

## **PRESS NOTICE**

### **INTRODUCTION OF AN APPROVED GROUP FOR PRIVATE INVESTORS AT GILT AUCTIONS FROM 18 AUGUST 2003**

The United Kingdom Debt Management Office ("the DMO") announces that the procedures whereby private investors subscribe for gilt auctions by completing application forms and submitting them either to the DMO or HM Treasury's designated Registrar (currently Bank of England Registrar's Department), will change with effect from 18 August 2003. The first auction to be affected by this change of procedure will be the one scheduled for Wednesday, 10 September 2003. For this and subsequent gilt auctions, only those private investors accepted into the DMO's Approved Group will be permitted to subscribe for stock at auctions in this way. This change has been introduced as part of a wider government and financial sector initiative to combat money laundering.

Private investors wishing to join the Approved Group will need to complete and return an application form which is available from the Registrar (01452 398100). Once accepted into the Approved Group, private investors will be sent copies of the full prospectus and a stock application form as each auction is announced. Application forms to join the Approved Group are being sent to those currently on the Registrar's mailing list. Application forms can also be obtained from the Registrar.

#### **NOTE TO EDITORS**

This change is being introduced as part of the Government's commitment to combating financial crime in all its forms and foreshadows the introduction of the Money Laundering Regulations 2003 due to be brought into force later this year.

The City of London is one of the world's largest and most international financial centres. Unfortunately, this means it can attract groups and individuals looking for opportunities to launder cash obtained from illegal and subversive activities into clean money which cannot be traced back to its original roots. One method by which this could be achieved is by creating false identities or assuming the names of innocent people in order to deceive financial institutions into conducting business on their behalf.

One way of reducing the potential for criminals to use this avenue is to institute stricter checks on people buying financial products and services and it has been common practice for banks and building societies to make thorough enquiries about their potential customers for some time. This is a requirement imposed on them by legislation. By clearly establishing their identity, individuals can help make it much harder for criminals to operate.

Whilst the process of applying to become a member of the Approved Group will involve people having to provide initial evidence of identity and address, the process is essentially the same as that involved in opening a new bank account. Once someone has been accepted as a member of the Approved Group they will automatically be sent copies of the full prospectus and an application form for each gilt auction as details are announced.

With effect from the auction on 10 September 2003, application forms and prospectuses for gilt auctions will no longer be published in the press. Instead, a formal notice will be published in the press that gives brief details of the issue. Copies of the full prospectuses will continue to be available on request from the addresses given below and on the DMO website, [www.dmo.gov.uk](http://www.dmo.gov.uk). Only applications made on the forms sent out by the Registrar to Approved Group members will be accepted.

UK Debt Management Office  
Eastcheap Court  
11 Philpot Lane  
London  
EC3M 8UD

Bank of England Registrar's Department  
New Issues  
Southgate House  
Southgate Street  
Gloucester GL1 1UW

This press notice will be appearing on the DMO's website at: [www.dmo.gov.uk](http://www.dmo.gov.uk).

