

LONG-TERM REPO OPERATIONS: MARKET NOTICE

This Market Notice sets out the terms that will apply to the Bank's scheduled long-term repo open market operations (OMOs) on 18 March and 15 April 2008. Other than as amended below, the terms of the Bank's Market Notice of 14 December 2007 will apply also to the operations on 18 March and 15 April.

SUBMISSION OF BIDS AT THE 3-MONTH MATURITY

Bids will be subject to a minimum bid rate. The minimum bid rate will be determined by the Bank, at its discretion, on the basis of the 3-month overnight index swap (OIS) rate prevailing shortly before the start of the operation. The minimum bid rate will be announced on the Bank's wire services pages. If the Bank observes bids submitted below the minimum bid rate, the Bank will require the relevant counterparty to amend or cancel those bids. If bids below the minimum bid rate are extant at the end of the operation, such bids will be cancelled by the Bank.

The maximum total size of a counterparty's bids, across all maturities offered in the long-term repo OMO, may not be greater than 20% of the total size, across all maturities, of the long-term repo OMO.

SETTLEMENT ARRANGEMENTS FOR 3-MONTH REPOS

Settlement of funds allocated at the 3-month maturity will be on a T+1 basis.

Counterparties must submit to the Bank a list of the specific securities they propose to deliver as collateral by the end of the week preceding the operation, so that the Bank can assess its eligibility. Counterparties are also encouraged to pre-position collateral with the Bank ahead of the operation.

With reference to Section 4.7.1 of the Operating Procedures, counterparties may not substitute securities held by the Bank as collateral in OMOs on the settlement date of the March and April long-term repo OMOs.

Bank of England

11 March 2008