

Statement on increase to APF gilt lending limits

- i** To further support gilt market functioning the Bank of England, working with the UK Debt Management Office (DMO), will from today increase the proportion of gilts held in the Asset Purchase Facility (APF) that are made available to the DMO to use in its market operations and for the DMO's Standing and Special Repo Facilities.



BANK OF ENGLAND

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The Bank routinely makes a proportion of the gilts purchased via the APF available to the DMO for on-lending to the market.¹ To ensure this supply of gilts remains sufficient to accommodate greater demand from the DMO or from market participants, the Bank will more than double the total percentage of the APF's gilt holdings available each day. When combined with the current ongoing expansion of gilt holdings this will mean the DMO can access in excess of £30 billion of the APF's gilt holdings for on-lending to the market. There will be no specific limit on particular stocks.

These gilts will continue to be available to the DMO to support its routine gilt repo operations as well its Standing Repo Facility and any relevant DMO Special Repo Facility in specific stocks as described in the DMO's GEMM guidebook² and Operational Notice.³

The purpose of this action is to mitigate operational frictions and ensure that gilt collateral absorbed by the APF continues to be available to support the DMO's normal channels. We will keep this arrangement under review and stand ready to take further actions as needed to support market functioning.

1 [Joint Bank-DMO statement on gilt lending.](#)

2 [GEMM Guidebook.](#)

3 [Official Operations in the Gilt Market: Operational Notice.](#)



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