

## **ANNOUNCEMENT OF SPECIAL REPO FACILITY in 5% TREASURY GILT 2018 and 4 3/4 TREASURY STOCK 2020**

In the light of frequent recent triggers of the DMO's standing repo facility, and to help maintain the orderly functioning of the gilt market, the UK Debt Management Office (DMO) today announces the addition of 5% Treasury Gilt 2018 and 4 3/4% Treasury Stock 2020 to the list of gilts eligible for the Special Repo Facility introduced on 26 May 2009, to take effect immediately.

Gilt-Edged Market Makers (GEMMs) that have signed the relevant documentation with the DMO may request the creation of the designated stocks for repo purposes, on a weekly, rather than overnight, basis. At the same time, the Facility is being withdrawn for 1 1/4% I-L 2032, but retained for 5% 2014.

Eligible gilts will be made available for terms of one-week at a time, at a rate of 15 basis points (0.15%), and operations will normally involve a back-to-back, cash-neutral reverse repo of GC collateral at the prevailing Bank Rate.

The minimum amount of such a request will be GBP 5 million nominal. Normally there will be no maximum on the amount of gilts that may be created, although the total call on the Facility in one or more stocks by an individual GEMM may be limited at the DMO's discretion.

All such operations may, at the DMO's discretion, be subject to 'haircut' and margining arrangements.

More detailed terms and conditions of this Facility were published on the DMO website at <[www.dmo.gov.uk](http://www.dmo.gov.uk)> on 22 May 2009.

This Special Repo Facility will be kept under review by the DMO and may be withdrawn at the DMO's discretion. The DMO also reserves the right to add/withdraw gilts to/from this list at its discretion, but will announce any such changes.

The existing Standing Repo Facility remains available in all other eligible gilts.