TERMS AND CONDITIONS OF STANDING REPO FACILITY: 5 NOVEMBER 2026

The UK Debt Management Office (DMO) is today announcing changes to the Terms and Conditions of its overnight Standing Repo Facility (the "Facility"). This document provides the updated details of the Terms and Conditions under which the Standing Repo Facility will operate, and supersedes those set out in the most recently published Terms and Conditions document (dated 18 December 2025).

With immediate effect, repo trades conducted under this Facility will be executed at a rate of 3.25%, and the operation will normally also involve an overnight, back-to-back, cash-neutral reverse repo general collateral ("GC") trade executed at the Bank of England's Bank Rate (currently 4%). Other Terms and Conditions of the Facility are unchanged and are set out below. Further background on the Facility can be found on the DMO's website at: https://www.dmo.gov.uk/responsibilities/standing-repo/.

Eligible Gilts

The Facility is available in any conventional (including green) or index-linked gilt, with the exception of principal and coupon STRIPS.

Eligible counterparties

The Facility is available to any Gilt-edged Market Maker that has signed the relevant legal documentation with the DMO.

Maturity of repo

Repos under this Facility will be for maturities of one day at a time. The Facility may be rolled from day to day by counterparties, although the DMO does not anticipate accommodating a continuous roll for a period of more than two weeks.

Price

Repo trades conducted under this Facility will be executed at a rate of 3.25%, and the operation will normally also involve an overnight, back-to-back, cash-neutral reverse repo general collateral ("GC") trade executed at the Bank of England's Bank Rate (currently 4%), where the counterparty will post other acceptable conventional gilts as collateral.

Initial haircut

Repo trades conducted under this Facility will be subject to the application of a 5% 'haircut', which will be confirmed with the counterparty at the point of trade.

Source of Gilts

In making gilts available to the market under this Facility, the DMO may create gilts, on a temporary basis, from the National Loans Fund ("NLF"), or it may borrow gilts from the Bank of England's portfolio of holdings acquired under its Asset Purchase Facility ("APF").

Size limitations

The minimum amount of any request to borrow gilts under this Facility will be £5 million nominal. Normally, there will be no maximum on the amount of an individual request; however, the DMO reserves the right in certain circumstances to limit calls on the Facility at its discretion, including (among other things) by limiting the total call on the Facility in any stock(s) by an individual counterparty or in aggregate. Subject to bilateral agreement, larger individual trades may be booked in smaller sizes to facilitate delivery on return as there will be no scope to accept partial deliveries.

Timings

Requests to borrow or create gilts under this Facility must be made to DMO cash or gilt dealers between the hours of 12:30pm on the preceding business day and 11:30am on the business day of settlement (London times).

Other limitations

The Facility exists to support, but not substitute for, normal market activity. The DMO reserves the right to reject applications to borrow (or roll over a borrowing) where it judges that the counterparty has not taken adequate steps to cover its position in the market.

The DMO also reserves the right to reject an application where the stock requested is within three business days of entering its final ex-dividend period, and the DMO deems it a risk that the stock may not be returned before entering that period.

Announcements to the market

The DMO will announce on its wire services pages* and on its website the details (size and identity) of any gilts borrowed under this Facility, as soon as practicable after 11:30am on the day of the operation. The counterparty(ies) using the Facility shall remain anonymous, although the DMO reserves the right to share such information with other official regulatory bodies, including the Bank of England, where appropriate.

Returns

Gilts borrowed under this Facility should be returned in full to the DMO on the following business day. Fulfilment of their return delivery should be treated as of highest priority by the borrower. If any counterparty is unable or unlikely to meet this obligation, it may roll its original trade (or any part thereof if the original trade was booked in smaller sizes) for a further day at the Standing Repo rate (3.25%) by request not later than 11:30am on the day of return settlement, and subject to the other conditions and limitations outlined above.

Fails

Any counterparty failing to return gilts lent under the Facility, for whatever reason, will be required to execute a reverse repo GC trade at the Bank Rate, with the agreed ‘haircut’, in order to neutralise the effect of the fail on the DMO’s cash position. Where timing restrictions render this impossible (e.g. after the GC close in CREST) the DMO may request a delivery-by-value (“DBV”) substitute trade, which will also be subject to a ‘penalty haircut’ of 10%. Counterparties will not be

permitted to ‘roll’ the Facility as the result of a fail to the DMO and future access to the Facility may be restricted or suspended, at the discretion of the DMO.

Inclusion in gilt indices

Where gilts have been created temporarily under the Facility, providers of gilt indices may wish to consider such amounts ineligible for inclusion, temporary or otherwise, in the calculation of their gilt indices.

Future revisions

The DMO reserves the right to revise further the Terms and Conditions of this Facility at any time, including in the light of changes in prevailing interest rates, market conditions and/or market practices.

UK Debt Management Office
5 NOVEMBER 2026

* Relevant DMO wire services pages
Bloomberg – DMO8
Refinitiv - DMO/REPO01