



**BANK OF ENGLAND**

# News release

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**Press Office**

Threadneedle Street

London EC2R 8AH

T 020 7601 4411

F 020 7601 5460

press@bankofengland.co.uk

www.bankofengland.co.uk

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## **Asset Purchase Facility and Discount Window Facility**

The Bank welcomes the Government's decision to authorise the Bank to purchase a range of high quality private sector assets.

Commenting, the Governor of the Bank - Mervyn King - said:

"The Asset Purchase Facility will provide an important additional tool to improve financing conditions in the economy."

As previously announced, the window for swapping temporarily illiquid assets for Treasury Bills in the Special Liquidity Scheme will close on 30 January. The scheme will continue to provide liquidity support for a further three years from that point. In recognition of the continued stresses in financial markets, the Bank has decided to allow access to its Discount Window Facility - introduced in October 2008 - for 364 days on a payment of an additional 25 basis point fee relative to swaps entered under the normal 30-day window, which will continue to be available.

Further details are published in a Market Notice

<http://www.bankofengland.co.uk/markets/marketnotice090119.pdf>.