




Activation of the Contingent Term Repo Facility - Market Notice 24 March 2020

 The Bank of England is today announcing the activation of the Contingent Term Repo Facility (CTRF).



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CTRF operations will run on 26 March 2020 and 2 April 2020, in addition to the Bank's regular liquidity insurance facilities including the Indexed Long-Term Repo (ILTR) and Discount Window Facility (DWF).

The Bank will keep the operation of the CTRF under review. Further operations will be announced as required, based on demand and market feedback.

The size of the CTRF operations will be unlimited, and the price will be a fixed rate of Bank Rate plus 15bps.

The term will be 3 months.

This Facility forms part of the Sterling Monetary Framework (SMF). Other than as amended by this Market Notice, the Terms and Conditions and Operating Procedures for participation in the SMF will apply to transactions under this Facility.

Eligible institutions

Those institutions eligible to participate in the CTRF are banks and building societies that are signed up to the Bank's Discount Window Facility (DWF).

Bidding process

CTRF operations will take place at 10.00am. The closing time for bids will be 10.30am.

Bids should be submitted across the Bank's electronic tendering system, Btender. Participants without access to Btender should submit bids via telephone to the Bank's sterling money market desk via direct lines or on 020 3461 5000.

A maximum of 1 bid will be accepted from a single Participant. The Bank reserves the right to reject bids in its sole discretion and for any reason.

The minimum bid size will be £5 million, with increments of £1 million.

Allocation process

CTRF operations will be fixed price, full allotment, in unlimited size.

Participants bidding via Btender will be able to see the outcome of their bids in Btender. The Bank will telephone each Participant bidding via telephone after the auction to confirm their allocation.

Announcements

The result of each CTRF operation will be published on the Bank's wire services pages 30 minutes after the close of the auction, or as soon as practicable thereafter. The Bank will publish the total value of funds allotted.

Eligible collateral

Eligible collateral consists of the full range of SMF collateral – Levels A, B and C. The Bank reserves the right to reject any collateral offered for any reason at any time.

Participants must pre-position sufficient collateral with the Bank ahead of CTRF operations, and Level C collateral must be pre-positioned in advance if it is intended to be used in these operations.

Participants can bid up to the amount of excess pre-positioned collateral held with the Bank at the close of business the day before the CTRF operations.

Securities collateral must be delivered to the Bank by close of business the day before the operation, and all loan collateral must be encumbered. SMF Haircuts will apply to collateral.

Collateral checking

It is a Participant's responsibility to ensure that collateral securities comply with the Bank's eligibility criteria.

Lists of collateral securities to be checked for eligibility by the Bank ahead of pre-positioning should be submitted to the Bank at the following address: ✉ eligible.securities@bankofengland.co.uk.

Loan collateral must be pre-positioned in accordance with the SMF Operating Procedures.

Settlement arrangements

Settlement of CTRF auctions will take place on a T+1 basis.

Participants should ensure they have provided and updated their Standard Settlement Instructions before taking part in a CTRF operation.

To ensure collateral settlement participants should use the Bank's Standard Settlement Instructions (SSIs) and templates found on the [Settlement and collateral management webpage](#).



BANK OF ENGLAND