

BANK OF ENGLAND MARKET NOTICE: EXTENDED-COLLATERAL LONG-TERM REPO OPERATIONS; DISCOUNT WINDOW FACILITY; US DOLLAR REPO OPERATIONS; SPECIAL LIQUIDITY SCHEME: SUMMARY OF CHANGES

The Bank is today publishing updated consolidated Market Notices for its extended-collateral long-term repo open market operations (OMOs); US dollar repo operations; and for the Discount Window Facility (DWF).

These confirm some minor changes to the collateral eligible in each of the facilities. As announced on 3 February, the Bank will accept as collateral in these facilities senior bank debt that is guaranteed under certain non-UK sovereign bank debt guarantee schemes. The debt must be due to mature prior to the expiry date of the relevant guarantee. The eligibility of sovereign-guaranteed bank debt schemes is reviewed at the Bank's discretion, in the light of requests from counterparties.

The Bank will also accept as collateral in these facilities bank debt guaranteed under the UK government's Credit Guarantee Scheme that is denominated in yen, providing it meets the other criteria, including settlement arrangements, specified in the relevant Market Notices.

The consolidated Market Notices for the extended-collateral long-term repo OMOs and for the US dollar repo operations also contain some minor amendments to settlement arrangements. In order to ensure timely payment of funds to participants, the deadline for delivery of securities in the wider collateral pool in long-term repo OMOs is being brought forward from 4pm to 3pm. And in both operations a deadline of 1.30pm is specified for settlement of margin securities.

Finally, the custody accounts used by the Bank to hold DTC issued securities in the United States have recently changed. This affects the delivery of relevant collateral in the extended-collateral long-term repo OMOs and US dollar repo operations, and also in the Discount Window Facility and the Special Liquidity Scheme. (The SLS closed for new drawings at end-January but the transactions remain outstanding, and therefore subject to substitutions and margin calls.)

The DTC participant number has changed from 0901 to 2359, to be followed by the new account number:

Facility	Old Account Number	New Account Number
Extended-collateral long-term repo OMOs	155496	155535
US dollar repo operations	155496	155535
Discount Window Facility	155520	155537
Special Liquidity Scheme	155514	155536

These accounts will continue to be operated on the Bank's behalf by the Bank of New York Mellon.

New confirmation templates are available on the Bank's website.

Bank of England
19 March 2009