

11/99

16 April 1999

## **PRESS NOTICE**

### **TRANSFER OF UK GOVERNMENT'S CASH MANAGEMENT- PROGRESS AND TIMING**

The United Kingdom Debt Management Office's ("DMO") preparation to take over cash management is proceeding broadly as set out in our Framework paper issued in December 1998<sup>1</sup>. That envisaged our possibly being fully operational by the end of the third quarter of 1999, although noted that there was still substantial work to be done.

Good progress has been made; the contracts for the IT system and its implementation have been let; the project delivery capability has been strengthened; new staff are being recruited; and internal procedures are being put in place. We now plan to issue an Operational Notice later in 1999.

As the project proceeds, we will be able to provide further details on the transfer timetable and are working with the Bank of England to review the preferred start date. One important issue here will be the need to avoid unnecessarily adding to the work being done by market participants towards the end of the calendar year as part of their final preparations for the millennium. We do not expect that substantial systems changes will be needed, but we shall be discussing this further with the Financial Services Authority and relevant representative associations. We should also be grateful for practitioners' views on this issue<sup>2</sup>.

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<sup>1</sup> "The Future of UK Government Cash Management - The New Framework" which is available on request from the DMO and also appears on the DMO website (<http://www.dmo.gov.uk>).

<sup>2</sup> Comments should be addressed to Mike Ness at the DMO.

