

Liquidity Facility in Euros (LiFE) – Market Notice

This Market Notice describes the operation of the Bank of England's Liquidity Facility in Euros (LiFE).

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2. An indicative schedule of weekly operations under the LiFE from 13 March 2019 is set out on the Funding schemes and lending in other currencies page. The Bank will continue to monitor market conditions carefully and keep its operations, including their frequency, under review.
3. The LiFE is subject to the terms of the Sterling Monetary Framework (“SMF”) Documentation as supplemented and amended by the [Supplementary Terms for the Liquidity Facility in Euros](#) [↗], also published by the Bank today, and by this Market Notice (together the “Liquidity Facility in Euros Terms”). Participants that enter bids in the operations will be deemed to have accepted the Liquidity Facility in Euros Terms and their SMF Admission Letters will be deemed to be amended to admit them into the LiFE.

Eligible institutions

4. LiFE operations are open to the following:
 - a. any Operational Standing Facilities Participant (except CCPs); and
 - b. any OMO Participant whose Group contains an Operational Standing Facilities Participant.

Eligible collateral

5. The full range of SMF collateral, comprising [Level A, B and C collateral sets](#), will be eligible for the LiFE.

Haircuts and margin arrangements

6. [Haircuts for Level A, B and C collateral sets](#) [↗] are as provided on the Bank’s website. Haircut add-ons will be applied to securities which are non-euro denominated to allow for currency volatility.
7. LiFE operations will be re-margined separately from other collateralised operations. Margin securities may consist of any securities that are eligible collateral. In accordance with the SMF Operating Procedures, Participants should seek to satisfy a call for additional Eligible Collateral within three hours of the call being made.

Concentration limits

8. Collateral concentration limits as set out in the SMF Operating Procedures apply to collateral delivered under LiFE operations. Collateral delivered for LiFE operations will be held in a 'Euro Repo' pool, with collateral concentration limits applied separately to those in the main pool.

Collateral checking

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

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

Delivery of collateral

11. Participants are encouraged to deliver collateral securities to the Bank ahead of the operation, into their main collateral pool. Loan collateral must be held in the Participant's Loan Pre-Positioning Pool, or the main collateral pool, before the day of the operation.

Auction structure

12. All LiFE operations will be unlimited fixed rate SMF Advances, as defined in the SMF Documentation.

Bidding arrangements



13. The Bank will conduct LiFE operations each Wednesday. Details of the day's operation, including the rate applicable for that day's operation, will be announced at 09:45 London time. Operations will take place at 10:00 London time. The closing time for bids will be 10:15 London time. The results will be announced at 10:45 London time or as soon as possible thereafter.

14. Participants with access to the Bank's electronic tendering system, Btender, should submit their bids via Btender, although the Bank may at its discretion also accept bids from these Participants by telephone to the Bank's sterling money market desk. Participants without access to Btender should submit their bids by telephone to the Bank's sterling money market desk.

15. Participants must state the total amount of funds for which they wish to apply. There will be no maximum bid size.

16. If Btender is unavailable for any reason, an announcement would be made on the Bank's wire services pages.
17. The minimum bid amount is €5 million and the minimum bid increment is €1 million.
18. Interest will be calculated on an Act/360 money market basis.

Settlement arrangements

19. Settlement of the first operation will take place on 14 March 2019 for maturity on 21 March 2019.
20. Settlement of the subsequent operations will typically take place on a T+1 basis.
21. Participants wishing to bid in an operation must supply the Bank with their SSIs for euro cash settlement as soon as possible, and in advance of the day of settlement. SSIs should be provided using the [Data Collection Form](#) . The Bank's [euro cash SSIs](#)  are also published on its website.
22. The Bank's collateral pooling arrangements will apply for this operation. Collateral for LiFE operations will be held in a separate 'Euro Repo' pool. The Euro Repo pool will be visible in the Collateral Management Portal.
23. The Bank will not advance funds until it has confirmed the eligibility of the collateral received. Participants may deliver securities routinely eligible in the Bank's Level A, B or C collateral sets. Participants may substitute securities delivered with other eligible collateral subsequently.
24. Participants should ensure that securities to be delivered as collateral have settled by 11:00 London time on the day the operation settles.
25. Securities should be delivered in accordance with the SMF Operating Procedures.
26. The Bank reserves the right to reject any security offered for any reason at any time.
27. Participants may transfer collateral held in the main collateral pool into their Euro Repo pool as required, providing the main collateral pool is not left under-collateralised.
28. Collateral provided must have an adjusted market value that is at least equal to the amount of euro funds allocated, plus interest. Where necessary, valuations are converted to euros using the exchange rates published at 16:00 London time on the previous Business Day. The Bank reserves the right to use other rates at its discretion.
29. On the maturity date of transactions, euro funds should be delivered to the Bank by 11.00 London time. Subject to prior agreement with the Bank, Participants may combine payments to be

made or returned on the same day into a single transaction of a net amount.

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