction, on the form provided.

The DMO requests these data in order that it may monitor whether any one or more institutions, GEMMs or investors, is/are building up a large position, long or short, which may significantly affect the outcome of the auction itself, and/or the orderliness of the grey or secondary market in that particular gilt or in the market as a whole. The DMO will treat all such submissions as 'highly confidential' and exempt from the provisions of the Freedom of Information Act 2000.

GEMMs are requested to reset their Bloomberg Auction System (BAS) bidding parameters on the morning of each auction. Non-competitive allowances will be visible to GEMMs, using the BAS, on the morning of the auction from 8:05am onwards. GEMMs are also advised to check connectivity to the system during the morning of an auction, advising the DMO at the earliest opportunity of any technical problems encountered.

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<sup>1</sup> £10million + (nominal) in conventional auctions and £5million + (nominal) in index-linked.

Please contact the DMO Gilt Dealers directly with any questions relating to this publication on 0845 357 6517 / 6511 / 6530 or alternatively via email to [giltdealing@dmo.gsi.gov.uk](mailto:giltdealing@dmo.gsi.gov.uk).